



SAN DIEGO  
HOUSING  
COMMISSION

## REPORT

**DATE ISSUED:** May 11, 2012

**REPORT NO:** HAR12-024

**ATTENTION:** Chair and Members of the Housing Authority of the City of San Diego  
For the Agenda of June 12, 2012

**SUBJECT:** Mesa Commons Apartments Loan Recommendation

**COUNCIL DISTRICT:** 7

### **REQUESTED ACTION**

Approve a residual receipts loan in an amount up to \$5,000,000 to Palm Communities Corporation ("Palm Communities") for the construction of the 78-unit Mesa Commons Apartments located in the College Area neighborhood of San Diego, approve an option in favor of the San Diego Housing Commission ("Housing Commission") and delegate authority to President & Chief Executive Officer implement the approvals.

### **STAFF RECOMMENDATION**

That the Housing Authority of the City of San Diego ("Housing Authority"):

1. Approve a residual receipts loan to Palm Communities in an amount up to \$5,000,000 to be used as gap financing for the construction of 77 units of affordable rental housing and one manager's unit, contingent upon Palm Communities obtaining all necessary third-party funding commitments, including 9 percent tax credits, as determined by the President & Chief Executive Officer of the Housing Commission, or designee, upon advice of General Counsel.
2. Approve entry into an option agreement whereby the Housing Commission will have the option to purchase the property and improvements at the end of the fifteen-year tax credit compliance period, for an amount equal to the greater of fair market value (restricted value of the leasehold) or the sum of exit taxes, forgiveness of all principal and interest on the Housing Commission loan, plus assumption of the first position loan.
3. Authorize the President & Chief Executive Officer ("CEO") of the Housing Commission, or designee:
  - a. To execute all necessary documents and instruments to effectuate the transaction and implement the project, in a form approved by General Counsel, and to take such actions as are necessary to implement the approvals; and
  - b. To adjust financing terms/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes, not to exceed the maximum Housing Commission loan amount of \$5,000,000.

## **SUMMARY**

### **The Project**

Palm Communities proposes to build a 78-unit type-V, two- and three-story, slab-on-grade apartment complex located at 6456 El Cajon Boulevard, between College Avenue and Montezuma Road in the College Area neighborhood of San Diego (see Attachment 1). The project will consist of fifteen buildings with on-grade and tuck-under parking (see Attachment 2 - Site Plan).

Palm Communities proposes to construct 2 one-bedroom, 51 two-bedroom, and 24 three-bedroom affordable rental housing units plus one manager's unit on the 3.76 acre property. The development will include a community room, computer room, fitness room, picnic area and playground. Palm Communities intends to maximize the use of the community space and provide programs that include educational classes, after school programs, emergency assistance/case management and volunteer programs.

The site is currently vacant land and is directly bordered by Montezuma Park and a private elementary school to the north, motel to the east, El Cajon Boulevard and motel to the south, and single-family residential and motel to the west.

### **Project Sustainability**

The Mesa Commons project improvements will implement building technologies to produce "Green" and sustainable development. The project will include the following sustainable construction methods and improvements:

- Exceed Title 24 by 25 percent
- Conform to GreenPoint Rated Multifamily Guidelines
- Photovoltaic System- Designed to offset 50 percent of the projects projected energy consumption
- Energy Star appliances
- Water saving faucets and fixtures
- Low VOC paint and glues
- Fluorescent lighting
- Low E energy efficient windows
- Recycled construction materials
- Construction material will not contain formaldehyde

### **Development Team**

Palm Communities, a for-profit housing developer, will be responsible for the development of the project. Palm Communities was founded in 1979 and has developed, constructed and operated 14 tax credit multi-family and 2 senior affordable communities totaling 1,353 units. The developer currently has two tax credit projects under construction and two tax credit projects scheduled to commence construction by the end of 2012.

