



## EXECUTIVE SUMMARY

**DATE ISSUED:** February 10, 2011 **REPORT NO:** HCR 11-027

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

**SUBJECT:** Terramar – Acquisition and Preliminary Bond Request  
Council District 1

**SUMMARY:** Chelsea Investment Corporation is requesting residual receipts loan up to \$2,099,900 for the acquisition and development of a 1.17 acre parcel of land and a preliminary bond request of \$4,600,000 for the development of a 21-unit affordable housing project known as Terramar, which is located at 13481 to 13483 Silver Ivy Lane in the Torrey Highlands neighborhood of northern San Diego.

**STAFF RECOMMENDATION:** San Diego Housing Commission (“Housing Commission”) Board recommends that the Housing Authority of the City of San Diego (“Housing Authority”) approve the following actions:

1. Housing Commission purchase a 1.17 acre property located at 13481 to 13483 Silver Ivy Lane from Pardee Homes for a not to exceed purchase price of \$100.00.
2. Ratify the due diligence budget in the amount not to exceed \$35,000, excluding legal fees, to investigate the condition of the property including, but not limited to, soils and environmental investigation, drainage, accessibility standards and physical condition of the property.
3. Approve a 55-year residual receipts loan to a to-be-formed tax credit limited partnership (“Borrower”) in the amount of up to \$2,099,900 at three percent interest rate with a 50 percent residual receipts loan payment to be used as gap financing for the development of 20 units of affordable rental housing and one manager’s unit.
4. Approve a ground lease of the property to the Borrower for a term of 65 years with annual ground rent payments of four and one half percent (4.5%) of gross income as available from project cash flow.
5. Authorize the Housing Commission to enter into an option agreement whereby the Housing Commission will have the option to purchase the leasehold improvements beginning at the end of the 15 year tax credit compliance period and extending for 36 months as described in the report.
6. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$4,600,000 in Multifamily Housing Revenue Bonds for the project.
7. Authorize an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount of up to \$4,600,000 for the project.
8. Approve the financing team of Quint & Thimmig, LLP as bond counsel and The PFM Group as financial advisor to begin work on the project;
9. Authorize the President and Chief Executive Officer of the Housing Commission, or a designee, to execute any and all necessary documents and instruments necessary or advisable to implement the forgoing as approved by General Counsel and/or Bond Counsel.  
B.) That the 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 of up to \$4,600,000 for the project by the Housing Authority.



SAN DIEGO  
HOUSING  
COMMISSION

## REPORT

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For the Agenda of February 18, 2011

**SUBJECT:** Terramar – Acquisition and Preliminary Bond Request  
Council District 1

**REQUESTED ACTION:**

Approve a proposed plan for the San Diego Housing Commission (“Housing Commission”) to acquire the land and to finance the development of the 21-unit Terramar project located at 13481 to 13483 Silver Ivy Lane in the Torrey Highlands neighborhood of northern San Diego. Issuance of bonds will require Housing Authority of the City of San Diego (“Housing Authority”) approval at a later date and is contingent upon the borrower obtaining all financing approvals including potential Housing Commission assistance.

**STAFF RECOMMENDATION:**

A. The Housing Commission Board recommends that the Housing Authority approve the following actions:

1. Housing Commission purchase a 1.17 acre property located at 13481 to 13483 Silver Ivy Lane from Pardee Homes for a not to exceed purchase price of \$100.00.
2. Ratify the due diligence budget in the amount not to exceed \$35,000, excluding legal fees, to investigate the condition of the property including, but not limited to, soils and environmental investigation, drainage, accessibility standards and physical condition of the property.
3. Approve a 55-year residual receipts loan to a to-be formed tax credit limited partnership (“Borrower”) in the amount of up to \$2,099,900 at three percent interest rate with a 50 percent residual receipts loan payment as gap financing for the development of 20 units of affordable rental housing and one manager’s unit.
4. Approve a ground lease of the property to the Borrower for a term of 65 years, with annual ground rent payments of four and one half percent (4.5%) of gross income as available from project cash flow.
5. Authorize the Housing Commission to enter into an Option Agreement whereby the Housing Commission will have the option to purchase the leasehold improvements beginning at the end of the 15 year tax credit compliance period and extending for 36 months, for an amount equal to the greater of: (i) the fair market value of the improvements as rent restricted; or (ii) the sum of: (x) the limited partner project related tax liability; plus (y) the principal of and all accrued interest on the Housing Commission loan and all other loans secured by the leasehold.

6. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$4,600,000 in Multifamily Housing Revenue Bonds for the project.
  7. Authorize an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount of up to \$4,600,000 for the project.
  8. Approve the financing team of Quint & Thimmig, LLP as bond counsel and The PFM Group as financial advisor to begin work on the project; and
  9. Authorize the President and Chief Executive Officer of the Housing Commission, or a designee, to execute any and all necessary documents and instruments necessary or advisable to implement the foregoing as approved by General Counsel and/or Bond Counsel.
- B. That the 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 of up to \$4,600,000 for the project by the Housing Authority.

**SUMMARY:**

Terramar is a to be constructed affordable housing project located at 13481 to 13483 Silver Ivy Lane, in the Torrey Highlands neighborhood, in north San Diego. Torrey Highlands is located north of State Route 56, just west of Rancho Peñasquitos and east of Pacific Highlands and is located in Subarea IV of the North City Future Urbanizing Area (NCFUA). The project would create a total of 21 affordable multifamily rental units including 4 one-bedroom, 11 two-bedroom, and 6 three-bedroom apartments (includes one manager unit). See Attachment 1 for a vicinity map.

The proposed project will be built within the 1,135 acre Torrey Highlands master planned community. The Torrey Highlands community includes parks and recreational areas, including Los Peñasquitos Canyon Reserve, Torrey Highlands Dog Park, Hilltop Recreation Center & Community Park, and Black Mountain Regional Open Space Park. The development will consist of three two-story structures with surface parking, a tot lot, a recreation area with barbeque and shaded picnic tables. It is also located across the street from Westview High School, which is in the Poway School District, and a nearby shopping center.

On May 30, 2008, the Housing Commission entered into a Master Affordable Housing Agreement (“Agreement”) with Pardee Homes to ensure the development of 21 affordable housing units. The Agreement established the Area Median Income (“AMI”) level at no more than 60 percent for the first 30 years and 65 percent for the remaining 25 years of the 55 year affordability period. While Pardee Homes is required to provide affordable housing per the Agreement, the Housing Commission will take ownership of the land and have an option to purchase the improvements in 15 years. In addition, the affordability requirement will be lowered to 58 percent and the affordability period will be extended to 65 years.

The proposed deal structure for this project includes Pardee Homes selling the land to the Housing Commission for \$100 and providing a \$1,500,000 grant to the Borrower to partially fund the construction costs. The Borrower will be responsible for managing the construction and operation of the property and will hire Pardee Construction as the general contractor. The Housing Commission will enter into a ground lease with the Borrower and provide a residual receipts loan of up to \$2,099,900. From a project readiness

standpoint, the construction drawings have been completed and building permits have been issued by the City of San Diego for the project. Construction will commence in the summer of 2011.

### **FISCAL CONSIDERATIONS:**

#### **Due Diligence**

The Housing Commission will purchase the land from Pardee Home for \$100. The Housing Commission has hired an appraiser to evaluate the value of the land. At the time this report was prepared, a final appraisal had not been received and it is anticipated that the appraisal will be completed prior to the Housing Authority meeting. Housing Commission staff will be prepared to provide an update at the Housing Commission Board meeting.

Upon approval by the Housing Commission Board of the due diligence budget, staff will perform the following due diligence work to evaluate the feasibility of acquiring this parcel of land:

*Section 504 Compliance Review* – A disability and Section 504 specialist will be employed to review the construction drawings to ensure the floor plans meet the Section 504 design requirements.

*Geotechnical Peer Review* – A soils consultant will be employed to review the existing geotechnical report prepared on February 23, 2010, and updated on October 23, 2010, by GEOCON Geotechnical Consultants for Pardee Homes. The consultant will review the documents and prepare a general assessment of the soil conditions for the Housing Commission.

*Grading and Drainage Peer Review* – A civil engineering firm will be employed to review the civil drawings to ensure the grading and drainage plans are in compliance with appropriate industry standards. The review will evaluate proposed drainage patterns and make appropriate design recommendations to improve the design, if necessary.

*Phase I Environmental Site Assessment* – A environmental consultant will be employed to conduct a Phase I Environmental Site Assessment of the Property to determine if there are any recognized environmental conditions present as a result of the current or historical land uses or from a known and reported off-site source. By obtaining the report, the Housing Commission will qualify for the Innocent Landowner Defense laws.

*ALTA Survey* – Prior to closing on the property, an ALTA survey will be prepared to document existing improvements, easements and encroachments.

#### **Proposed Land Lease**

The Housing Commission would lease the land to the Borrower at an annual rent of four and one half percent of gross income and up to 100 percent of the project's residual receipts. The land lease will be triple net lease with all costs paid by the Borrower.

#### **Proposed Schedule of Performance**

A detailed project schedule can be found as Attachment 2 to this report.

| Action                                               | Anticipated Dates |
|------------------------------------------------------|-------------------|
| Real Estate Committee                                | January 7, 2011   |
| Housing Commission Board Hearing                     | February 18, 2011 |
| Housing Authority Hearing                            | March 1, 2011     |
| Execute Purchase and Sale Agreement                  | March 21, 2011    |
| Start Due Diligence                                  | March 22, 2011    |
| End of Due Diligence                                 | May 5, 2011       |
| CDLAC Bond Allocation                                | May 18, 2011      |
| Housing Authority Final Authorization to Issue Bonds | June 7, 2011      |
| Property and Finance Closing Date                    | June 30, 2011     |

### Proforma Analysis

The project proforma for a four percent tax credit project is attached to this report (Attachment 3). The following summarizes the financial details found in the proforma:

### Sources and Uses of Funds

| Sources of Funding                               |                    | Use of Funding               |                    |
|--------------------------------------------------|--------------------|------------------------------|--------------------|
| Permanent Loan                                   | \$1,224,000        | Acquisition Costs            | \$5,100            |
| SDHC Land Acquisition and Residual Receipts Loan | \$2,035,000        | Constructions Cost           | \$3,353,509        |
| Contribution by Pardee                           | \$1,500,000        | Construction Period Cost     | \$275,064          |
| 4% Tax Credit Equity                             | \$2,703,998        | Finance Expenses             | \$58,439           |
| Deferred Developer Fee                           | \$88,055           | Legal Fees                   | \$170,000          |
|                                                  |                    | Design and Contingency Costs | \$587,130          |
|                                                  |                    | Capitalized Reserves         | \$52,871           |
|                                                  |                    | Other Development Costs      | \$3,048,940        |
| <b>Total Financed</b>                            | <b>\$7,551,053</b> |                              | <b>\$7,551,053</b> |

### Loan Amount

Concurrently with closing on the tax credits, the Housing Commission will make a residual receipts loan to the Borrower up to \$2,099,900. The Housing Commission loan shall bear a three percent simple interest rate and is expected to be secured by a second trust deed recorded against the leasehold interest. Annual payments of the Housing Commission loan will equal 50 percent of the residual receipt payments. The Housing Commission deed of trust will be subordinate to the construction loan deed of trust and then to the permanent bank loan deed of trust, both of which will be recorded against the leasehold only and not the fee simple interest. The Housing Commission loan would be recourse until the timely completion of rehabilitation of the project, after which it would become non-recourse (as required by the tax credit program). In addition, the Commission will have an option to purchase the improvements after 15 years. If the option to purchase the improvements at Year 15 is not utilized, the note would be due and payable in 55 years from the funding date of the Housing Commission loan. Acquisition of this property satisfies the requirements of the U.S. Department of Housing and Urban Development (HUD) that land and building ownership by the Housing Commission meets the definition of "acquisition and/or

production,” and these units will count toward the Housing Commission’s goals of providing affordable housing within the City.

If improved debt or equity pricing are achieved, the Borrower will first make an adjustment to the total tax credit allocation as required by TCAC, then apply the excess sources of funds towards the reduction of the Housing Commission loan. In order to ensure that the construction costs are competitive, the Housing Commission will require the Borrower to require Pardee Construction to obtain at least three competitive bids from their subcontractors. The executed contract with the General Contractor shall be a “cost plus fee and guaranteed maximum” general contract (AIA A102).

### **Housing Affordability**

Per the Master Affordable Housing Agreement, Pardee Homes is required to provide 21 rental units for persons or families not earning more than 60 percent AMI for the first 30 years and 65 percent Area Median Income for the remaining 25 years of the 55 year affordability period.

Because the Housing Commission is providing a residual receipts loan to the Borrower to be used for additional gap financing for a four percent tax credit project, the average AMI has been reduced to 58 percent and the 55 year affordability period will be extended to 65 years. The following table illustrates the number of units, restricted rent levels and monthly affordability rent restriction levels:

**Updated Affordability Rent Table**

| Type         | AMI | Number of Units | Net Square Feet/Unit | Gross Rents | Utility Allowance | Monthly Net Rent | Est. Market Rents |
|--------------|-----|-----------------|----------------------|-------------|-------------------|------------------|-------------------|
| 1 BR/ 1 BA   | 50% | 1               | 717                  | \$736       | \$22              | \$714            | \$1,650           |
| 1 BR/1 BA    | 60% | 3               | 717                  | \$883       | \$22              | \$861            | \$1,650           |
| 2 BR/1 BA    | 50% | 2               | 950                  | \$883       | \$30              | \$853            | \$2,200           |
| 2 BR /1 BA   | 60% | 9               | 950                  | \$1060      | \$30              | \$1030           | \$2,200           |
| 3 BR/2 BA    | 50% | 1               | 1,243                | \$981       | \$36              | \$945            | \$2,650           |
| 3 BR/2 BA    | 60% | 4               | 1,243                | \$1,178     | \$36              | \$1,142          | \$2,650           |
| 3 BR/2 BA    | MGR | 1               | 1,250                | \$0         | \$0               | \$0              | \$2,650           |
| <b>Total</b> |     | <b>21</b>       |                      |             |                   |                  |                   |

### **Development Team**

The project will be developed and owned by the Borrower (a to-be-formed single asset limited partnership) whose general partners will be Chelsea Investment Corporation (“CIC”) and Pacific Southwest Community Development Corporation (“PSCDC”) (or affiliates).

Since formed in 1984, CIC has financed and developed over 5,600 affordable housing units and has also developed over 2,100 inclusionary housing units in San Diego, Chula Vista, and Carlsbad. CIC provides financial engineering, development, asset management and property management services. Although CIC will be applying for the bond inducement and project financing, Pardee Homes will be responsible for construction of the project. The construction drawings are completed and building permits have been issued by the City of San Diego for the project.

The Managing General Partner, PSCDC is a non-profit organization that has developed 36 affordable apartment communities in California and Arizona since 1993. They currently are the managing general

partner of over 3,000 units of affordable housing. Statements for public disclosure for CIC and PSCDC are included as Attachment 4. It is anticipated that The Richman Group will be the tax credit investor.

### **Selection of the Financing Team Members**

Staff recommends assigning The PFM Group as financial advisor and Quint & Thimmig, LLP 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 Request For Proposal 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 March 2011 meeting; however, if necessary, staff will submit additional applications to CDLAC during 2011 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 5.

The \$4,600,000 allocation that will be sought from CDLAC is approximately 20 percent higher than the amount for which the project is currently being underwritten (\$3,800,000). 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 \$4,600,000 estimated bond issuance amount, approximately \$3,800,000 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 \$1,200,000 and will be based upon project costs, revenues, and interest rates at the time of bond issuance.

The developer currently proposes to issue the bonds through a private placement with U.S. Bank. 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.

### **COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:**

On January 7, 2011, the Real Estate Committee for the Housing Commission recommended approval of the acquisition and residual receipts loan to the Housing Commission Board.

On January 5, 2005, the Rancho Peñasquitos Community Planning Board voted 12:0:1 to recommend approval of the project with no conditions. There is no City Council recognized Community Planning Group in Torrey Highlands.

**KEY STAKEHOLDERS & PROJECTED IMPACTS:**

Stakeholders include Chelsea Investment Corporation, Pacific Southwest Community Development Corporation, the San Diego Housing Commission, and the Torrey Highlands community. Development of the property is expected to have a positive impact on the community because it will provide much-needed high quality rental units affordable to low-income and very low-income families.