Palm Communities is proposing to commission their affiliated general contractor, Multi-Family Builders Incorporated, to act as general contractor and construct the project, provided that all federal HOME Program requirements are met. Multi-Family Builders has constructed 20 multi-family communities and 2,000 single-family units. The Housing Commission is requiring Palm Communities to competitively bid

the construction contract to a minimum of three qualified general contractors, to assure compliance with HOME Program regulations.

Las Palmas Housing, a nonprofit 501(c)(3), will serve as the project's Managing General Partner and provide social services and programs to the tenants. Las Palmas Housing will also apply for a welfare exemption from the State of California's Board of Equalization, which will allow for a property tax exemption from the County of San Diego Assessor's Office.

Developer Disclosure documents for Palm Communities and Las Palmas Housing are provided as Attachment 3.

#### Affordable Housing Impact

The project as proposed will create 77-units of affordable housing plus one manager's unit as detailed in the following table:

**Table 1**  
**Affordability Rent Table**

Type	AMI	Number of Units	Net Square Feet/Unit	Monthly Maximum Gross Rent	Est. Market Rents
1 BR/ 1 BA	60%	2	540	\$904	\$950
2 BR/ 1 BA	30%	4	800	\$542	\$1,300
2 BR/ 1 BA	35%	4	800	\$632	\$1,300
2 BR/ 1 BA	40%	4	800	\$723	\$1,300
2 BR/ 1 BA	45%	4	800	\$813	\$1,300
2 BR/ 1 BA	50%	4	800	\$903	\$1,300
2 BR/ 1 BA	60%	31	800	\$1,084	\$1,300
3 BR/ 2 BA	30%	4	1,120	\$626	\$1,675
3 BR/ 2 BA	35%	4	1,120	\$731	\$1,675
3 BR/ 2 BA	40%	4	1,120	\$835	\$1,675
3 BR/ 2BA	45%	4	1,120	\$939	\$1,675
3 BR/ 2BA	50%	4	1,120	\$1,004	\$1,675
3 BR/ 2 BA	60%	4	1,120	\$1,253	\$1,675
2 BR/ 1 BA	Manager Unit	1	800	Exempt	\$1,300
<b>Total</b>		<b>78</b>			

Rents on tax credit units cannot exceed 30 percent of the targeted area median income based on the unit's bedroom size. Property rents will remain affordable for a period of 55 years and be enforced through affordability restrictions recorded against the property.

#### FISCAL CONSIDERATIONS

Approval of this report's recommendations will result in the expenditure of up to \$350,000 in Housing Commission federal HOME Investment Partnerships and up to \$4,650,000 of local Inclusionary Housing Funds. A final determination of Housing Commission funding sources will be made by the Housing Commission's President & Chief Executive Officer, or designee, contingent upon budget availability. The Housing Commission's loan will be a residual receipts loan. At the end of the first full

year of the project after construction completion, the developer and the Housing Commission will each receive 50 percent of the residual receipts of the project.

Housing Commission staff has negotiated a purchase option at year 15, the end of the tax credit compliance period. The Housing Commission shall have first right of refusal to purchase the property and the improvements at the end of the fifteen-year tax credit compliance period. The Housing Commission and Palm Communities will enter into an option agreement whereby the Housing Commission will have the option to purchase the property and the improvements at any time during the three-year period beginning at the end of the fifteen-year tax credit compliance period for an amount equal to the greater of: (i) the fair market value of the properties land and building; or (ii) the sum of the limited partner's related exit taxes, the forgiveness of all principal and interest on the Housing Commission loan, plus assumption of the first position loan.

Palm Communities negotiated a Joint Venture Agreement ("JVA") with Phoenix Realty Group LLC to purchase the land and improvements from Mesa Commons I & II, LLC in the amount of \$3,700,000 . The appraised value dated April 22, 2012, was \$4,055,000. The site has been entitled for 78 multifamily units and seven condominiums. The condominium site is not part of the funding recommendation. The appraised value of the multifamily portion of the subject site is \$3,605,000 (\$46,218 per unit). The proposed development of the 78 units is projected to cost \$24,475,668 (\$313,791 per unit). The proposed hard construction cost is \$14,039,559 (\$179,994 per unit). The projects total development costs, sources of funds, and uses of funds are detailed in the proforma attached to this report (Attachment 4) and summarized below:

**Table 2**  
**Sources and Uses of Permanent Financing**

Sources of Funding		Uses of Funding	
Tax Credit Equity	15,343,593	Land/Acquisition/Broker Commission	3,640,000
Conventional Loan	3,979,553	Architect Design & Engineering	755,000
San Diego Housing Commission Loan	4,905,000	Permits & Fees	1,989,920
Pre-stabilization Income	90,553	Direct Building Hard Cost	13,453,111
Deferred Developer Fee	2,606	Direct Building Contingency	586,448
City of San Diego Fee Waiver	154,363	Soft Costs	1,019,907
		Financing Costs & Interest	1,124,027
		Furniture, Fixtures & Equipment	150,000
		Operating Reserve	180,555
		Developer Fees	1,400,000
		Project Contingency	176,700
<b>Total Project Sources</b>	<b>\$24,475,668</b>	<b>Total Project Uses</b>	<b>\$24,475,668</b>

**Funding Request**

Housing Commission Total Subsidy	\$4,905,000
Housing Commission Subsidy per Unit	\$63,701

If improved debt or equity financing terms and/or pricing are achieved, Palm Communities will first make an adjustment to the total tax credit allocation as required by TCAC, then apply the excess sources towards the reduction of the Housing Commission loan.

The Housing Commission loan is contingent upon Palm Communities obtaining the proposed funding approvals from the various other sources including 9 percent tax credits. Should Palm Communities not receive an allocation of 9 percent tax credits in their first application, the term of the Housing Commission's loan commitment permits one additional tax credit application (for a maximum of two tax credit application rounds) and will automatically expire in the event Palm Communities is not successful in receiving a tax credit allocation. The proposed project timeline is provided as Attachment 5 and the Draft Loan Terms are provided as Attachment 6.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION**

This item was unanimously approved at the regular Housing Commission meeting of May 11, 2012.

**COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS**

The developer presented the proposed Mesa Commons Apartment development to the College Area Business District on April 21, 2010. The project was unanimously approved to formally extend support for the project.

**KEY STAKEHOLDERS and PROJECTED IMPACTS**

Key stakeholders include Palm Communities as the borrower and residents of the College Area Community. The proposed development site is currently vacant land. A new multi-family housing development would have a positive impact on the community by improving the street frontage along the El Cajon Boulevard corridor and provide quality affordable housing to the neighborhood.

**ENVIRONMENTAL REVIEW**

The City Of San Diego as lead agency under the California Environmental Quality Act ("CEQA") has prepared and completed a Negative Declaration, Project No. 33812, dated November 10, 2004, covering this activity. An addendum, known as Mesa Commons II, was incorporated into the original project and, on June 23, 2011, the City of San Diego's Development Services Department determined the project as a whole was found to be in substantial conformance to the existing entitlements and Negative Declaration. No further processing under CEQA is required.

This project will be partially funded with federal HOME funds. A final reservation of HOME funds will occur only upon satisfactory completion of environmental review and receipt by the City of San Diego of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of the National Environmental Protection Act ("NEPA"). The Housing Authority and the developer agree that the provision of any HOME funds to the project is conditioned on the City of San Diego's determination to proceed with, modify, or cancel the project, based on the results of a subsequent environmental review under NEPA.