**ENVIRONMENTAL REVIEW:**

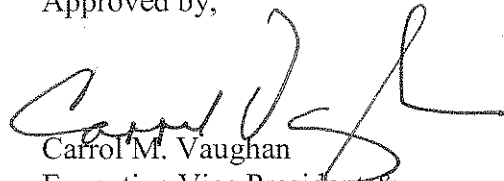
This activity is adequately addressed in Mitigated Negative Declaration Project No. 2266, for the Penasquitos West project, which also includes the Terramar project, (approved by City Council, August 2, 2005) and is part of a series of subsequent discretionary actions, and therefore not considered to be a separate project for purposes of State of California Environmental Quality Act (CEQA) review as defined in State CEQA Guidelines Section §15378(c). Pursuant to Section 15162 of CEQA, there is no change in circumstance, additional information or project changes to warrant additional environmental review. Processing under the National Environmental Policy Act is not required as no federal funds are involved.

Respectfully submitted,



Roger Green  
Real Estate Manager  
Real Estate Department

Approved by,



Carol M. Vaughan  
Executive Vice President &  
Chief Operating Officer

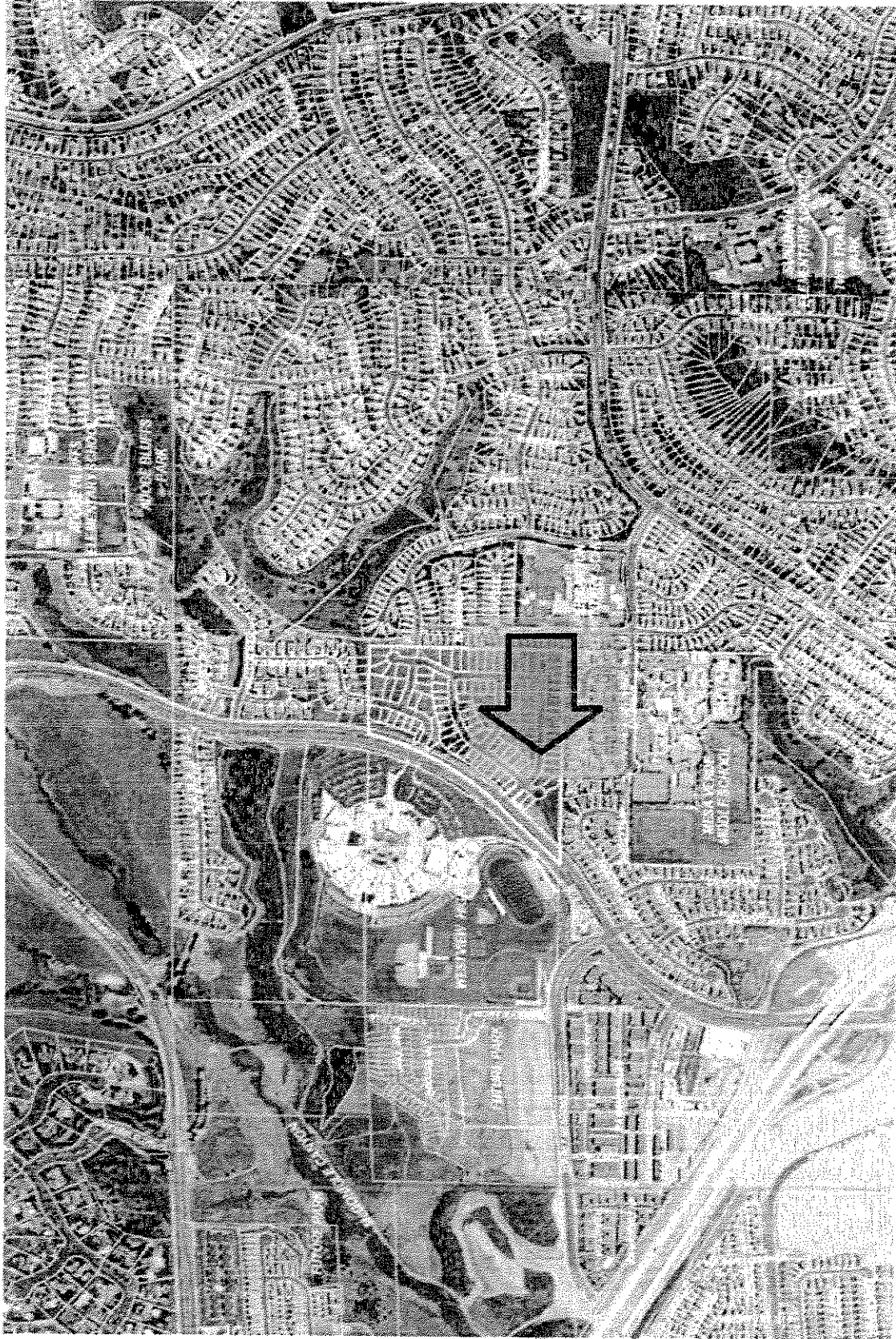
Attachments:

1. Location Map
2. Schedule
3. Borrower Proforma dated February 2011
4. Developer's Disclosure Statement
5. Multifamily Bond Program Summary

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).

Information: R.Green (619) 578-7587 or A. Kern (619) 578-7582

# ATTACHMENT 1



2004 Aerial with Parcels

Parcel Data: Easements  
 Areas: Unimproved Cultural Property  
 Areas: Wetlands

0 100 200 Feet

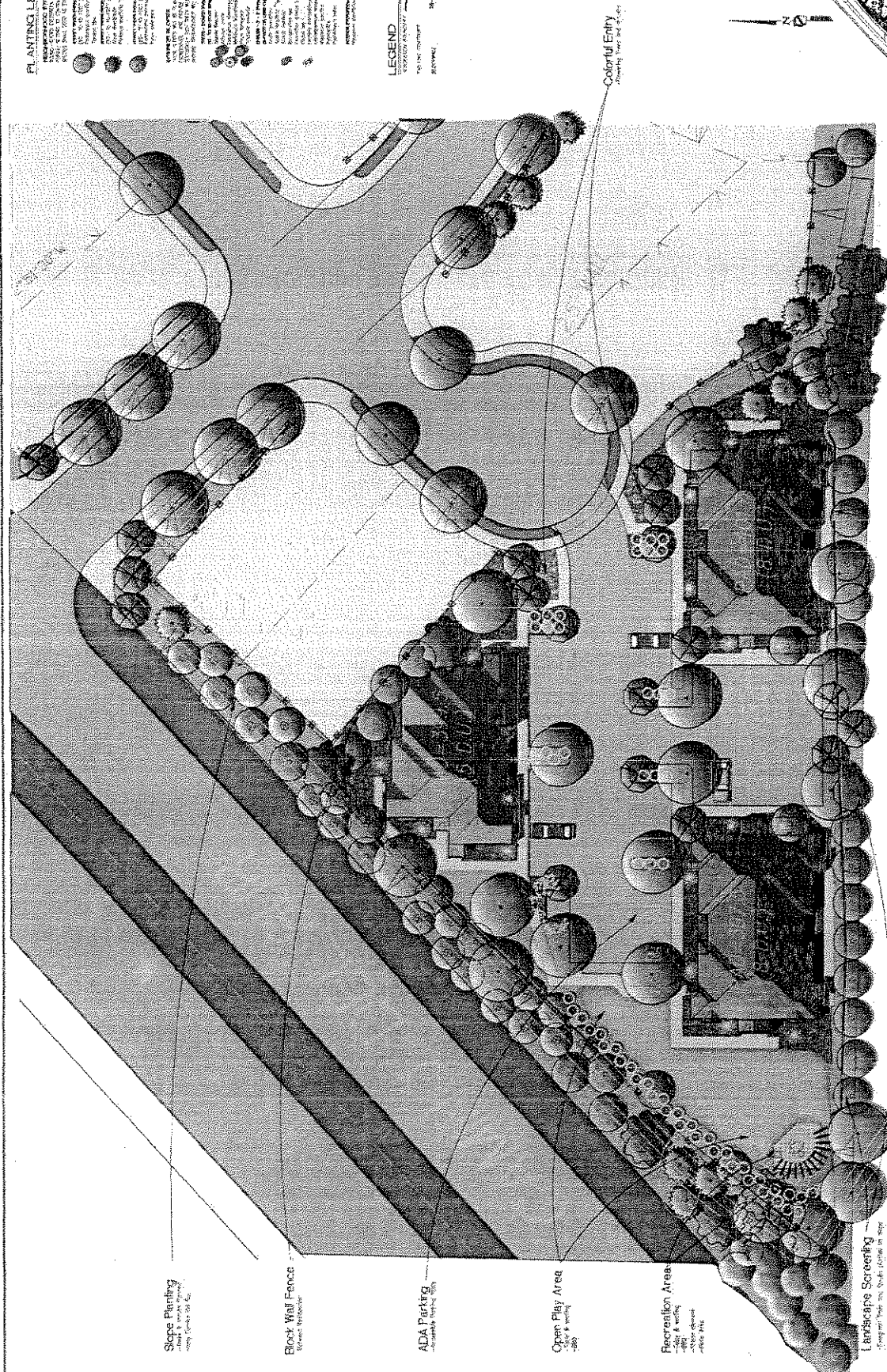


Map is not to scale. It is compiled from various sources and is not a legal document. The reader is advised to consult the original documents for the most accurate information.

Pensacola West Site

Map Date: 10/10/2007  
 Map Scale: 1" = 100 Feet  
 Map Author: [illegible]





# Terramar - Multi-Family Site Plan

$\frac{d^2y}{dx^2} + y = 0$

PROJECT DESIGN CONSULTANTS

100

| Terramar Acquisition Schedule |                                                      |                |                    |                    |    |        |        |         |         |         |            |
|-------------------------------|------------------------------------------------------|----------------|--------------------|--------------------|----|--------|--------|---------|---------|---------|------------|
| ID                            | Task Name                                            | Duration       | Start              | Finish             | ay | 5/2/10 | 5/9/10 | 5/16/10 | 5/23/10 | 5/30/10 | Jun 6/6/10 |
| 1                             | <b>Legal Documents</b>                               | <b>29 days</b> | <b>Fri 2/18/11</b> | <b>Wed 3/30/11</b> |    |        |        |         |         |         |            |
| 2                             | Housing Commission Approval                          | 1 day          | Fri 2/18/11        | Fri 2/18/11        |    |        |        |         |         |         |            |
| 3                             | Housing Authority Approval                           | 1 day          | Tue 3/1/11         | Tue 3/1/11         |    |        |        |         |         |         |            |
| 4                             | Draft PSA delivered to buyer                         | 1 day          | Thu 2/24/11        | Thu 2/24/11        |    |        |        |         |         |         |            |
| 5                             | Finalize & Execute PSA                               | 17 days        | Fri 2/25/11        | Mon 3/21/11        |    |        |        |         |         |         |            |
| 6                             | Open Escrow                                          | 3 days         | Fri 3/25/11        | Tue 3/29/11        |    |        |        |         |         |         |            |
| 7                             | Wire Deposit to escrow                               | 1 day          | Wed 3/30/11        | Wed 3/30/11        |    |        |        |         |         |         |            |
| 8                             | Start of Due Diligence Period (45 Days)              | 0 days         | Mon 3/21/11        | Mon 3/21/11        |    |        |        |         |         |         |            |
| 9                             | Due Diligence Materials Delivered to Buyer           | 2 days         | Tue 3/22/11        | Wed 3/23/11        |    |        |        |         |         |         |            |
| 10                            | Review Title Report                                  | 5 days         | Thu 3/24/11        | Wed 3/30/11        |    |        |        |         |         |         |            |
| 11                            |                                                      |                |                    |                    |    |        |        |         |         |         |            |
| 12                            | <b>Due Diligence (45 Days)</b>                       | <b>63 days</b> | <b>Tue 2/8/11</b>  | <b>Thu 5/5/11</b>  |    |        |        |         |         |         |            |
| 13                            | Appraisal Report                                     | 20 edays       | Tue 2/8/11         | Mon 2/28/11        |    |        |        |         |         |         |            |
| 14                            | Review and Approve Title                             | 20 edays       | Tue 3/22/11        | Mon 4/11/11        |    |        |        |         |         |         |            |
| 15                            | Drainage and Grading Review                          | 30 edays       | Tue 3/22/11        | Thu 4/21/11        |    |        |        |         |         |         |            |
| 16                            | Phase I Report                                       | 30 edays       | Tue 3/22/11        | Thu 4/21/11        |    |        |        |         |         |         |            |
| 17                            | Geotechnical Peer Review                             | 30 edays       | Tue 3/22/11        | Thu 4/21/11        |    |        |        |         |         |         |            |
| 18                            | ALTA Survey                                          | 30 edays       | Tue 3/22/11        | Thu 4/21/11        |    |        |        |         |         |         |            |
| 19                            | Section 504 Analysis                                 | 30 edays       | Tue 3/22/11        | Thu 4/21/11        |    |        |        |         |         |         |            |
| 20                            | Due Diligence Period End Date                        | 45 edays       | Mon 3/21/11        | Thu 5/5/11         |    |        |        |         |         |         |            |
| 21                            |                                                      |                |                    |                    |    |        |        |         |         |         |            |
| 22                            | <b>Financing</b>                                     | <b>58 days</b> | <b>Fri 3/18/11</b> | <b>Tue 6/7/11</b>  |    |        |        |         |         |         |            |
| 23                            | CDLAC Application                                    | 1 day          | Fri 3/18/11        | Fri 3/18/11        |    |        |        |         |         |         |            |
| 24                            | TCAC Application                                     | 1 day          | Wed 3/23/11        | Wed 3/23/11        |    |        |        |         |         |         |            |
| 25                            | Bond Allocation                                      | 1 day          | Wed 5/18/11        | Wed 5/18/11        |    |        |        |         |         |         |            |
| 26                            | HA Final Authority to Issue Bonds                    | 1 day          | Tue 6/7/11         | Tue 6/7/11         |    |        |        |         |         |         |            |
| 27                            |                                                      |                |                    |                    |    |        |        |         |         |         |            |
| 28                            | <b>Property Closing (Assumes No Appeal is Filed)</b> | <b>39 days</b> | <b>Fri 5/6/11</b>  | <b>Thu 6/30/11</b> |    |        |        |         |         |         |            |
| 29                            | ALTA Policy Prepared and Delivered                   | 5 days         | Fri 5/6/11         | Thu 5/12/11        |    |        |        |         |         |         |            |
| 30                            | <b>Wire Money to Escrow</b>                          | 2 days         | Mon 6/27/11        | Tue 6/28/11        |    |        |        |         |         |         |            |
| 31                            | <b>Closing Date</b>                                  | 1 eday         | Wed 6/29/11        | Thu 6/30/11        |    |        |        |         |         |         |            |

|                                                   |                 |                    |                |
|---------------------------------------------------|-----------------|--------------------|----------------|
| Terramar Acquisition Schedule<br>January 27, 2011 | Task            | Milestone          | External Tasks |
| Split                                             | Summary         | External Milestone |                |
| Progress                                          | Project Summary | Deadline           |                |

Terramar Acquisition Schedule  
January 27, 2011

Page 1

Task Split Progress

Milestone Summary Project Summary

External Tasks External Milestone Deadline

EXHIBIT A: PROJECT SUMMARY

**Terramar 21**  
**4% Tax Credits**  
**21 Units**

PROJECT DEAL STRUCTURE

|                                |                  |
|--------------------------------|------------------|
| <u>Development Costs</u>       |                  |
| Eligible Costs                 | 7,285,678        |
| Ineligible Costs               | 265,375          |
| <u>Total Development Costs</u> | <u>7,551,053</u> |
| <u>Sources:</u>                |                  |
| Federal LIHTC Equity           | 2,703,998        |
| Pardee Contribution            | 1,500,000        |
| Permanent Loan                 | 1,224,000        |
| Deferred Developer Fee/GAP     | 88,055           |
| SDHC Loan                      | 2,035,000        |
| <u>Total Sources</u>           | <u>7,551,053</u> |
| <u>Prevailing Wage (Y/N):</u>  |                  |
|                                | Yes              |
| Developer Fee                  | 100%             |
| Deferred Fee                   | 9%               |
|                                | 950,306          |
|                                | 88,055           |

FINANCING ASSUMPTIONS

|                                      |             |                  |
|--------------------------------------|-------------|------------------|
| 4% Tax Rate                          | February-11 | 3.32%            |
| Annual Federal Tax Credits           |             | 314,450          |
| Federal Tax Credit Price             |             | \$ 0.8600        |
| State Tax Credit Price               |             | \$ -             |
| Opr. Exp./Unit/Year                  |             | 5,000            |
| Replacement Reserves/Unit/Year       |             | 350              |
| Vacancy Rate                         |             | 5.00%            |
| DCR                                  |             | 1.20             |
| Perm Loan Amort                      |             | 30               |
| Interest Rate - Permanent Loan       |             | 6.25%            |
| Interest Rate - Construction Loan    |             | 4.50%            |
| Tax-Exempt Bonds - Construction/Perm |             | 1,224,000        |
| Tax-Exempt Bonds - Construction      |             | 2,558,281        |
| <u>Total Bonds</u>                   |             | <u>3,782,281</u> |
| 50% Test                             |             | 51.88%           |