Respectfully submitted,



Ted Miyahara  
Real Estate Manager  
Real Estate Department

Approved by,



Deborah N. Ruane  
Senior Vice President  
Real Estate Department

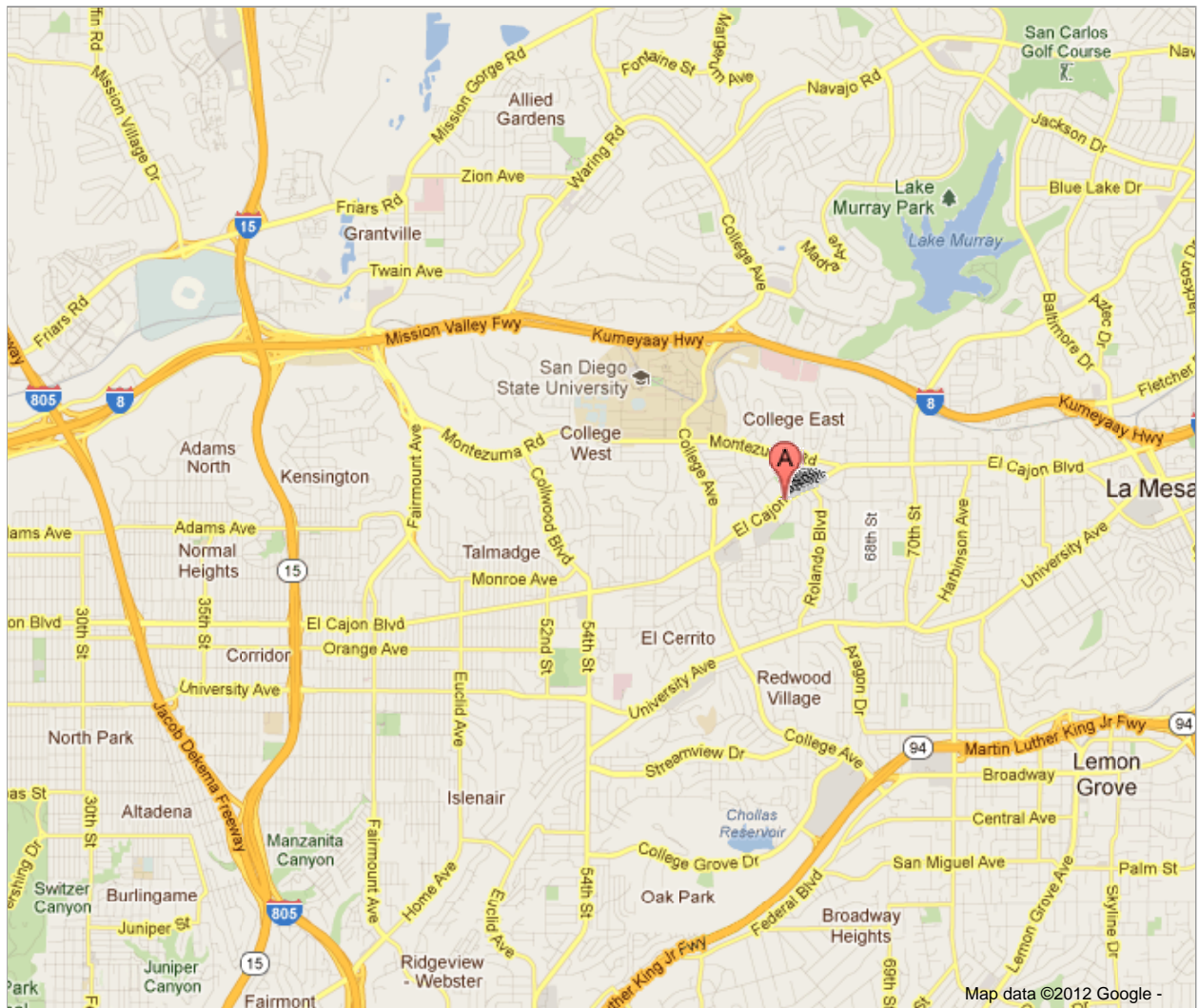
Attachments:

1. Location Map
2. Project Site Plan & Renderings
3. Developer Disclosure Statement\*
  - a. Palm Communities
  - b. Las Palmas Foundation
  - c. Phoenix Realty Development Co., LLC
4. Developer Proforma
5. Project Timeline
6. Draft Loan Terms

\* Distribution of this attachment is limited. A copy is available for review at the San Diego Housing Commission offices at 1122 Broadway, Suite 300 San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101.