PROJECT UNIT & INCOME MIX

| AMI                | Studio   | 1BR      | 2BR       | 3BR      | Totals         |
|--------------------|----------|----------|-----------|----------|----------------|
| 60%                | 0        | 3        | 9         | 4        | 16             |
| 50%                | 0        | 1        | 2         | 1        | 4              |
| 40%                | 0        | 0        | 0         | 0        | 0              |
| 30%                | 0        | 0        | 0         | 0        | 0              |
| Mgr.               | 0        | 0        | 0         | 1        | 1              |
| <u>Totals</u>      | <u>0</u> | <u>4</u> | <u>11</u> | <u>6</u> | <u>21</u>      |
| Housing Set-A-Side |          |          |           |          | "Multi-Family" |

Testament 21  
21 units

|                              |                                         | Pre-Dev        | Construction Period 7 months |           |           |           | Construction | Completion/BE | Conversion  | 8609    | Total     |
|------------------------------|-----------------------------------------|----------------|------------------------------|-----------|-----------|-----------|--------------|---------------|-------------|---------|-----------|
|                              |                                         |                | Close                        | Quarter 1 | Quarter 2 | Quarter 3 | Subtotal     | Qtrs 3 & 4    |             |         |           |
|                              |                                         |                |                              | 40%       | 60%       | 80%       |              |               |             |         |           |
| SOURCES OF FUNDS             |                                         |                |                              |           |           |           |              |               |             |         |           |
| 1                            | Federal LIHTC Equity                    |                | 540,800                      | -         | -         | -         | 540,800      | -             | 2,027,898   | 135,200 | 2,703,998 |
| 2                            | State LIHTC Equity                      |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 3                            | Construction Loan                       |                | -                            | 693,562   | 2,829,703 | 393,990   | 3,707,246    | 75,034        | (3,782,281) | -       | -         |
| 4                            | Permanent Loan                          |                | -                            | -         | -         | -         | -            | -             | 1,224,000   | -       | 1,224,000 |
| 5                            | Deferred Developer Fee/GAP              |                | -                            | -         | -         | -         | -            | -             | 88,055      | -       | 88,055    |
| 6                            | SDHC Loan                               | \$95,238/Unit  | 1,260,000                    | -         | 500,000   | -         | 1,760,000    | -             | 240,000     | -       | 2,000,000 |
| 7                            | Perdee Contribution                     |                | -                            | -         | 700,000   | -         | 700,000      | -             | 800,000     | -       | 1,500,000 |
| 8                            | SDHC Housing Trust                      |                | 35,000                       | -         | -         | -         | 35,000       | -             | -           | -       | 35,000    |
| 8                            | Total Sources of Funds                  |                | 1,835,800                    | 693,562   | 3,829,703 | 393,990   | 6,743,646    | 75,034        | 597,773     | 135,200 | 7,551,053 |
| USES OF FUNDS                |                                         |                |                              |           |           |           |              |               |             |         |           |
| ACQUISITION                  |                                         |                |                              |           |           |           |              |               |             |         |           |
| 11                           | Donated Land Cost                       | \$5/Unit       | 100                          | -         | -         | -         | 100          | -             | -           | -       | 100       |
| 12                           | Demolition                              |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 13                           | Legal & Carrying Costs                  |                | 5,000                        | -         | -         | -         | 5,000        | -             | -           | -       | 5,000     |
| 14                           | Other                                   |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 15                           | Total Land / Acquisition                |                | 5,100                        | -         | -         | -         | 5,100        | -             | -           | -       | 5,100     |
| NEW CONSTRUCTION             |                                         |                |                              |           |           |           |              |               |             |         |           |
| 18                           | Off-site Improvements                   | \$8,000/sq ft  | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 19                           | Site Work                               | \$63.31/sq ft  | 190,645                      | 391,290   | 571,932   | -         | 1,143,867    | -             | -           | -       | 1,143,867 |
| 20                           | Structures                              | \$330.15/sq ft | -                            | 591,940   | 1,029,106 | 249,237   | 1,889,283    | -             | -           | -       | 1,889,283 |
| 21                           | General Requirements                    |                | 20,259                       | 40,518    | 60,779    | 20,259    | 141,815      | -             | -           | -       | 141,815   |
| 22                           | Contractor Overhead                     |                | 8,104                        | 16,208    | 24,313    | 8,104     | 66,729       | -             | -           | -       | 66,729    |
| 23                           | Contractor Profit                       |                | 20,268                       | 40,518    | 60,779    | 20,259    | 141,815      | -             | -           | -       | 141,815   |
| 24                           | Contractor General Liability Insurance  |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 25                           | Other                                   |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 26                           | Total New Construction                  | \$244.25/sq ft | 239,267                      | 1,070,474 | 1,745,909 | 297,359   | 3,363,509    | -             | -           | -       | 3,353,509 |
| ARCHITECTURAL                |                                         |                |                              |           |           |           |              |               |             |         |           |
| 29                           | Design                                  |                | 28,571                       | 57,143    | 85,714    | 28,572    | 200,000      | -             | -           | -       | 200,000   |
| 30                           | Supervision                             |                | -                            | 4,000     | 6,000     | 2,000     | 12,000       | -             | -           | -       | 12,000    |
| 31                           | Total Architectural                     |                | 28,571                       | 61,143    | 91,714    | 30,572    | 212,000      | -             | -           | -       | 212,000   |
| SURVEY & ENGINEERING         |                                         |                |                              |           |           |           |              |               |             |         |           |
| 34                           | Engineering                             |                | 18,429                       | 32,857    | 49,286    | 16,428    | 115,000      | -             | -           | -       | 115,000   |
| 35                           | ALTA Land Survey                        |                | 7,500                        | -         | -         | -         | 7,500        | -             | -           | -       | 7,500     |
| 36                           | Total Survey & Engineering              |                | 23,929                       | 32,857    | 49,286    | 16,428    | 122,500      | -             | -           | -       | 122,500   |
| CONTINGENCY COSTS            |                                         |                |                              |           |           |           |              |               |             |         |           |
| 39                           | Hard Cost Contingency                   | 5%             | 11,963                       | 53,524    | 87,295    | 14,893    | 167,675      | -             | -           | -       | 167,675   |
| 40                           | Soft Cost Contingency                   | 2%             | 24,087                       | 3,555     | 55,239    | 2,075     | 84,954       | -             | -           | -       | 84,954    |
| 41                           | Total Contingency                       |                | 36,050                       | 57,079    | 142,633   | 16,968    | 252,630      | -             | -           | -       | 252,630   |
| CONSTRUCTION PERIOD EXPENSES |                                         |                |                              |           |           |           |              |               |             |         |           |
| 44                           | Construction Loan Interest              |                | -                            | 2,601     | 17,664    | 12,462    | 32,727       | 63,014        | -           | -       | 95,741    |
| 45                           | Origination Fee                         | 1.00%          | 37,823                       | -         | -         | -         | 37,823       | -             | -           | -       | 37,823    |
| 46                           | Credit Enhancement & Application Fee    |                | 1,500                        | -         | -         | -         | 1,500        | -             | -           | -       | 1,500     |
| 47                           | Owner Paid Bonds                        |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 48                           | Lender Inspection Fees                  |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 49                           | Taxes During Construction               |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 50                           | Prevailing Wage Monitor                 |                | -                            | 7,500     | 7,500     | 2,500     | 17,500       | -             | -           | -       | 17,500    |
| 51                           | Insurance During Construction           |                | 50,000                       | -         | -         | -         | 50,000       | -             | -           | -       | 50,000    |
| 52                           | Title and Recording Fees                |                | 20,000                       | -         | -         | -         | 20,000       | -             | -           | -       | 20,000    |
| 53                           | Construction Mgmt. and Testing          |                | 2,500                        | 5,000     | 7,500     | 2,500     | 17,500       | -             | -           | -       | 17,500    |
| 54                           | Prodevelopment Loan Interest            |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 55                           | Other: SDHC Due Diligence Expenses      |                | 35,000                       | -         | -         | -         | 35,000       | -             | -           | -       | 35,000    |
| 57                           | Total Construction Period Expense       |                | 145,823                      | 15,101    | 32,664    | 17,462    | 212,050      | 63,014        | -           | -       | 275,064   |
| PERMANENT FINANCING EXPENSES |                                         |                |                              |           |           |           |              |               |             |         |           |
| 60                           | Loan Origination Fees                   | 1.00%          | -                            | -         | -         | -         | -            | -             | 12,240      | -       | 12,240    |
| 61                           | Credit Enhancement & Application Fee    |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 62                           | Title and Recording Fees                |                | -                            | -         | -         | -         | -            | -             | 12,500      | -       | 12,500    |
| 63                           | Property Taxes                          |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 64                           | Insurance                               |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 65                           | Other: Bond Underwriter Fee and Expense |                | 25,000                       | -         | -         | -         | 25,000       | -             | -           | -       | 25,000    |
| 66                           | Other: Issuer Fee                       | 0.25%          | 8,699                        | -         | -         | -         | 8,699        | -             | -           | -       | 8,699     |
| 68                           | Total Permanent Financing               |                | 33,699                       | -         | -         | -         | 33,699       | -             | 24,740      | -       | 58,439    |
| LEGAL FEES                   |                                         |                |                              |           |           |           |              |               |             |         |           |
| 70                           | Construction Lender Legal               |                | 45,000                       | -         | -         | -         | 45,000       | -             | -           | -       | 45,000    |
| 71                           | Permanent Lender Legal                  |                | 40,000                       | -         | -         | -         | 40,000       | -             | -           | -       | 40,000    |
| 72                           | Sponsor Legal                           |                | 75,000                       | -         | -         | -         | 75,000       | -             | -           | -       | 75,000    |
| 73                           | Organizational Legal                    |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 74                           | Syndication Legal                       |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 75                           | CPA, Opinion                            |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 76                           | Other: GP Legal                         |                | 10,000                       | -         | -         | -         | 10,000       | -             | -           | -       | 10,000    |
| 77                           | Total Legal Fees                        |                | 170,000                      | -         | -         | -         | 170,000      | -             | -           | -       | 170,000   |
| CAPITALIZED RESERVES         |                                         |                |                              |           |           |           |              |               |             |         |           |
| 80                           | Operating Reserve                       |                | -                            | -         | -         | -         | -            | -             | 52,871      | -       | 52,871    |
| 81                           | Replacement Reserve                     |                | -                            | -         | -         | -         | -            | -             | -           | -       | -         |
| 86                           | Total Reserves                          |                | -                            | -         | -         | -         | -            | -             | 52,871      | -       | 52,871    |

# **EXHIBIT C: PROJECTED SOURCES AND USES OF FUNDS**

Torramar 21

21 units

|     |                                     | Construction Period 7 months |           |           |           | Construction | Completion/BE | Conversion | 8629     | Total     |
|-----|-------------------------------------|------------------------------|-----------|-----------|-----------|--------------|---------------|------------|----------|-----------|
|     |                                     | Pre-Dev                      | Close     | Quarter 1 | Quarter 2 | Quarter 3    | Subtotal      | Qtrs 3 & 4 |          |           |
|     |                                     |                              |           | 40%       | 60%       | 0%           |               |            |          |           |
| 87  |                                     |                              |           |           |           |              |               |            |          |           |
| 88  | REPORTS & STUDIES                   |                              |           |           |           |              |               |            |          |           |
| 89  | Appraisal                           |                              | -         | -         | -         | -            | -             | -          | -        | -         |
| 90  | Market Study                        |                              | 6,000     | -         | -         | -            | 6,000         | -          | -        | 6,000     |
| 91  | Physical Needs Assessment           |                              | -         | -         | -         | -            | -             | -          | -        | -         |
| 92  | Environmental Studies               |                              | 10,000    | -         | -         | -            | 10,000        | -          | -        | 10,000    |
| 97  | Total Reports & Studies             |                              | 16,000    | -         | -         | -            | 16,000        | -          | -        | 16,000    |
| 98  |                                     |                              |           |           |           |              |               |            |          |           |
| 99  | OTHER                               |                              |           |           |           |              |               |            |          |           |
| 100 | TCAC App./Alloc./Monitoring Fees    |                              | 8,289     | -         | -         | -            | 8,289         | -          | 5,056    | 13,344    |
| 101 | CDLAC/CDIAC Fees                    | 0.37%                        | 13,805    | -         | -         | -            | 13,805        | -          | -        | 13,805    |
| 102 | Local Permit Fees                   | \$9,092/Unit                 | 190,936   | -         | -         | -            | 190,936       | -          | -        | 190,936   |
| 103 | Local Development Impact Fees       | \$60,345/Unit                | 159,755   | -         | 1,653,483 | -            | 1,813,238     | -          | -        | 1,813,238 |
| 104 | Other Costs of Bond Issuance        |                              | 7,500     | -         | -         | -            | 7,500         | -          | -        | 7,500     |
| 105 | Syndicator/Investor Fees & Expenses |                              | -         | -         | -         | -            | -             | -          | -        | -         |
| 106 | Furnishings                         |                              | -         | -         | -         | -            | -             | -          | -        | -         |
| 107 | Final Cost Audit Expense            |                              | -         | -         | -         | -            | -             | 7,500      | -        | 7,500     |
| 108 | Marketing                           |                              | -         | 2,250     | 3,400     | 1,130        | 6,780         | 4,520      | -        | 11,300    |
| 109 | Financial Consulting                |                              | -         | -         | -         | -            | -             | -          | -        | -         |
| 110 | Real Estate Taxes                   |                              | -         | -         | -         | -            | -             | -          | -        | -         |
| 111 | Other: Accounting/Finance/Admin     |                              | 3,571     | 7,143     | 10,714    | 3,571        | 25,000        | -          | -        | 25,000    |
| 112 | Other: TCAC Application Prep        |                              | -         | -         | -         | -            | -             | -          | -        | -         |
| 113 | Other: Service Fee                  |                              | -         | -         | -         | -            | -             | -          | -        | -         |
| 114 | Total Other Costs                   |                              | 383,657   | 9,393     | 1,667,587 | 4,701        | 2,065,558     | 12,020     | 5,056    | 2,082,534 |
| 115 |                                     |                              |           |           |           |              |               |            |          |           |
| 116 | DEVELOPER COSTS                     |                              |           |           |           |              |               |            |          |           |
| 117 | Developer Fee                       |                              | 100,000   | 100,000   | 100,000   | -            | 300,000       | -          | \$15,106 | 950,306   |
| 120 | Syndication Consultant              |                              | -         | -         | -         | -            | -             | -          | -        | -         |
| 124 | Total Developer Costs               |                              | 100,000   | 100,000   | 100,000   | -            | 300,000       | -          | 515,106  | 860,306   |
| 125 |                                     |                              |           |           |           |              |               |            |          |           |
| 126 |                                     |                              |           |           |           |              |               |            |          |           |
| 127 | Total Uses of Funds                 |                              | 1,183,306 | 1,345,046 | 3,629,703 | 383,990      | 6,743,046     | 76,034     | 597,773  | 7,651,053 |
| 128 | Not Source & Use                    |                              | 652,484   | (652,484) | -         | -            | -             | -          | -        | -         |
| 129 | Distributions                       |                              | -         | -         | -         | -            | -             | -          | -        | -         |
| 130 | Balance of Funds                    |                              | 652,494   | -         | -         | -            | -             | -          | -        | -         |