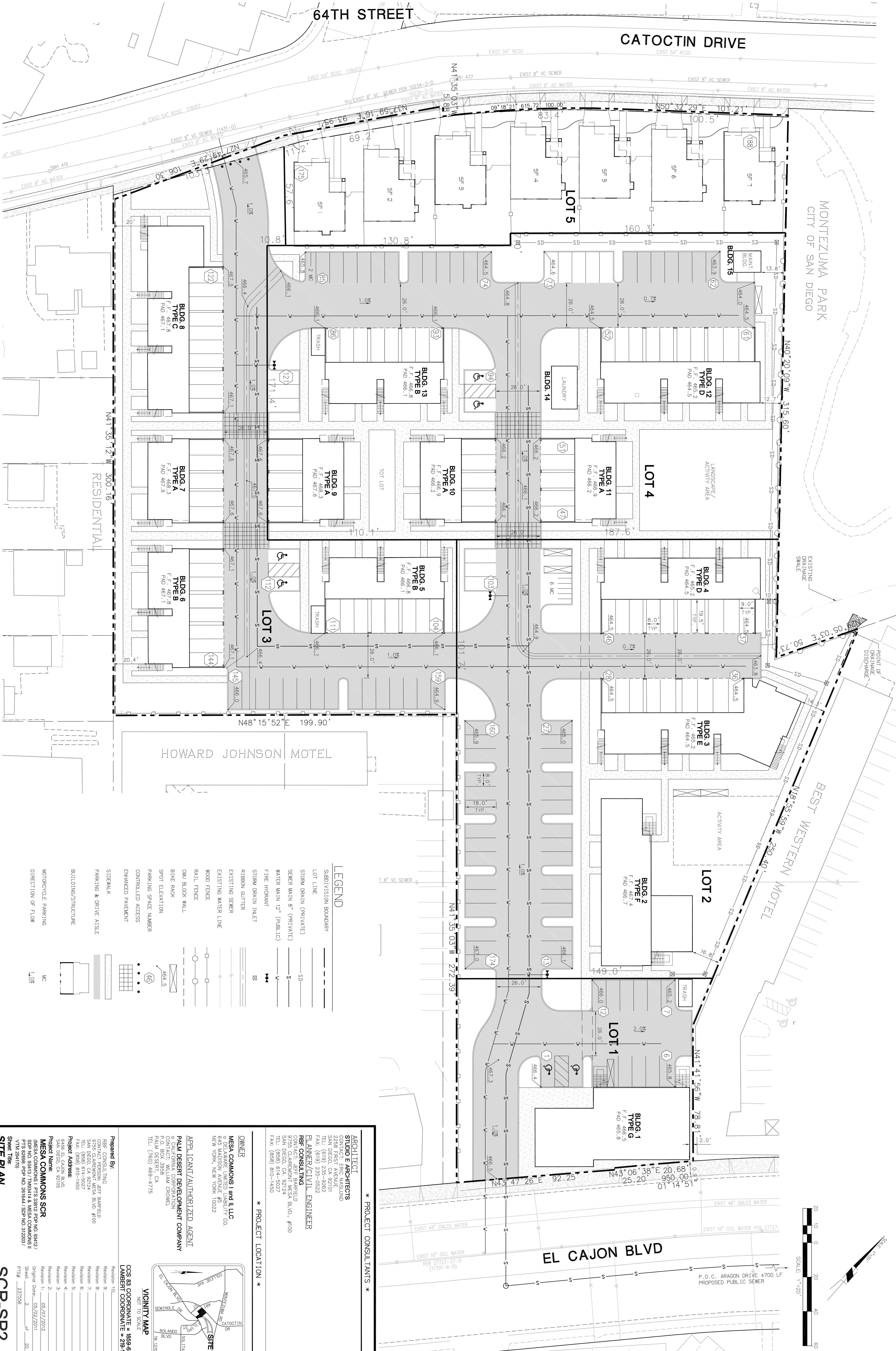


To see all the details that are visible on the screen, use the "Print" link next to the map.