0.37%  
\$9.092/Unit  
\$60.345/Unit

# **EXHIBIT E: OPERATING BUDGET & INCOME ANALYSIS**

Terramar 21

| Rent:                                 | %AMI | Units | Square Feet/Unit | Total Sq. Ft.       | Gross Rents | Utility Allowance | Monthly Net Rent | Annual Rent |
|---------------------------------------|------|-------|------------------|---------------------|-------------|-------------------|------------------|-------------|
| 1BR/1BA                               | 60%  | 3     | 717              | 2,151               | 883         | 22                | 861              | 30,996      |
| 1BR/1BA                               | 50%  | 1     | 717              | 717                 | 736         | 22                | 714              | 8,568       |
| 2BR/1BA                               | 60%  | 9     | 950              | 8,550               | 1,060       | 30                | 1,030            | 111,240     |
| 2BR/1BA                               | 50%  | 2     | 950              | 1,900               | 883         | 30                | 853              | 20,472      |
| 3BR/2BA                               | MGR  | 1     | 1,250            | 1,250               | 0           | 0                 | 0                | 0           |
| 3BR/2BA                               | 60%  | 4     | 1,243            | 4,972               | 1,178       | 36                | 1,142            | 54,816      |
| 3BR/2BA                               | 50%  | 1     | 1,243            | 1,243               | 981         | 36                | 945              | 11,340      |
| Clubhouse and other                   |      |       | 0                |                     |             |                   | 0                | 0           |
| Total Rents                           |      | 21    |                  | 13,318              |             |                   |                  | 237,432     |
| Common Area                           |      |       |                  |                     |             |                   |                  |             |
| Construction Square Feet              |      |       |                  | 13,730              |             |                   |                  |             |
|                                       |      |       |                  |                     |             |                   |                  |             |
| Laundry                               |      |       | \$ 12.00         | Per unit/ Per month |             |                   |                  | 3,024       |
| Other Income (App. Fees, Late, etc.)  |      |       | \$ 5.00          | Per unit/ Per month |             |                   |                  | 1,260       |
| Sub-Total                             |      |       |                  |                     |             |                   |                  | 241,716     |
| Less: Vacancies @                     |      |       | 5%               |                     |             |                   |                  | 12,086      |
|                                       |      |       |                  |                     |             |                   |                  |             |
| Total Income                          |      |       |                  |                     |             |                   |                  | \$229,630   |
|                                       |      |       |                  |                     |             |                   |                  |             |
| Total Expenses                        |      |       | \$ 5,000         | Per Unit            |             |                   |                  | 105,000     |
|                                       |      |       |                  |                     |             |                   |                  |             |
| Net Operating Income                  |      |       |                  |                     |             |                   |                  | \$124,630   |
|                                       |      |       |                  |                     |             |                   |                  |             |
| Reserves                              |      |       | \$350.00/unit    |                     |             |                   |                  | 7,350       |
| Annual Issuer Admin Fee               |      |       | 0.23%            |                     |             |                   |                  | 8,699       |
| Net Income Available for Debt Service |      |       |                  |                     |             |                   |                  | 108,581     |

|                       |       |                     |  |           |
|-----------------------|-------|---------------------|--|-----------|
| <b>Perm Loan :</b>    |       |                     |  |           |
| Debt Service Coverage | 1.20  | Per Loan Sizing     |  | 1,224,000 |
| Interest              | 6.25% | Per Bank            |  | 1,224,000 |
| Term                  | 30    | Loan Amount         |  | 1,224,000 |
| Amortization          | 30    | Monthly Payment     |  | 7,536     |
|                       |       | Annual Payment      |  | 90,437    |
|                       |       | Cash Flow After D/S |  | 18,144    |

**EXHIBIT D: TAX CREDITS & BASIS CALCULATION**

TerraMar 21

| DESCRIPTION OF COSTS                     | ACTUAL OR ERT.<br>OF COSTS | 30%<br>ELIGIBLE BASIS | 70%<br>ELIGIBLE BASIS |
|------------------------------------------|----------------------------|-----------------------|-----------------------|
| <b>ACQUISITION</b>                       |                            |                       |                       |
| Land Cost                                | \$ 100                     | XXXXXXXXXXXXX         | XXXXXXXXXXXXX         |
| Demolition                               | \$ -                       | XXXXXXXXXXXXX         | XXXXXXXXXXXXX         |
| Legal & Conveying Costs                  | \$ 5,000                   | XXXXXXXXXXXXX         | XXXXXXXXXXXXX         |
| Other:                                   | \$ -                       | XXXXXXXXXXXXX         | XXXXXXXXXXXXX         |
| <b>TOTAL LAND/ACQUISITION COSTS</b>      | <b>\$ 5,100</b>            | <b>\$ -</b>           | <b>\$ -</b>           |
| <b>NEW CONSTRUCTION</b>                  |                            |                       |                       |
| Off-Site Improvements                    | \$ -                       |                       | \$ -                  |
| Site Work                                | \$ 1,143,867               |                       | \$ 1,143,867          |
| Structures                               | \$ 1,869,283               |                       | \$ 1,869,283          |
| General Requirements                     | \$ 141,815                 |                       | \$ 141,815            |
| Contractor Overhead                      | \$ 58,729                  |                       | \$ 58,729             |
| Contractor Profit                        | \$ 141,815                 |                       | \$ 141,815            |
| Contractor General Liability Insurance   | \$ -                       |                       | \$ -                  |
| Other:                                   | \$ -                       |                       | \$ -                  |
| <b>TOTAL CONSTRUCTION</b>                | <b>\$ 3,353,609</b>        |                       | <b>\$ 3,353,609</b>   |
| <b>ARCHITECTURAL FEES</b>                |                            |                       |                       |
| DESIGN                                   | \$ 200,000                 |                       | \$ 200,000            |
| SUPERVISION                              | \$ 12,000                  |                       | \$ 12,000             |
| <b>TOTAL ARCHITECTURAL COSTS</b>         | <b>\$ 212,000</b>          |                       | <b>\$ 212,000</b>     |
| <b>SURVEY &amp; ENGINEERING</b>          |                            |                       |                       |
| Engineering                              | \$ 115,000                 |                       | \$ 115,000            |
| ALTA Land Survey                         | \$ 7,500                   |                       | \$ 7,500              |
| <b>TOTAL SURVEY &amp; ENGINEERING</b>    | <b>\$ 122,500</b>          |                       | <b>\$ 122,500</b>     |
| <b>CONTINGENCY COSTS</b>                 |                            |                       |                       |
| Hard Cost Contingency                    | \$ 187,875                 |                       | \$ 187,875            |
| Soft Cost Contingency                    | \$ 84,954                  |                       | \$ 84,954             |
| <b>TOTAL CONTINGENCY COSTS</b>           | <b>\$ 252,830</b>          |                       | <b>\$ 252,830</b>     |
| <b>CONSTRUCTION PERIOD EXPENSES</b>      |                            |                       |                       |
| Construction Loan Interest               | \$ 85,741                  |                       | \$ 32,727             |
| Origination Fee                          | \$ 37,823                  |                       | \$ 37,823             |
| Credit Enhancement & Application Fee     | \$ 1,500                   |                       | \$ 1,500              |
| Owner Paid Bonds                         | \$ -                       |                       | \$ -                  |
| Lender Inspection Fees                   | \$ -                       |                       | \$ -                  |
| Taxes During Construction                | \$ -                       |                       | \$ -                  |
| Prevailing Wage Monitoring               | \$ 17,500                  |                       | \$ 17,500             |
| Insurance During Construction            | \$ 50,000                  |                       | \$ 50,000             |
| Title and Recording Fees                 | \$ 20,000                  |                       | \$ 20,000             |
| Construction Management & Testing        | \$ 17,500                  |                       | \$ 17,500             |
| Predevelopment Loan Interest             | \$ -                       |                       | \$ -                  |
| Other: SDHC Due Diligence Expenses       | \$ 35,000                  |                       | \$ 35,000             |
| <b>TOTAL CONSTRUCTION PERIOD EXPENSE</b> | <b>\$ 275,064</b>          |                       | <b>\$ 212,050</b>     |
| <b>PERMANENT FINANCING EXPENSES</b>      |                            |                       |                       |
| Loan Origination Fee                     | \$ 12,240                  | XXXXXXXXXXXXX         | XXXXXXXXXXXXX         |
| Credit Enhancement & Application Fee     | \$ -                       | XXXXXXXXXXXXX         | XXXXXXXXXXXXX         |
| Title and Recording Fees                 | \$ 12,500                  | XXXXXXXXXXXXX         | XXXXXXXXXXXXX         |
| Property Taxes                           | \$ -                       | XXXXXXXXXXXXX         | XXXXXXXXXXXXX         |
| Insurance                                | \$ -                       | XXXXXXXXXXXXX         | XXXXXXXXXXXXX         |
| Other: Bond Underwriter Fee and Expense  | \$ 25,000                  | XXXXXXXXXXXXX         | XXXXXXXXXXXXX         |
| Other: Issuer Fee                        | \$ 6,699                   | XXXXXXXXXXXXX         | XXXXXXXXXXXXX         |
| <b>TOTAL PERMANENT FINANCING COSTS</b>   | <b>\$ 56,439</b>           | <b>XXXXXXXXXXXXX</b>  | <b>XXXXXXXXXXXXX</b>  |

## EXHIBIT D: TAX CREDITS &amp; BASIS CALCULATION

Page 2

| DESCRIPTION OF COSTS                                   | ACTUAL OR EST.<br>OF COSTS | 70%<br>ELIGIBLE BASIS | 30%<br>ELIGIBLE BASIS |
|--------------------------------------------------------|----------------------------|-----------------------|-----------------------|
| <b>LEGAL FEES</b>                                      |                            |                       |                       |
| Construction Lender Legal                              | \$ 45,000                  |                       | \$ 45,000             |
| Permanent Lender Legal                                 | \$ 40,000                  | XXXXXXXXXXXXXX        | XXXXXXXXXXXXXX        |
| Sponsor Legal                                          | \$ 75,000                  |                       | \$ 75,000             |
| Organizational Legal                                   | \$ -                       |                       | \$ -                  |
| Syndication Legal                                      | \$ -                       | XXXXXXXXXXXXXX        | XXXXXXXXXXXXXX        |
| CPA, Opinion                                           | \$ -                       |                       | \$ -                  |
| Other: GP Legal                                        | \$ 10,000                  |                       | \$ 10,000             |
| <b>TOTAL LEGAL</b>                                     | \$ 170,000                 |                       | \$ 130,000            |
| <b>CAPITALIZED RESERVES</b>                            |                            |                       |                       |
| Operating Reserve                                      | \$ 52,871                  | XXXXXXXXXXXXXX        | XXXXXXXXXXXXXX        |
| Replacement Reserve                                    | \$ -                       | XXXXXXXXXXXXXX        | XXXXXXXXXXXXXX        |
| <b>TOTAL RESERVE COSTS</b>                             | \$ 52,871                  | XXXXXXXXXXXXXX        | XXXXXXXXXXXXXX        |
| <b>REPORTS &amp; STUDIES</b>                           |                            |                       |                       |
| Appraisal                                              | \$ -                       |                       | \$ -                  |
| Market Study                                           | \$ 8,000                   |                       | \$ 8,000              |
| Physical Needs Assessment                              | \$ -                       |                       | \$ -                  |
| Environmental Studies                                  | \$ 10,000                  |                       | \$ 10,000             |
| <b>TOTAL REPORTS &amp; STUDIES</b>                     | \$ 18,000                  |                       | \$ 16,000             |
| <b>OTHER EXPENSES</b>                                  |                            |                       |                       |
| TCAC Application/Allocation/Monitoring Fees            | \$ 13,344                  | XXXXXXXXXXXXXX        | XXXXXXXXXXXXXX        |
| CDLAC/CDIAC Fees                                       | \$ 13,805                  |                       | \$ -                  |
| Local Permit Fees                                      | \$ 190,936                 |                       | \$ 190,936            |
| Local Development Impact Fees                          | \$ 1,813,248               |                       | \$ 1,813,248          |
| Other Costs of Bond Issuance                           | \$ 7,500                   |                       | \$ -                  |
| Syndicator/Investor Fees & Expenses                    | \$ -                       | XXXXXXXXXXXXXX        | XXXXXXXXXXXXXX        |
| Furnishings                                            | \$ -                       |                       | \$ -                  |
| Final Cost Audit Expense                               | \$ 7,500                   |                       | \$ 7,500              |
| Marketing                                              | \$ 11,300                  | XXXXXXXXXXXXXX        | XXXXXXXXXXXXXX        |
| Financial Consultant                                   | \$ -                       |                       | \$ -                  |
| Real Estate Taxes                                      | \$ -                       |                       | \$ -                  |
| Other: Accounting/Finance/Admin                        | \$ 25,000                  |                       | \$ 25,000             |
| Other: TCAC Application Prep                           | \$ -                       |                       | \$ -                  |
| Other: Service Fee                                     | \$ -                       |                       | \$ -                  |
| <b>TOTAL OTHER COSTS</b>                               | \$ 2,082,634               |                       | \$ 2,036,684          |
| <b>DEVELOPER COSTS</b>                                 |                            |                       |                       |
| Developer Fee Limit                                    | \$ 2,000,000               |                       | \$ 1,400,000          |
| Developer Fee Calculation                              | \$ 950,306                 |                       | \$ 950,306            |
| Developer Fee                                          | \$ 850,308                 |                       | \$ 950,306            |
| <b>TOTAL DEVELOPER FEE</b>                             | \$ 950,306                 |                       | \$ 950,306            |
| <b>TOTAL RESIDENTIAL COSTS</b>                         | \$ 7,551,053               |                       | \$ 7,285,678          |
| <b>TOTAL COMMERCIAL COSTS</b>                          | \$ -                       |                       | \$ -                  |
| <b>TOTAL PROJECT AND BASIS COSTS</b>                   | \$ 7,551,053               |                       | \$ 7,285,678          |
| Adjustment for Excess Basis                            |                            |                       | \$ -                  |
| Additional Amount Voluntarily Excluded From Basis      |                            |                       | \$ -                  |
| Requested Unadjusted Eligible Basis                    |                            |                       | \$ 7,285,678          |
| <b>130% DIFFICULT DEVELOPMENT FACTOR?</b>              | Tract #: Not Avail.        | y                     | \$ 9,471,382          |
| Credit Reduction                                       |                            | 0.00%                 | \$ -                  |
| Total Adjusted Qualified Basis                         |                            |                       | \$ 9,471,382          |
| <b>TX CREDITS @ Tx Credit Rt @ % Lt Eligible</b>       | 3.32%                      | 100.00%               | \$ 314,450            |
|                                                        | 2/1/2011                   |                       | \$ 3,144,459          |
| <b>TX CREDITS OVER TEN YEARS</b>                       |                            |                       | \$ 3,144,459          |
| State Tax Credits - 13% of Eligible Basis & Over 4 Yrs |                            | 0.00%                 | \$ -                  |
| State Tax Credits Equity                               | \$ -                       |                       | \$ -                  |
| <b>TX CREDIT EOTY @ % Credit @ % Investment</b>        | \$ 0.8650                  | 98.99%                | \$ 2,703,998          |

51.68%

**Templar 21**[illegible]

[illegible]

### Terramar 21

February 21

|                                                    | 43                       | 44     | 45      | 46      | 47      | 48      | 49      | 50      | 51      | 52      | 53      | 54      | 55      | 56      |         |         |
|----------------------------------------------------|--------------------------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total Income, net vacancies                        | Initiation @             | 2.00%  | 527,517 | 538,087 | 548,828 | 559,805 | 571,001 | 582,421 | 594,069 | 605,951 | 618,070 | 630,431 | 643,040 | 655,901 | 669,019 | 682,369 |
| Operating Expenses                                 | Inflation @              | 3.00%  | 353,373 | 374,274 | 385,902 | 397,068 | 408,980 | 421,249 | 433,886 | 446,903 | 460,310 | 474,119 | 488,343 | 502,993 | 518,083 | 533,626 |
| <hr/>                                              |                          |        |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Net Operating Income                               |                          |        | 184,144 | 163,793 | 163,328 | 162,737 | 162,021 | 161,172 | 160,183 | 159,048 | 157,760 | 156,312 | 154,697 | 152,907 | 150,938 | 148,774 |
| Principal and Interest                             |                          | 6.25%  | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Annuity Issuer Fee                                 |                          | 0.00%  | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   |
| Replacement Reserves                               |                          | 3.00%  | 25,426  | 26,199  | 26,985  | 27,795  | 28,628  | 29,487  | 30,372  | 31,293  | 32,222  | 33,183  | 34,184  | 35,210  | 36,266  | 37,354  |
| LP Fee                                             |                          | 3.00%  | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Services Fee                                       |                          | 3.00%  | 17,303  | 17,823  | 18,357  | 18,909  | 19,475  | 20,059  | 20,661  | 21,281  | 21,920  | 22,577  | 23,254  | 23,952  | 24,671  | 25,411  |
| Net Project Cash Flow                              |                          |        | 112,705 | 111,072 | 109,284 | 107,335 | 105,218 | 102,928 | 100,450 | 97,784  | 94,919  | 91,847  | 88,569  | 85,047  | 81,300  | 77,310  |
| <hr/>                                              |                          |        |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| DCSR                                               |                          |        |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| <hr/>                                              |                          |        |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| ADJUSTMENTS:                                       |                          |        |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Dedicated Developer Fee                            | 100% of Avail Cashflow   | 1.00%  | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| SDHC Land Lease                                    |                          | 4.50%  | 23,738  | 24,213  | 24,697  | 25,191  | 25,695  | 26,209  | 26,733  | 27,268  | 27,813  | 28,369  | 28,937  | 29,516  | 30,106  | 30,708  |
| Cash Available After Adjustments                   |                          |        | 88,967  | 86,859  | 84,587  | 82,144  | 79,523  | 76,717  | 73,717  | 70,516  | 67,126  | 63,478  | 59,622  | 55,551  | 51,194  | 46,802  |
| Cash Available to Pay Soft Loans                   |                          | 50.00% | 44,483  | 43,429  | 42,293  | 41,072  | 39,762  | 38,353  | 36,859  | 35,258  | 33,553  | 31,739  | 29,811  | 27,766  | 25,597  | 23,301  |
| SDHC Loan                                          |                          | 3.00%  | 44,483  | 43,429  | 42,293  | 41,072  | 39,762  | 38,358  | 36,859  | 35,258  | 33,553  | 31,739  | 29,811  | 27,766  | 25,597  | 0       |
| Cash Flow Available After SDHC Loan Loans          | 100.0% of Avail Cashflow | 50.00% | 44,483  | 43,429  | 42,293  | 41,072  | 39,762  | 38,358  | 36,859  | 35,258  | 33,553  | 31,739  | 29,811  | 27,766  | 25,597  | 48,602  |
| Cash Flow to LP                                    |                          | 0.00%  | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Cash Flow Available after LP                       |                          |        | 44,483  | 43,429  | 42,293  | 41,072  | 39,762  | 38,358  | 36,859  | 35,258  | 33,553  | 31,738  | 29,811  | 27,766  | 25,597  | 46,602  |
| Partnership Admin Fee (90% of Cash Flow)           |                          | 80.00% | 35,557  | 34,743  | 33,845  | 32,858  | 31,809  | 30,697  | 29,487  | 28,207  | 26,842  | 25,391  | 23,849  | 22,212  | 20,478  | 17,281  |
| Cash Flow Available after Partnership Admin Fee    |                          |        | 8,897   | 8,686   | 8,459   | 8,214   | 7,952   | 7,672   | 7,372   | 7,032   | 6,711   | 6,349   | 5,962   | 5,553   | 5,119   | 4,720   |
| LP Distribution                                    |                          | 99.99% | 8,895   | 8,885   | 8,456   | 8,214   | 7,952   | 7,671   | 7,371   | 7,051   | 6,710   | 6,347   | 5,962   | 5,553   | 5,119   | 4,720   |
| GP Distribution                                    |                          | 0.01%  | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Remaining Cash Flow After Partnership Distribution |                          |        | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |

|                             |             | 57    | 58      | 59      | 60      | 61      | 62      | 63      | 64      | 65      | Totals  |            |
|-----------------------------|-------------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------|
| Total income, net vacancies | Inflation @ | 2.05% | 695,047 | 709,568 | 724,167 | 739,651 | 753,424 | 769,492 | 793,862 | 799,539 | 815,530 | 30,081,822 |
| Operating Expenses          | Inflation @ | 3.00% | 548,634 | 565,123 | 583,107 | 600,660 | 618,618 | 637,177 | 656,292 | 675,981 | 696,260 | 20,391,815 |
| Net Operating Income        |             |       | 146,413 | 143,645 | 141,060 | 138,950 | 134,805 | 131,315 | 127,570 | 123,558 | 119,270 | 9,690,007  |
| Principal and Interest      |             | 8.25% | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 2,788,488  |
| Annual Issuer Fee           |             | 0.00% | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   | 8,699   | 965,451    |
| Replacement Reserves        |             | 3.00% | 36,474  | 36,629  | 40,817  | 42,042  | 43,303  | 44,602  | 45,940  | 47,319  | 48,738  | 1,428,346  |
| LP Fee                      |             | 3.00% | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 100,150    |
| Services Fee                |             | 3.00% | 24,173  | 26,968  | 27,767  | 28,800  | 29,458  | 30,342  | 31,252  | 32,190  | 33,155  | 971,039    |
| Net Project Cash Flow       |             |       | 73,055  | 69,558  | 63,777  | 58,708  | 53,345  | 47,672  | 41,678  | 35,351  | 28,677  | 3,338,524  |

|                                            | 100% of Asset Cashflow | 0             | 0             | 0             | 0             | 0             | 0             | 0            | 0        | 91,682    |
|--------------------------------------------|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|----------|-----------|
| Deferred Developer Fee                     | 1.00%                  | 0             | 0             | 0             | 0             | 0             | 0             | 0            | 0        | 0         |
| SDHC Land Lease                            | 4.50%                  | 31,322        | 31,948        | 32,568        | 33,239        | 33,904        | 34,562        | 35,274       | 35,351   | 28,677    |
| Cash Available After Adjustments           |                        | <u>41,744</u> | <u>35,610</u> | <u>31,189</u> | <u>25,470</u> | <u>18,441</u> | <u>13,090</u> | <u>5,454</u> | <u>0</u> | <u>0</u>  |
| Cash Available to Pay Soft Loans           | 50.00%                 | <u>20,872</u> | <u>18,305</u> | <u>15,595</u> | <u>12,735</u> | <u>9,720</u>  | <u>6,546</u>  | <u>3,202</u> | <u>0</u> | <u>0</u>  |
| SDHC Loan                                  | 3.00%                  | 0             | 0             | 0             | 0             | 0             | 0             | 0            | 0        | 1,128,608 |
| Cash Flow Available After Soft Loan Repay. | 50.00%                 | <u>41,744</u> | <u>38,610</u> | <u>31,189</u> | <u>25,470</u> | <u>19,441</u> | <u>13,090</u> | <u>6,404</u> | <u>0</u> | <u>0</u>  |

|                                                 |        |              |              |              |              |              |              |              |          |                |
|-------------------------------------------------|--------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------|----------------|
| Partnership Admin Fee (80% of Cash Flow)        | 80.00% | 33,395       | 29,288       | 24,951       | 20,376       | 15,553       | 10,472       | 5,124        | 0        | 1,080,126      |
| Cash Flow Available after Partnership Admin Fee |        | <u>9,349</u> | <u>7,322</u> | <u>6,238</u> | <u>5,094</u> | <u>3,888</u> | <u>2,618</u> | <u>1,281</u> | <u>0</u> | <u>270,032</u> |
| LP Distribution                                 | 99.99% | 8,348        | 7,321        | 6,237        | 5,093        | 3,888        | 2,618        | 1,281        | 0        | 270,005        |
| GP Distribution                                 | 0.01%  | 1            | 1            | 1            | 1            | 0            | 0            | 0            | 0        | 27             |

### Remaining Cash Flow After Partnership Distribution



(add extra sheets if you need more space)

[illegible]

- San Diego CA 92101 • Y 619 578 7556

Developer Disclosure Statement Page 2

- 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 J. Schmid – President – 100% Shareholder**  
**Lynn Schmid - Secretary**  
**5993 Avenida Encinas, #101**  
**Carlsbad, CA 92008**  
**Phone: 760-456-6000**

- 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. N/A
- 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

| <u>Name, Address &amp; Zip Code</u> | <u>Phone Number</u> | <u>Position Title (if any) and percent of interest or description of character and extent of interest</u> |
|-------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------|
|-------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------|

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> |
|-----------------------------------|--------------------------------------------------------|
|-----------------------------------|--------------------------------------------------------|

Developer Disclosure Statement Page 3

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.

None, by exclusion of affiliations of less than 1%.

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:

Tax Credit Equity  
Public Agency Subsidy  
Master Developer Contribution

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

- a. In banks:

| <u>Name, Address and ZIP Code of Bank</u> | <u>\$ Amount</u> |
|-------------------------------------------|------------------|
|-------------------------------------------|------------------|

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

| <u>Name, Address and ZIP Code of Source</u> | <u>\$ Amount</u> |
|---------------------------------------------|------------------|
|---------------------------------------------|------------------|

- c. By sale of readily salable assets:

| <u>Description</u> | <u>Market Value</u> | <u>Mortgages or Liens</u> |
|--------------------|---------------------|---------------------------|
|--------------------|---------------------|---------------------------|

12. Name and addresses of bank references:

Charmaine Atherton  
Senior Vice President  
Bank of America  
333 South Hope Street  
11<sup>th</sup> Floor  
Los Angeles, CA 90071  
PH: 213-621-4816  
FAX: 213-621-4829  
charmaine.atherton@bankofamerica.com

Paul Shipstead  
Vice President  
Community Lending  
US Bank  
4330 La Jolla Village Drive, Suite 200  
San Diego, CA 92122  
PH: 858-642-4632  
paul.shipstead@usbank.com

Kim Tronerud-Coy  
VP & Credit Administrator  
Security Business Bank of San Diego  
701 B Street, Suite 100  
San Diego, CA 92101  
PH: 619.237.4815  
FAX: 619.237.4200  
kimtronerud-coy@Securitybusinessbank.com

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.

Developer Disclosure Statement Page 5

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:

**Please see attached 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:  
N/A

a. Name and address of such contractor or builder:

- 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<br/>Contract or Development</u> | <u>Location</u> | <u>Amount</u> | <u>Date to be<br/>Completed</u> |
|------------------------------------------------------|-----------------|---------------|---------------------------------|
|------------------------------------------------------|-----------------|---------------|---------------------------------|

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

| <u>Awarding Agency</u> | <u>Amount</u> | <u>Date Opened</u> |
|------------------------|---------------|--------------------|
|------------------------|---------------|--------------------|

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

Developer Disclosure Statement Page 6

proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

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: Confidential financial statements will be sent separately.

CERTIFICATION

I (~~We~~) CHARLES A. SCHMID 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 (our) knowledge and belief.

Date: JANUARY 12, 2011

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

CAS  
Signature

\_\_\_\_\_  
Signature

Title: VICE PRESIDENT

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

Address & ZIP Code

5993 AVENIDA ENCINAS, SUITE 101  
CARLSBAD, CA 92008

Chateau Investment Corporation  
Summary of Projects Completed, Under Construction and Under Development  
As of May 26, 2010

| Project Name                                              | Date Financed | # Units | CICM | Total Cost  | Tax Credit Equity | AIIP      | HOME/MHHP CD/CHTIF Other-Soft | Permanent Loan/Tax Exempt Bonds | Deferred Fee Notes | Seller Note/Cash From Operations | GP Loan/Equity/Master Developer Contribution | Total       |
|-----------------------------------------------------------|---------------|---------|------|-------------|-------------------|-----------|-------------------------------|---------------------------------|--------------------|----------------------------------|----------------------------------------------|-------------|
| <b>Summary of Projects Completed:</b>                     |               |         |      |             |                   |           |                               |                                 |                    |                                  |                                              |             |
| 1 St. Vincent de Paul - Village Place (San Diego, CA)     | 1995          | 46      |      | 1,000,000   | 3,751,700         |           |                               |                                 |                    |                                  |                                              | 1,000,000   |
| 2 Hatfield Homes (El Centro, CA)                          | 1993          | 48      |      | 6,000,000   | 4,292,817         |           |                               |                                 |                    |                                  |                                              | 6,000,000   |
| 3 Riviera I & II (Calverton, CA)                          | 1993/4        | 134     |      | 9,403,795   | 8,950,000         |           |                               |                                 |                    |                                  | 1,109,039                                    | 9,403,795   |
| 4 Paul Mirabito Center (San Diego, CA)                    | 1994          | 350     |      | 20,000,000  | 8,950,000         |           | 981,939                       | 2,020,000                       |                    |                                  |                                              | 20,000,000  |
| 5 Warwick Square Apts (Santa Ana, CA)                     | 1996          | 500     |      | 5,283,805   | 3,000,000         | 250,000   |                               |                                 |                    |                                  |                                              | 5,283,805   |
| 6 Las Cintas (San Luis, AZ)                               | 1997          | 76      | 76   | 6,529,619   | 3,150,000         |           | 50,000                        | 1,250,000                       | 323,805            |                                  | 410,000                                      | 6,529,619   |
| 7 Du Anza (Calverton, CA)                                 | 1998          | 94      | 94   | 6,224,633   | 4,322,923         | 400,000   | 656,630                       | 2,562,989                       | 211,456            | 160,000                          | 152,314                                      | 6,224,633   |
| 8 Blonostor (San Luis, AZ)                                | 1999          | 92      | 92   | 3,675,780   | 1,925,728         | 250,000   | 250,000                       | 888,000                         | 156,052            |                                  | 3,291,346                                    | 3,675,780   |
| 9 Haila San Carlos (Yuma, AZ)                             | 1997          | 60      |      | 4,159,542   | 888,197           |           | 1,130,000                     |                                 |                    |                                  |                                              | 4,159,542   |
| 10 Toussaint Tera Center (San Diego, CA)                  | 1998          | 34      |      | 8,945,730   | 2,615,387         | 500,000   | 5,430,343                     |                                 |                    |                                  |                                              | 8,945,730   |
| 11 Matthe's Village (Indio, CA)                           | 2000          | 53      |      | 8,056,156   | 5,953,992         | 800,000   | 5,000                         | 675,000                         | 2,164              |                                  |                                              | 8,056,156   |
| 12 Villa de las Flores (Calverton, CA)                    | 2000          | 80      | 80   | 10,350,978  | 7,056,507         | 601,556   | 400,000                       | 1,081,297                       | 192,913            |                                  |                                              | 10,350,978  |
| 13 Calerico Family Apartments (Calverton, CA)             | 2002          | 80      | 80   | 9,608,527   | 7,328,868         | 800,000   |                               | 1,306,331                       | 396,432            |                                  |                                              | 9,608,527   |
| 14 Bravley Family Apartments (Brawley, CA)                | 2002          | 80      | 80   | 9,745,753   | 7,403,000         | 800,000   | 275,000                       | 6,352,500                       | 522,607            |                                  |                                              | 9,745,753   |
| 15 Villa Sarena (7) (Chula Vista, CA)                     | 2008          | 132     | 132  | 9,257,489   | 2,107,382         |           |                               | 43,000,000                      |                    |                                  |                                              | 9,257,489   |
| 17 Terehina (1) (Chula Vista, CA)                         | 2000          | 440     |      | 46,000,000  | 1,500,000         |           |                               |                                 | 306,560            |                                  |                                              | 46,000,000  |
| 18 St. Regis Park (Chula Vista, CA)                       | 2000          | 119     | 119  | 9,951,290   | 2,778,454         |           | 1,387,152                     | 5,473,124                       | 184,961            |                                  | 1,265,000                                    | 9,951,290   |
| 19 Sochoreze (6) (San Diego, CA)                          | 2000          | 38      | 38   | 5,447,961   | 2,916,000         |           |                               | 1,142,000                       | 313,416            |                                  |                                              | 5,447,961   |
| 20 Regency (San Diego, CA)                                | 2000          | 100     | 100  | 6,143,092   | 1,407,440         |           |                               | 4,100,000                       | 503,611            |                                  |                                              | 6,143,092   |
| 21 Torrey Highlands (8) (San Diego, CA)                   | 2001          | 76      | 76   | 10,008,399  | 3,145,000         |           |                               | 4,780,000                       | 105,202            |                                  |                                              | 10,008,399  |
| 22 Villa Harvey Mandal (San Diego, CA)                    | 2002          | 90      | 90   | 12,322,455  | 7,223,250         |           | 2,920,000                     | 1,720,000                       |                    |                                  |                                              | 12,322,455  |
| 23 Villa Andalucia (2) (San Diego, CA)                    | 2002          | 32      | 32   | 4,448,082   | 1,402,000         |           |                               | 1,350,000                       |                    |                                  |                                              | 4,448,082   |
| 24 Villa Glen (3) (San Diego, CA)                         | 2002          | 26      | 26   | 4,211,407   | 4,832,000         |           |                               | 1,350,000                       |                    |                                  |                                              | 4,211,407   |
| 25 Winwood Village (4) (San Diego, CA)                    | 2002          | 92      | 92   | 19,209,309  | 13,057,008        | 1,000,000 | 3,310,365                     | 6,600,000                       | 510,540            |                                  |                                              | 19,209,309  |
| 26 Marko Square Manor (San Diego, CA)                     | 2002          | 106     | 106  | 9,152,334   | 3,098,000         | 800,000   | 2,552,444                     | 1,030,400                       | 123,240            |                                  |                                              | 9,152,334   |
| 27 Countywide Apts (El Centro, CA)                        | 2003          | 73      | 73   | 9,401,000   | 2,881,000         | 800,000   | 3,500,000                     | 2,250,000                       | 349,890            |                                  |                                              | 9,401,000   |
| 28 Holyville Sr Apts (Holtville, CA)                      | 2003          | 81      | 81   | 8,791,535   | 2,887,000         | 800,000   | 2,768,918                     | 2,251,000                       | 266,617            |                                  |                                              | 8,791,535   |
| 29 Imperial Gardens Sr Apts (Imperial, CA)                | 2003          | 65      | 65   | 9,722,781   | 3,110,000         |           | 3,409,739                     | 2,227,000                       | 176,052            |                                  |                                              | 9,722,781   |
| 30 Westmoreland Family Apts (Westmoreland, CA)            | 2003          | 150     | 150  | 23,333,333  | 5,068,519         |           | 2,042,722                     | 11,886,000                      | 600,000            | 636,042                          | 358,090                                      | 23,333,333  |
| 31 Rancho Del Norte (6) (Chula Vista, CA)                 | 2003          | 119     | 119  | 23,289,688  | 7,393,483         |           | 5,928,000                     | 6,600,000                       | 839,694            | 2,511                            |                                              | 23,289,688  |
| 33 Mariposa (Calverton Hills II) (1) (Carlsbad, CA)       | 2003          | 106     | 106  | 17,024,465  | 5,393,499         |           | 4,849,342                     | 6,000,000                       | 255,753            | 236,871                          |                                              | 17,024,465  |
| 34 The Crossings (4) (San Diego, CA)                      | 2004          | 108     | 108  | 21,561,700  | 8,176,084         |           | 7,073,514                     | 4,830,000                       | 262,108            |                                  |                                              | 21,561,700  |
| 35 Brawley Gardens (Brawley, CA)                          | 2004          | 81      | 81   | 11,574,645  | 3,800,800         | 800,000   | 4,112,051                     | 2,120,000                       | 522,794            |                                  |                                              | 11,574,645  |
| 36 Harbor Family Apartments (Hobart, CA)                  | 2004          | 81      | 81   | 14,026,496  | 4,747,000         | 800,000   | 3,900,000                     | 3,727,000                       | 394,496            |                                  |                                              | 14,026,496  |
| 37 Brawley Elks Senior Apartments (Brawley, CA)           | 2004          | 81      | 81   | 10,768,525  | 3,612,000         |           | 3,500,000                     | 2,791,000                       | 65,525             |                                  |                                              | 10,768,525  |
| 38 Fairbanks Ridge at 401 Sur (10) (San Diego, CA)        | 2005          | 204     | 204  | 48,323,282  | 16,337,266        |           | 10,000,000                    | 13,400,000                      | 208,997            |                                  | 6,376,030                                    | 48,323,282  |
| 40 Hunter's Pointe (1) (Carlsbad, CA)                     | 2006          | 72      | 72   | 14,604,979  | 5,253,000         |           | 6,190,000                     | 2,815,000                       | 386,970            |                                  |                                              | 14,604,979  |
| 42 City Heights Square (San Diego, CA)                    | 2006          | 106     | 106  | 15,963,000  | 6,550,000         |           | 8,400,000                     | 9,772,000                       | 1,049,962          | 232,032                          | 500,000                                      | 15,963,000  |
| 43 Villa Esperanza (Calipatria, CA)                       | 2006          | 150     | 150  | 32,734,405  | 20,725,610        |           | USDA only                     |                                 | 575,000            | 439,000                          |                                              | 32,734,405  |
| 44 16th & Market - SVDP (San Diego, CA)                   | 2006          | 72      | 72   | 14,480,496  | 5,516,564         |           | 7,143,502                     | 2,100,000                       | 799,795            |                                  |                                              | 14,480,496  |
| 45 Willow Glen Apts (4) (Sacramento, CA)                  | 2007          | 136     | 136  | 69,440,235  | 25,026,396        |           | 10,000,000                    | 3,010,000                       | 275,330            |                                  | 545,000                                      | 69,440,235  |
| 46 Glen Ridge Apts (1) (Carlsbad, CA)                     | 2007          | 135     | 135  | 28,560,688  | 11,923,743        |           | 9,625,615                     | 4,981,000                       | 1,250,000          |                                  |                                              | 28,560,688  |
| 47 The Landings (12) (Chula Vista, CA)                    | 2007          | 78      | 78   | 21,721,038  | 8,820,508         |           | 6,935,777                     | 4,052,000                       | 730,330            |                                  |                                              | 21,721,038  |
| 48 Beachwood Court (Imperial Beach, CA)                   | 2007          | 92      | 92   | 26,188,276  | 11,735,485        |           | 8,031,082                     | 5,985,000                       | 812,753            |                                  |                                              | 26,188,276  |
| 49 Boulevard Apartments (San Diego, CA)                   | 2008          | 15      | 15   | 4,193,448   | 1,012,997         |           | 1,945,000                     | 1,075,000                       | 1,137,741          |                                  |                                              | 4,193,448   |
| 50 Tierra Del Cielo (Somerton, AZ)                        | 2008          | 24      |      | 11,034,744  | 3,713,217         |           | 5,081,535                     |                                 | 139,576            | 28,877                           |                                              | 11,034,744  |
| 51 Duneson (San Diego, CA)                                | 2008          | 33      | 33   | 6,263,645   | 2,130,000         | 400,000   | 600,000                       | 3,045,787                       | 87,858             |                                  | 1,970,000                                    | 6,263,645   |
| 52 Silver Sage (Lakewood, CA)                             | 2008          | 88      | 88   | 24,865,716  | 20,540,716        | 435,000   | 8,500,000                     | 8,830,000                       |                    |                                  |                                              | 24,865,716  |
| 53 Parla 48 (Sanitas, CA)                                 | 2009          | 50      | 80   | 24,064,129  | 5,185,090         |           | 5,276,030                     | 4,820,000                       | 1,563,039          |                                  |                                              | 24,064,129  |
| Subtotal Completed/Sanitized Projects                     | 2009          | 48      | 48   | 13,943,868  | 3,736,508         |           | 172,871,540                   | 199,690,355                     | 17,824,256         | 2,658,544                        | 82,088,208                                   | 13,943,868  |
| <b>Projects Financed - Under Construction:</b>            |               |         |      |             |                   |           |                               |                                 |                    |                                  |                                              |             |
| 54 Oakridge (Oakdale, CA)                                 | 2009          | 41      |      | 5,331,824   | 1,370,725         |           | 1,750,000                     | 2,071,000                       | 140,100            |                                  |                                              | 5,331,825   |
| 55 Vordana (San Ysidro, CA)                               | 2009          | 80      | 80   | 25,657,450  | 13,144,941        |           | 6,801,000                     | 4,900,000                       | 811,519            |                                  |                                              | 25,657,450  |
| 56 South Mill Creek (Bakersfield, CA)                     | 2010          | 70      |      | 15,433,974  | 4,692,000         | 690,000   | 7,650,000                     | 1,576,000                       | 165,975            | 689,989                          |                                              | 15,433,974  |
| 57 15th and Commercial (San Diego, CA)                    | 2009          | 140     |      | 56,665,263  | 33,185,263        | 1,000,000 | 7,000,000                     | 9,500,000                       |                    |                                  | 6,000,000                                    | 56,665,263  |
| 58 Landings II (Chula Vista, CA)                          | 2010          | 143     |      | 50,330,450  | 15,426,000        |           | 8,400,000                     | 11,969,857                      | 543,593            |                                  | 14,000,000                                   | 50,330,450  |
| Subtotal Projects Currently being Constructed             |               | 474     | 80   | 153,418,971 | 67,798,929        | 1,690,000 | 31,601,000                    | 30,007,857                      | 1,661,167          | 659,999                          | 20,000,000                                   | 153,418,972 |
| <b>Number of units currently under management by CICM</b> |               |         |      |             |                   |           |                               |                                 |                    |                                  |                                              |             |
| 3,818                                                     |               |         |      |             |                   |           |                               |                                 |                    |                                  |                                              |             |

Chelsea Investment Corporation  
Summary of Projects Completed, Under Construction and Under Development  
As of May 26, 2010

| Project Name                                   | Year<br>Inception | #<br>Units   | CICM | Total Cost           | Tax Credit<br>Equity | AHP               | HOMESHIP<br>CDBG/ITF<br>Other Self | Permanent<br>Loan/Tax<br>Exempt Bonds | Deferred<br>Fee<br>Notes | Seller Note/<br>Cash From<br>Operations | GR Land/Easement/<br>Master Developer<br>Contribution | Total                |
|------------------------------------------------|-------------------|--------------|------|----------------------|----------------------|-------------------|------------------------------------|---------------------------------------|--------------------------|-----------------------------------------|-------------------------------------------------------|----------------------|
| <b>Projects Awarded - Under Development:</b>   |                   |              |      |                      |                      |                   |                                    |                                       |                          |                                         |                                                       |                      |
| 59 Arvin Family Apartments (Arvin, CA)         | 2010              | 60           |      | 13,742,207           | 9,470,000            | 580,000           | 1,390,000                          | 2,015,000                             | 277,207                  | -                                       | -                                                     | 13,742,207           |
| 60 Brawley Pioneer Family (Brawley, CA)        | 2010              | 76           |      | 10,612,230           | 4,025,000            | 600,000           | 3,400,000                          | 1,771,000                             | 583,230                  | -                                       | -                                                     | 10,612,230           |
| 61 Do Arza Plaza II (Colton, CA)               | 2010              | 54           |      | 9,783,474            | 6,745,000            | 300,000           | -                                  | -                                     | 734,571                  | -                                       | 250,000                                               | 9,783,474            |
| 62 Dinuba M Street Senior Apts. (Dinuba, CA)   | 2010              | 66           |      | 13,963,906           | 9,284,000            | -                 | 3,255,000                          | 1,405,000                             | 19,906                   | -                                       | 2,000,000                                             | 13,963,906           |
| 63 El Centro Family Apartments (El Centro, CA) | 2010              | 72           |      | 16,764,801           | -                    | -                 | 5,300,000                          | 1,350,000                             | 134,801                  | -                                       | -                                                     | 16,764,801           |
| 64 Fairmont 26 (San Diego, CA)                 | 2010              | 26           |      | 12,921,365           | 6,542,333            | -                 | 3,015,000                          | 2,082,000                             | 160,490                  | -                                       | -                                                     | 12,921,365           |
| 65 Calaveras Andarabi (Calaveras, CA)          | 2010              | 52           |      | 13,775,994           | 7,720,777            | -                 | 4,584,203                          | -                                     | 8,514                    | 1,462,500                               | 1,121,543                                             | 13,775,994           |
| 66 Mercado (San Diego, CA)                     | 2010              | 92           |      | 38,960,071           | 16,391,488           | 1,000,000         | 10,105,000                         | 4,801,000                             | 682,583                  | -                                       | -                                                     | 38,960,071           |
| Subtotal Redevelopment                         |                   | 498          |      | 130,544,048          | 60,185,501           | 2,490,000         | 37,049,203                         | 13,424,000                            | 2,581,302                | 1,462,500                               | 13,371,543                                            | 130,544,048          |
| <b>Grand Totals</b>                            |                   | <b>6,825</b> |      | <b>1,102,744,788</b> | <b>461,496,377</b>   | <b>18,916,556</b> | <b>241,621,843</b>                 | <b>243,122,215</b>                    | <b>23,046,757</b>        | <b>4,781,143</b>                        | <b>95,459,811</b>                                     | <b>1,102,744,791</b> |
| <b>Inclusionary Totals</b>                     |                   | <b>2,147</b> |      | <b>422,456,698</b>   | <b>142,835,862</b>   | -                 | <b>81,953,387</b>                  | <b>134,008,500</b>                    | <b>9,051,833</b>         | <b>1,738,408</b>                        | <b>51,368,899</b>                                     | <b>422,456,699</b>   |

Master Developers  
(1) McMullen Homes  
(2) Barratt American

(3) McMullen Homes/Shoa Homes  
(4) Pardee Homes

(5) Taylor/Woodrow  
(6) Barratt/Conex

(7) Sunbow  
(8) Graystone Homes

(9) Eastlako  
(10) Fairbanks

(11) Morrow Development/La Costa  
(12) Shaa/Brookfield



Real Estate Department

DEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE

(add extra **sheets** if you need more **space**)

1. Name of developer:  
Pacific Southwest Community Development Corporation
2. Address, phone number and ZIP Code:  
  
16935 W Bernardo Drive, STE 238, San Diego CA 92127.  
Telephone 858 675 0506
3. IRS Number of Developer:  
33-0673939
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  
X\_\_\_\_\_ A nonprofit or charitable institution or corporation  
\_\_\_\_\_ A partnership known as: \_\_\_\_\_  
\_\_\_\_\_ 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:  
PSCDC was incorporated on December 2, 1993, to do business in California and Arizona as an IRS 501(C) 3 non-profit public benefit corporation.
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. None

- 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.  
Please see attached roster of directors and officers

- 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. None

- 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%.

| <u>Name, Address &amp; Zip Code</u> | <u>Phone Number</u> | Position Title (if any) and percent of<br>interest or description of character<br><u>and extent of interest</u> |
|-------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------|
|-------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------|

NONE

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):

Developer Disclosure Statement Page 3

Name, Address and  
Zip Code

Description of character and  
extent of interest

NONE

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:  
See attached list
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.  
Pacific Southwest Community Development Corporation is an independent 501 (c) 3 public benefit corporation
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:  
Please see audited statement
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> |
|-----------------------------------------------------|------------------|
| Wells Fargo Bank PO Box 6995 Portland OR 97228-6994 | \$130,306        |
- b. By loans from affiliated or associated corporations or firms:
- | <u>Name, Address and ZIP Code of Source</u> | <u>\$ Amount</u> |
|---------------------------------------------|------------------|
|---------------------------------------------|------------------|
- c. By sale of readily salable assets:

- |  | <u>Description</u> | <u>Market Value</u> | <u>Mortgages or Liens</u> |
|--|--------------------|---------------------|---------------------------|
|--|--------------------|---------------------|---------------------------|
- 
12. Name and addresses of bank references:  
Paul Shipstead,  
US Bank National Association,  
Vice President Community Lending,  
4747 Executive Drive, 3rd 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:  
Please see attached brochure
  
  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:
    - a. Name and address of such contractor or builder:
    - 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 ☒ X  
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<br/>Contract or Development</u> | <u>Location</u> | <u>Amount</u> | <u>Date to be<br/>Completed</u> |
|------------------------------------------------------|-----------------|---------------|---------------------------------|
|------------------------------------------------------|-----------------|---------------|---------------------------------|

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

| <u>Awarding Agency</u> | <u>Amount</u> | <u>Date Opened</u> |
|------------------------|---------------|--------------------|
|------------------------|---------------|--------------------|

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:  
Please see attached brochure
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.

Developer Disclosure Statement Page 6

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:

CERTIFICATION

I (We) Robert W Laing 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 (our) knowledge and belief.

Date: January 13, 2011

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

  
\_\_\_\_\_  
Signature

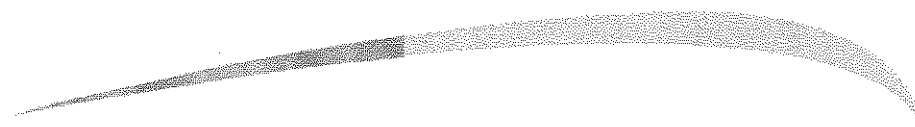
\_\_\_\_\_  
Signature

Title: President/ Executive Director

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

Address & ZIP Code

16935 W Bernardo Drive STE 238  
San Diego, CA 92127



# PACIFICSOUTHWEST

Community Development Corporation

16935 W. Bernardo Drive, Suite 238  
San Diego, CA 92127

Introduction to Pacific Southwest CDC

Mission and Goals

Resident Services

Service providers

Properties

Board of Directors, Key Executives and Staff.

Organization Chart

Please visit our web site

[www.PSWCDC.org](http://www.PSWCDC.org)

# **Introduction to Pacific Southwest Community Development Corporation**

PSCDC was incorporated on December 2, 1993, to do business in California and Arizona as an IRS 501(C) 3 non-profit public benefit corporation.

Employer Identification Number 33-0673939.  
BOE California Corporation Number 1869399.  
Organization Clearance Certificate 9498.  
Dun and Bradstreet Number 135526148.

PSCDC is the Managing General Partner for low-to-moderate income apartment properties in California and Arizona. The company is co-general partners with developers who build affordable housing that are financed by low income housing tax credits, State and Municipal funds, and redevelopment grants. PSCDC also forms partnerships with private developers to acquire existing housing properties in order to benefit from property tax exemptions. We currently have 37 properties serving 3672 families.

PSCDC also provides a comprehensive selection of social services to the residents of the properties that are designed to empower the residents, strengthen the families and the community.

**Resources** – PSCDC is resourceful in tapping into the service providers needed to fulfill our mission to our residents. PSCDC contracts with a large variety of service providers and individuals who assist us in our mission. We are interested in identifying sources of funding to either increase services or to continue to provide the current level of services. We keep paid staff to a minimum. Our Board of Directors is an all volunteer Board.

Our facilities at each property include community meeting rooms and computer labs that provide a place to deliver services to our residents. The large number of residents and the facilities we can provide are of great interest to many of the service providers we work with.

Many of the services are provided by resident instructors at each site, who are paid in the form of a monthly rent credit to teach eight hours of classes per month. We currently provide about 300 classes at the sites each month for about 2,000 resident students. We believe that by empowering the residents themselves we can reach more of the residents and provide a more relevant experience for them.

**Organization** – We have a small staff of full time employees who manage the volunteers and contract with outside service providers. Many functions are outsourced to reduce costs. We recruit and train many of our residents to provide services to our residents.

**Networking** – We are very interested in working with as many organizations as we can that have similar goals by sharing our capabilities. We work with health clinics to provide health screening to our residents, or school districts for after school homework help. We can provide

the space in which to provide the services and encourage our residents to attend.

**Programs** – The services we provide at each site are primarily designed to serve the needs of the residents and to comply with the contractual obligations to fulfill the service commitment made in the funding application for the project. These vary from project to project but typically include computer training, ESL, and tutoring. PSCDC also has the ability to provide substitute services if the original requirements are no longer needed. We constantly evaluate the needs of our residents and adjust the services we offer accordingly.

**Political** – PSCDC is committed to providing attractive, low cost affordable housing to the public. In order to achieve our goals we are actively engaged in the public, political and business arena in order to help shape public policy to ensure that adequate funds and support for inclusionary housing is forthcoming.

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President/Executive Director  
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[robertlaing@pswcdc.org](mailto:robertlaing@pswcdc.org)

Web site [www.PSWCDC.org](http://www.PSWCDC.org)



1 De Anza Hotel, restored to provide Senior Housing, Calexico

## **Our Mission**

Our mission is to be an outstanding participant in affordable housing industry affairs by producing quality affordable housing in partnership with others, or as the lead developer, integrated with resident services.

Our mission includes identifying the needs of current and future residents of our properties and to provide services in partnership with third party providers as well as using our own resources.

Through on-site programs we will empower our residents to achieve economic and social stability. We will strive to strengthen our communities from within by training residents to become instructors and take a lead role in providing programs that will help their neighbors and communities prosper.

We will fulfill our mission by acting as a team supporting one another.

This mission statement was created by the PSCDC team on November 17, 2008.

## **Our Goals**

PSCDC's primary focus is the development and management of affordable housing, which is in high demand throughout the southwestern United States, particularly in the "border communities" of California, Mexico and Arizona. The development of affordable housing, presents significant challenges to society and the building community. Affordable housing cannot be built without subsidy – public and private – and the support of the local community. PSCDC understands and recognizes this formula as essential to the creation of successful affordable housing. PSCDC works with all levels of government, lenders, other non-profit corporations and community leaders in order to achieve its goals. PSCDC endeavors to increase community support and awareness through demonstration of the need for, and the benefits of, quality affordable housing.

Additional PSCDC projects will include self-help housing, commercial enterprise and other economic development activities that will provide permanent employment opportunities.

PSCDC complies with federal, state and local fair housing and civil rights administrative procedures. PSCDC does not tolerate any discrimination based on race, color, creed, religion, sex, national origin, age, familial status or handicap either towards its Board, staff, partners, consultants or residents.



## **Pacific Southwest Community Development Corporation Resident Services Overview**

A Resident Services Program is made available to all of the residents of the properties owned by PSCDC. The purpose of the services is to empower the residents by building skills that will increase their self sufficiency and enhance their quality of life. On a monthly basis there are an average of 441 educational classes held involving 643 hours of instruction and over 2,350 students attending.

PSCDC's apartment sites have a community center and a computer lab. These facilities allow us to provide all classes and programs on-site. All classes and programs are free to our residents.

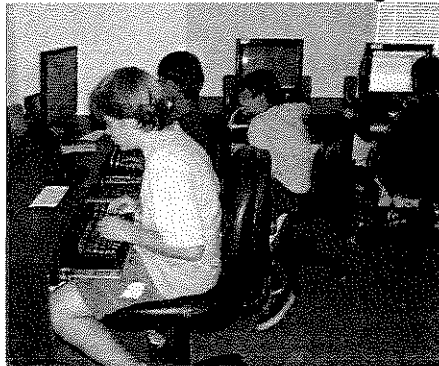
### **Youth Services**

#### **After School Homework Tutoring**

This class provides a quiet and comfortable space for children to work on their homework. In order to support the academic improvement of resident children, each site is staffed with a Homework Tutor who provides one-to-one tutoring and homework assistance. On some properties we have established a cooperative relationship with the local school district to work with the children after normal school hours. The Homework Tutor also helps older youth to develop leadership skills by encouraging them to volunteer to tutor the younger children and to stay in school to obtain the necessary credentials that will prepare them for higher education and employment opportunities.

#### **Computer Enrichment Program**

Classes are offered on the use of the hardware and software programs. Special emphasis is made to help the students with school research and homework assignments using the computer.

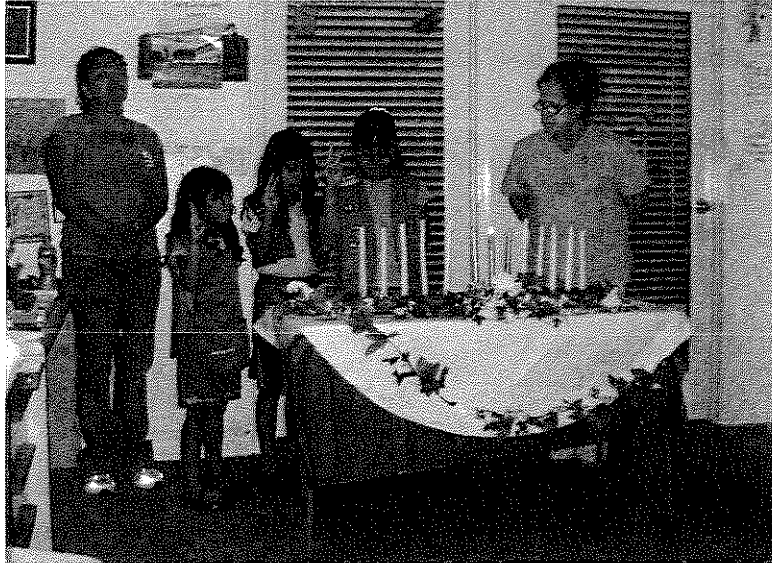


Computer classes are very popular for all ages.

#### **Reading Program**

A library of children's books has been established at many of our properties to help resident children discover that reading is fun. To require the children to read would defeat the program's main objective. Instead, the homework tutors, after-school program staff, and parent volunteers read stories to the children at their request. Many children choose to read on their own on a daily basis. Incentives are provided to reward the children for their reading efforts and to encourage

other children to develop the habit of reading for pleasure which can build vocabulary and comprehension skills.



Girl Scouts, one of many activities available.

### Arts & Crafts

Arts and crafts classes are held to provide a fun and engaging environment for children. Through a variety of materials and resources, children are able to interact and design creative projects, individually and with other children.



Fully engaged in the After School program

### **Other Activities**

Resident volunteers are used to supervise various youth activities including supervised internet access, movie nights with popcorn, social nights, barbecues and picnics, arts-n-crafts activities, sports activities, and walking field trips to local libraries and parks.



Trick or Treat!

### **Adult Services**

#### **Computer Instruction**

Each site is staffed with a computer instructor who offers a basic computer course. Residents who are first-time computer users receive an introduction to computer technology. Residents who are in need of increased computer skills for school, employment, or personal growth purposes receive instruction in keyboarding skills, internet search skills, and various software applications such as word processing or spreadsheet programs.

#### **E.S.L. (English as a Second Language)**

Each site is staffed with an E.S.L. instructor who provides instruction to residents who wish to learn English or improve their English skills. The residents learn how to speak, read, and write in English. For those residents who are preparing for employment, an emphasis is placed on English for the workplace, including how to fill out an employment application and how to prepare for an interview. Resident students are supplied with free E.S.L. textbooks and materials to use both in the classroom and at home.



ESL Holiday party

### **U.S. Citizenship**

Courses are offered to residents who would like to become U.S. Citizens. Residents prepare for the exam given by the Immigration and Naturalization Service by reviewing test questions, practicing for the interview, and learning other important information about the citizenship process.

### **Consumer Credit Counseling**

PSCDC has partnered with banks and financial institutions to bring financial literacy to our residents. The topics covered are money management skills, the use of credit, savings and predatory lending and financial fraud. We also encourage the formation of savers clubs and Individual Development Accounts to save for college, to start a business, or a deposit for first time home buyers.

## **Senior Services**

### **Nutrition Classes**

Weekly cooking classes with an emphasis on nutrition are offered to senior residents. A nutrition instructor promotes healthy eating habits by demonstrating healthy and nutritious meals to the residents. By improving the nutrient intake of our senior residents we assist them to remain healthy and independent in their communities.



Nutrition classes are a hit with our senior residents.



### **Senior Fitness**

Weekly exercise classes through Aging and Independent Services are offered to senior residents. The classes promote safe, fun, and effective senior fitness components such as low-impact exercise, stretching, relaxation, and fall prevention. These exercise classes promote the notion that good physical and mental health is a direct result of a safe and active exercise regimen.

### **Health and Wellness**

PSCDC partners with health organizations such as local hospitals and community clinics to provide monthly health and wellness presentations, support groups, and free health screenings for our senior residents.

### **Social Activities**

Various social activities such as bingo, arts-n-crafts, group outings, potlucks, and seasonal parties are offered to motivate our senior residents to remain socially active. Social activities are essential in assisting our senior residents to remain healthy as they age by keeping their body, mind, and spirit active and alive.

### **Transportation Services**

We provide a transportation service for our senior residents so that they can go to medical appointments, trips to the pharmacy or personal shopping.

## **Additional Programs**

### **Food Program**

A food distribution program is made available once a month to qualified residents contingent upon an agreement with the local food bank. The purpose of this program is to help residents with a supplemental source of food to meet their nutritional needs.

### **Community Safety and Crime Prevention**

A Community Safety and Crime Prevention Program is developed in collaboration between the local police department, the property manager, and the residents of the properties. The objective of this effort is to maintain a crime free environment by offering crime prevention seminars to the residents and by implementing a Neighborhood Watch Program.



Community Safety program offered by  
the Fire Department

### **Referrals to Community Resources**

PSCDC partners with various community agencies that have services to offer to our residents. The agencies are invited to visit the sites and hold presentations to familiarize the residents with their services. Community services which have been offered to the residents include, free or affordable health insurance, parenting classes, domestic violence awareness, health and wellness services, employment services, assistance with utility payments, and free or affordable tax preparation.



## SERVICE PROVIDERS

**PSWCDC works with a variety of organizations to bring services to our residents. Our aim is to empower our residents in order that they may improve their quality of life and benefit the community at large. This is a partial list of the many organizations and companies we work with.**

CONSUMER CREDIT COUNSELING SERVICES – Financial Literacy  
RABOBANK, N.A. – Financial Literacy  
IMPERIAL UNIFIED SCHOOL DISTRICT – Education  
CALEXICO UNIFIED SCHOOL DISTRICT – Education  
CLINICAS DE SALUD DEL PUEBLO – Health  
UNIVERSITY OF CALIFORNIA – Education  
IMPERIAL COUNTY WORKFORCE DEVELOPMENT - Employment  
COUNTY OF IMPERIAL PUBLIC HEALTH – Health  
IMPERIAL VALLEY FOOD BANK – Food  
ALZHEIMER'S ASSOCIATION –Health  
SANTA ANA WORK CENTER – Employment  
LYON RESOURCE CENTER – Social Services  
ACTIVE – Nutrition  
LATINO HEALTH ACCESS – Health  
HABLA PROGRAM – Education  
VISION Y COMPROMISO – Education  
GIRLS SCOUTS – Youth Program  
START BRITE – Family counseling  
BECKMAN HIGH SCHOOL – Education  
ORANGE COUNTY CREDIT UNION – Financial Literacy  
CHOC – Children Health  
CAMP FIRE USA – Recreation  
COUNTY OF SAN DIEGO AGING AND INDEPENDENT SERVICES  
CITY OF CHULA VISTA POLICE DEPARTMENT - Safety  
IMPERIAL COUNTY SHERIFF - Safety  
GOLDEN SHARE FOODS SAN DIEGO – Food Bank  
PROJECT DULCE – Health  
COMMUNITY HOUSING WORKS - Homeownership  
NONPROFIT MANAGEMENT SOLUTION – Program Management  
SAN DIEGO ARCHAEOLOGICAL CENTER – Education  
CHULA VISTA COMMUNITY COLLABORATIVE – Social Services  
CALIFORNIA HIGHWAY PATROL - Safety

ALLIANT INTERNATIONAL UNIVERSITY – Education  
FAMILY HEALTH CENTERS OF SAN DIEGO – Health  
KIDCARE EXPRESS MOBILE MEDICAL UNIT – Health  
SCRIPPS MERCY WELL BEING CENTERS – Health  
THE WHITTIER INSTITUTE FOR DIABETES – Health  
SAN YSIDRO HEALTH CENTER – Health  
MAAC PROJECT – Social Services  
YWCA SAN DIEGO – Recreation  
CVS PHARMACY – Donor  
TARGET – Donor

## Partner Profiles.

PSCDC works with a large number of companies and non-profit organizations to bring services to our residents. Here is a profile of two of them.

### Rabobank NA

Rabobank is a Dutch bank with branches in many countries. They have focused part of their business in agricultural areas. PSCDC is proud to be working with the branch in El Centro, California to provide credit counseling and financial education to our residents. The classes are provided at all our properties in Imperial County and are very well attended. The purpose of the classes are to empower our residents, raise awareness of the importance of managing credit and to encourage savings by using the IDEA program. The dedication and enthusiasm of the Rabobank employees is truly impressive.

The values held by Rabobank are very similar to our own.  
Rabobank Values.

We believe that sustainable prosperity and well-being require careful nurturing of our natural resources and living environment. We respect the culture and traditions of the countries where we operate, insofar as these do not conflict with our own objectives and values. We aim to make a positive contribution to social, economic and environmental development in all our activities, always focusing on our clients' best interest.

We create customer value by:

- providing those financial services considered best and most appropriate by our clients
- ensuring the continuity of those services, with a view to the long-term interests of the client
- demonstrating our commitment to our clients

## Clinicas de Salud del Pueblo

Clinicas de Salud del Pueblo is a non-profit community health care provider based in Calexico, El Centro, and Brawley, Imperial County. They are part of the Council of Community Clinics that provides access to a wide range of health services to a diverse community with emphasis on low income and uninsured populations.

Clinicas de Salud del Pueblo visits our properties to conduct health screenings and give classes on wellness to our residents. We are very grateful for the work they do and thank them for their service.

## Pacific Southwest Community Development Corporation.

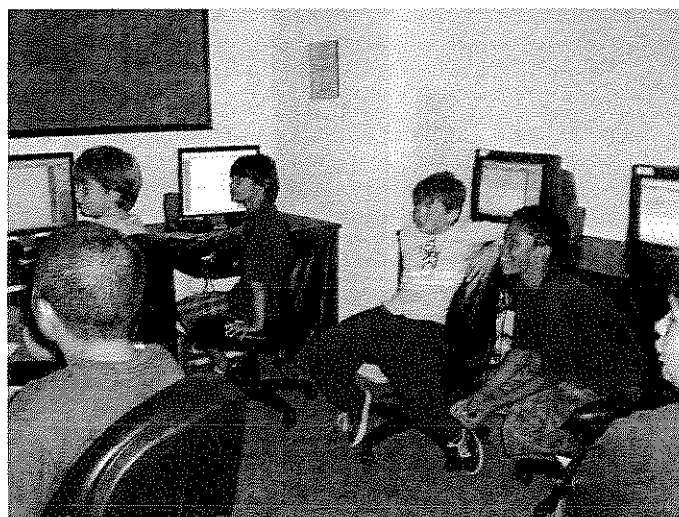
PSCDC provides many services to its residents. This is a closer look at the After School Program.

The After School Program is a major component of the resident services being provided at all our family apartment communities. Essentially, the objective of the Program is to help students with their homework in all school subjects including Math, English, Science, History and Social Studies. On average, homework tutoring classes are available Monday through Thursday, 2 hours a day (from 3-5 pm) every week in the community rooms. Most classes also make use of the computer labs to help students learn computer skills and to obtain information needed for school assignments. Time permitting, after the homework is completed the instructors engage the students in an on-going reading program or an educational Arts & Crafts project.

Attendance numbers at these classes ranges from 4 to 15 students per day, with 9 students attending on average. We regularly monitor these classes to make sure that our objectives are being met, to evaluate instructor performance and to provide guidance, support and materials as needed.

The success of this Program is evaluated based on the number and frequency of students attending the classes, the feedback we receive from the parents and the school grades obtained by the students. Positive results of these indicators are reported at the majority of our properties.

This Program also provides a part time job and career development opportunity for our residents who serve as class instructors. It is our goal to eventually partner with the respective school districts to provide the Tutoring classes as is the case at Villa Lara and Calexico Family Apartments in Imperial County. We have also implemented a program in Sacramento with the help of a non-profit and the School District that has grant money to fund teachers.



Students in Computer Class

## Properties

Pacific Southwest Community Development Corporation is the managing General partner for 35 properties that provide 3544 living units. Our properties are located in principally in Southern California, but we have properties in northern California and south west Arizona. Our properties include family units and apartments designed for senior residents.

### Imperial County

#### Brawley, CA

|                                                                      |                      |      |
|----------------------------------------------------------------------|----------------------|------|
| Brawley Elks Senior Apartments<br>995 Willard Road Brawley, CA 92237 | 81 Senior Apartments | 2004 |
| Brawley Family Apartments<br>1690 C St. Brawley, CA 92227            | 80 Apartments        | 2001 |
| Brawley Gardens Family Apartments<br>221 Best Road Brawley, CA 92227 | 81 Apartments        | 2003 |

#### Calexico, CA



De Anza Hotel, an urban restoration project.

|                                                                   |                                  |      |
|-------------------------------------------------------------------|----------------------------------|------|
| Calexico Family Apartments<br>2301 Meadows Rd. Calexico, CA 92231 | 80 Apartments                    | 2001 |
| Villa Dorada (CFA II)<br>1081 Meadows Rd. Calexico, CA 92231      | 80 Apartments                    | 2006 |
| De Anza Hotel (Seniors)<br>233 East 4th St. Calexico, CA 92231    | 94 Studio Apartments for seniors | 1995 |

|                                                                      |                       |      |
|----------------------------------------------------------------------|-----------------------|------|
| Villa De Las Flores (Seniors)<br>2201 Meadows Rd. Calexico, CA 92231 | 80 Seniors Apartments | 2000 |
|----------------------------------------------------------------------|-----------------------|------|

### **Calipatria, CA**

|                                                                                       |               |      |
|---------------------------------------------------------------------------------------|---------------|------|
| Calipatria Family Apartments<br>S. East Ave. and Bonita Place<br>Calipatria, CA 92233 | 72 Apartments | 2008 |
|---------------------------------------------------------------------------------------|---------------|------|

### **El Centro, CA**

|                                                                              |               |      |
|------------------------------------------------------------------------------|---------------|------|
| Countryside Family Apartments<br>1751 West Adams Ave.<br>El Centro, CA 92243 | 73 Apartments | 2003 |
|------------------------------------------------------------------------------|---------------|------|

### **Heber, CA**

|                                                                 |               |      |
|-----------------------------------------------------------------|---------------|------|
| Heber Family Apartments<br>1137 Dogwood Road<br>Heber, CA 92249 | 81 Apartments | 2004 |
|-----------------------------------------------------------------|---------------|------|

|                                                                                    |               |      |
|------------------------------------------------------------------------------------|---------------|------|
| Heber family Apartments II,<br>SW corner Dogwood Rd. & Hawk St.<br>Heber, CA 92249 | 72 Apartments | 2007 |
|------------------------------------------------------------------------------------|---------------|------|

### **Holtville, CA**

|                                                                                                |               |      |
|------------------------------------------------------------------------------------------------|---------------|------|
| Holtville Gardens Senior Apartments,<br>10th Street at Holtville Avenue<br>Holtville, CA 92250 | 81 Apartments | 2003 |
|------------------------------------------------------------------------------------------------|---------------|------|

### **Imperial, CA**

|                                                                              |               |      |
|------------------------------------------------------------------------------|---------------|------|
| Imperial Gardens Senior Apartments<br>2385 Myrtle Road<br>Imperial, CA 92251 | 81 Apartments | 2003 |
|------------------------------------------------------------------------------|---------------|------|

|                                                                       |               |      |
|-----------------------------------------------------------------------|---------------|------|
| Villa Lara Family Apartments<br>2371 Myrtle Rd.<br>Imperial, CA 92251 | 80 Apartments | 2001 |
|-----------------------------------------------------------------------|---------------|------|

## **Westmorland, CA**

Westmorland Family Apartments  
181 G Street  
Westmorland, CA 92281

65 Apartments 2003

## **San Diego County**

### **Carlsbad, CA**

Hunters Pointe  
7270 Calle Plata  
Carlsbad, CA 92009

168 Apartments 2004

Mariposa Family Apartments  
4651 Red Bluff Place  
Carlsbad, CA 92009

106 Apartments 2002

Glen Ridge  
3555 Glen Avenue  
Carlsbad, CA 92008

78 Apartments 2007

### **Chula Vista, CA**



**The Landings, Chula Vista**

Rancho Buena Vista  
1311 Eastlake Parkway  
Chula Vista, CA 91915

150 Apartments 2003

St. Regis Park  
1025 Broadway  
Chula Vista, CA 91911

119 Apartments 1998

Villa Serena Senior Apartments  
1231 Medical Center Rd,  
Chula Vista, CA 91911

132 Senior Apartments 1999

The Landings  
2122 Burdock Way  
Chula Vista, CA 91915

92Town Homes

2008

## **Lakeside, CA**

Silver Sage,  
Woodside Rd,  
Lakeside, CA

80 Apartments (under construction) 2009

## **San Diego, CA**

Fairbanks Ridge  
10616 Babcock St.  
San Diego, CA 92127

204 Apartments

2004

Rancho Del Norte  
16775 Saintsbury Glen  
San Diego, CA 92127

119 Apartments

2002

Regency Centre  
4765 Home Ave.  
San Diego, CA 92105

100 Apartments

2000

Longacres at Seabreeze  
12759 Seabreeze Farms Dr.  
San Diego, CA 92130

38 Apartments

2000

The Crossings  
13533 Zinnia Hills Place  
San Diego, CA 92130

108 Apartments

2004



The Crossings, San Diego

Torrey Highlands  
13370 Torrey Meadows Dr.  
San Diego, CA 92129

76 Apartments

2001

Villa Andalucia  
6591 Rancho Del Sol Way  
San Diego, CA 92130

32 Apartments

2002

Villa Glen  
6984 Torrey Santa Fe Rd.  
San Diego, CA 92129

26 Apartments

2002

Windwood  
127390 Briarcrest Place,  
San Diego, CA 92130

92 Apartments

2002



Villa Andalusia, San Diego

## **Santee, CA**

Cedar Creek Apartments  
Fanita Drive  
Santee, CA

48 Apartments (under construction) 2009

## **Orange County Tustin, CA**

Chatham Village Apartments  
16331 McFadden Ave.  
Tustin, CA 92780

356 Apartments

2004

## **Sonoma County Santa Rosa, CA**

Redwood Park Apartments  
2001 Piner Rd.  
Santa Rosa, CA 95470

156 Apartments

**Sacramento County**  
**Sacramento, CA**

Willow Glen (Natomas)  
1625 Scarlet Ash Avenue.  
Sacramento, CA 95834

135 Apartments

2008

**Arizona**  
**San Luis AZ**

Las Casitas de San Luis  
San Luis Arizona

76 Apartments

1996



## Board of Directors, Key Executives and Staff

### Chairman of the Board: Michael L. Walsh

Michael is a principal of USI of San Diego Insurance Services in Carlsbad, California. Mike is very active in the community as the Executive Vice President of the Encinitas Soccer League and a member of the Encinitas Rotary Club. Mike has served on the PSCDC board for many years.

### Secretary and Treasurer: Marco Antonio "Tony" Reyes

Tony served as the Mayor of San Luis, Arizona for twelve years and one year as the Vice-Mayor, and currently serves as the Chairperson for the Empowerment/Enterprise Community Advisory Board and the San Luis Planning and Zoning Commission. He is the Executive Director for the Comité de Bienestar, Inc. an affordable housing provider.

Mr. Reyes was first elected to the Yuma County Board of Supervisors by Special Election in November 1998 and was re-elected by General Election in November 2000. He served as the chairman of the Board of Supervisors for the year 2001. He is currently a member of the County Supervisors Association (CSA), the Local Emergency Planning Committee, the National Association of Counties (NACo), the Tri-County Economic Development District Board, the U.S./Mexico Board Counties Coalition, the Western Arizona Council of Governments (WACOG), the Airport Authority Rolle Field Study Committee, the Tri-County Economic Development Board, the Executive Board of the Greater Yuma Economic Development Corporation, and the Yuma Metropolitan Planning Organization (YMPO).

Mr. Reyes also served on the following boards and committees: the National Hispanic Elected Local Officials, the National League of Cities and Towns, the American Council of Young Political Leaders, and the Yuma County Planning and Zoning Commission.

### Board Member: Hank Cunningham, CEcD

Hank is the former Director of community and economic development and the San Diego Redevelopment Agency and. During his career in the field, he has worked for a national consulting firm specializing in strategic planning and cost/revenue analysis, as well as three major southern California municipalities where he directed large-scale economic development programs. Mr. Cunningham was appointed to the International Economic Development Council (IEDC) Board in September 2001. In January 2001, he was awarded CEcD certification. In June 2001, he was appointed to the Board of Directors of the California Association for Local Economic Development and more recently to the California Redevelopment Association Board of Directors, having previously served on both the CALED and CRA bodies. He serves on the advisory board and as adjunct faculty for the Community Economic Development certification program at San Diego State University, the SDSU Health and Human Services Advisory Board, and chairs the SDSU Consensus Organizing Subcommittee. He also served on the San Diego

Model School Development Agency Board of Directors, the City of San Diego Public Facilities Financing Authority, was treasurer of the CDC Small Business Finance Corporation, and was on the Mayor's Smart Growth Implementation Committee.

#### Board Member: Tom DuBose

Tom DuBose is President of Development Design & Engineering, Inc. Mr. DuBose has extensive knowledge of regulatory factors critical to implementation of projects in California and along the United States-Mexico Border. He is a highly sought guest speaker for service clubs, professional organizations, banks and credit unions on the subject of economic development and development in general in the Imperial Valley.

Mr. DuBose has also participated in workshops sponsored by the Imperial Valley Enterprise Zone, Brawley Economic and Community Development Department, Imperial Valley Economic Development Corporation, City of Calexico Economic Development Committee, and local Cities developing General Plan Amendments. Recently, Mr. DuBose has traveled to Beijing, China to present the Pacificland International Development, Inc.'s Imperial Center Regional Investment Immigration Program in workshops and seminars to potential investors.

Mr. DuBose has served on the Brawley Union High School Board of Trustees for 17 years and is currently its President. He has served on the Imperial County Air Pollution Control Hearing Board for 12 years and is currently its Chairman and is the current Second Vice-President Executive Committee and Board Member of the California Building Industry Association (BIA) Desert Chapter. Other former associations include; former Board President Board Member and Current Trustee of the Brawley Boys and Girls Club, Member and President of the Imperial Valley Community Foundation, Board Member of the Brawley Chamber of Commerce, Board Member of the overall Economic Development Commission, Member and Vice-Chairman of the Brawley Planning Commission, Founding Member and past President of Regional Economic Development Inc. (REDI), and Board Member of the Private Industry Council.

#### President/Executive Director: Robert W. Laing

Robert has many years of experience in residential development for major public companies in the US and overseas. His experience ranges from land acquisition, forward planning, entitlements and environmental issues, through development and production of housing. During his career he has developed numerous residential projects many of which included affordable housing properties. Robert has been a pioneer in urban renewal projects and high density development. He contributes his development expertise to promote new developments for PSCDC and its partners and implement new strategies for providing services to the residents of our properties. Robert is active in the San Diego Housing Federation, the San Diego BIA and the Urban Land Institute. Robert received his Bachelor's degree in Civil Engineer from the University of London. He received his Master of Business Administration from the City University in London. Robert is a fluent Spanish speaker

## Executive Director of Services: Juan P. Arroyo

Juan has over twenty five years of experience in the field of affordable housing and community development. He has worked as director and manager for various public and private entities in Los Angeles, Orange and San Diego counties. As Executive Director of Services for PSWCDC, he oversees all resident programs that are provided to over 10,000 residents at thirty seven affordable housing communities in California and Arizona. In addition he develops and maintains collaborative relationships with social service agencies and private companies in order to offer a comprehensive and unique resident service program at each site. He received his Master's Degree in Urban and Regional Planning from the University of Southern California (USC) and a Bachelor of Arts Degree in Sociology/Economics from the University of California, Santa Barbara.

## Director of Services – Imperial County: Jenny Torres

Jenny is responsible for planning and coordinating all resident services provided at the apartment communities in Imperial County. She has over twelve years of experience in project coordination, housing management, and local, state and federal agency liaison and community development. She has a Bachelor of Arts Degree in Business Administration from Northern Arizona University.

## Director of Services – San Diego County: Aurora Fonseca

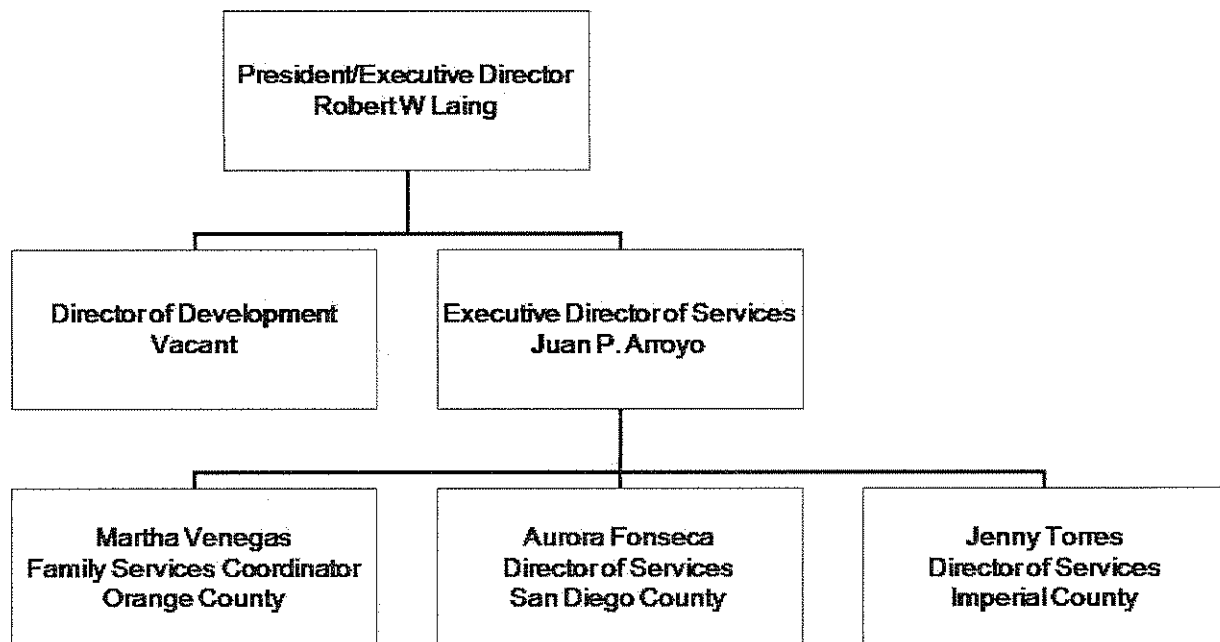
Aurora is responsible for planning and coordinating all resident services provided at the apartment communities in San Diego County. She has over twelve years of experience in K-12 school teaching, case management, and resident services development and coordination. She has a Bachelor of Arts Degree in Mexican-American Studies, Minor in Spanish and has done graduate coursework in Urban Education at California State University, Los Angeles.

## Director of Services – Orange County: Martha Venegas

Martha is responsible for planning and coordinating resident services at a 350 unit apartment community in Orange County. She has over fourteen years of experience as a social service provider, family counselor and case manager worker.

# Pacific Southwest Community Development Corporation

ORGANIZATION CHART



**Financial Statements for Pacific Southwest Community Development Corporation are on file at the Housing Commission offices and are available for review upon request.**

**ATTACHMENT 5**  
**HOUSING COMMISSION MULTIFAMILY**  
**HOUSING REVENUE BOND PROGRAM**  
**Summary**

**General Description:** The multifamily housing bond program provides below-market financing (based on bond interest being exempt from income tax) for developers willing to set aside a percentage of project units as affordable housing. Multifamily housing revenue bonds are also known as “private activity bonds” 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:** Minimum requirement is that at least 20% of the units are affordable at 50% of Area Median Income (AMI). Alternatively, a minimum of 10% of the units may be affordable at 50% AMI with an additional 30% of the units affordable at 60% AMI. The Housing Commission requires that the affordability restriction be in place for a minimum of 15 years. Due to the combined requirements of state, local, and federal funding sources, projects financed under the Bond Program are normally affordable for 30-55 years and often provide deeper affordability levels than the minimum levels required under the Bond Program.

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

**Approval Process:**

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

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

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

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

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

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