MESA COMMONS - SUBSTANTIAL CONFORMANCE REVIEW  
(MESA COMMONS I PTS 33812: PDP NO. 93412 / SDP NO. 93413 / TM 93414 & MESA COMMONS II PTS 82698: PDP NO. 261644 / SDP NO. 312203 / VTM 294170)



LEGEND

- SUBDIVISION BOUNDARY
- LOT LINE
- STORM DRAIN (PRIVATE)
- SEWER MAIN 8" (PRIVATE)
- WATER MAIN 12" (PUB. LC)
- FIRE HYDRANT
- STORM DRAIN INLET
- REBON GUTTER
- EXISTING SEWER
- EXISTING WATER LINE
- WOOD FENCE
- RAIL FENCE
- OAK BLOCK WALL
- BIKE RACK
- SPOT ELEVATION
- PARKING SPACE NUMBER
- CONTROLLED ACCESS
- ENHANCED PAVEMENT
- SIDEWALK
- PARKING & DRIVE AISLE
- BUILDING/STRUCTURE
- MOTORCYCLE PARKING
- DIRECTION OF FLOW

**ARCHITECT**  
STUDIO E ARCHITECTS  
CONTACT: ERIC NASLUND  
2228 FIRST AVENUE  
SAN DIEGO, CA 92101  
TEL: (619) 235-9262  
FAX: (619) 235-0522

**PLANNER/CIVIL ENGINEER**  
RBF CONSULTING  
CONTACT: JEFF BARRETT, BLVD., #100  
SAN DIEGO, CA 92124  
TEL: (619) 614-5027  
FAX: (619) 810-1450

**OWNER**  
MESA COMMONS I and II, LLC  
9 DELAWARE LIMITED LIABILITY CO.  
NEW YORK, NEW YORK 10022

**APPLICANT/AUTHORIZED AGENT**  
PALM DESERT DEVELOPMENT COMPANY  
CONTACT: WILLIAM CROWL  
P.O. BOX 3956 CA  
TEL: (760) 469-4775

Prepared By:

RBF CONSULTING  
CONTACT PERSON: JEFF BARRETT  
SAN DIEGO, CA 92124  
TEL: (619) 614-5027  
FAX: (619) 810-1450

Project Address:

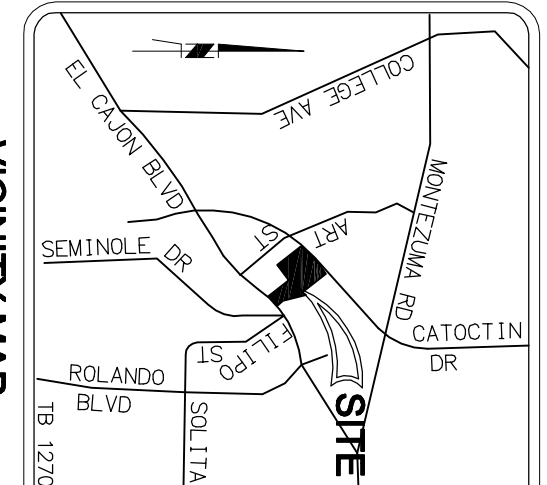
1446 E. CAJON BLVD  
SAN DIEGO, CA 92105

Project Name:

MESA COMMONS SCR  
MESA COMMONS I PTS 33812: PDP NO. 93412 /  
SDP NO. 93413 / TM 93414 & MESA COMMONS II  
PTS 82698: PDP NO. 261644 / SDP NO. 312203 /  
VTM 294170

Sheet Title:

SITE PLAN

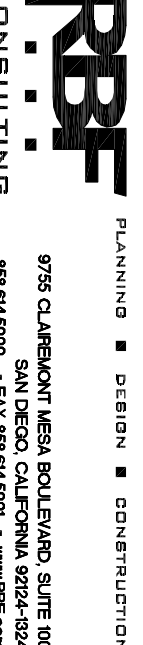


CS 83 COORDINATE = 1869-6312  
LAMBERT COORDINATE = 218-7152

Revision:

- Revision 1: 05/07/2012
- Revision 2: 05/07/2011
- Revision 3: 05/07/2011
- Revision 4: 05/07/2011
- Revision 5: 05/07/2011
- Revision 6: 05/07/2011
- Revision 7: 05/07/2011
- Revision 8: 05/07/2011
- Revision 9: 05/07/2011
- Revision 10: 05/07/2011

SCR-SP2





## ATTACHMENT E

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

1. Name of CONTRACTOR: Palm Communities
  
2. Address and Zip Code: 44-139 Monterey Ave. Suite A, Palm Desert, CA 92260
  
3. Telephone Number: 760-568-1048
  
4. Name of Principal Contact for CONTRACTOR: William Leach
  
5. Federal Identification Number or Social Security Number of CONTRACTOR: 95-3456223
  
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:
  - ☒ A corporation (Attach Articles of Incorporation)
  - ☐ A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status).
  - ☐ A partnership known as: \_\_\_\_\_  
(Name)  
Check one
    - ( ) General Partnership (Attach statement of General Partnership)
    - ( ) Limited Partnership (Attach Certificate of Limited Partnership)
  - ☐ A business association or a joint venture known as: \_\_\_\_\_  
(Attach joint venture or business association agreement)
  - ☐ A Federal, State or local government or instrumentality thereof.
  - ☐ Other (explain)
  
7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
 

July 2, 1979 as Palm Desert Development

Sept. 13, 2011 Certificate of Amendment Name Change to Palm Communities

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

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Danavon L. Horn	President / Owner
Address: 441139 Monterey Ave. Ste. A	
Palm Desert, CA 92260	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

No changes have been made.

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

No anticipated change.

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

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

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

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

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

Name, Address and Zip Code	Relationship to CONTRACTOR
Name: DL Horn & Associates, LLC	Affiliate
Address: 44139 Monterey Ave. Suite A	
Palm Desert, CA 92260	
Name: Bighorn Affordable Communities, Inc.	Affiliate
Address: 44139 Monterey Ave. Suite A	
Palm Desert, CA 92260	
Name:	
Address:	
Name:	
Address:	

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

15. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project:

See attached proforma.

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

- a. In banks/savings and loans:

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

N/A

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

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

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

N/A

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

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

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



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

Name, Address and Zip Code	Contact Name
Name: Farmers & Merchants Bank	Henry Walker, Executive Vice President
Address: 302 Pine Avenue	Phone: (562) 437-0011
Long Beach, CA 90802	
Name: Wells Fargo Bank	Tony Stockton, Senior Vice President
Address: 707 Wilshire Blvd., 18th Floor	Phone: (213) 614-5783
Los Angeles, CA 90017	
Name: Citibank	Bryan Barker, Director
Address: One Sansome Street, 26th Floor	Phone: (415) 948-2083
San Francisco, CA 94104	
Name:	
Address:	

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

☐ Yes ☒ No

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

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

☐ Yes ☒ No

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

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

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
	See attached Corporate Resume			

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

- a. Name and addresses of such contractor or builder:

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

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

\_\_\_ Yes \_\_\_ No

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

N/A

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

General description of such work:

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

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

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





23. Does any member of the governing body of the San Diego Housing Commission ("COMMISSION"), Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of the COMMISSION, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor?

☐ Yes ☒ No

If yes, explain.

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24. Statements and other evidence of the CONTRACTOR's qualifications and financial responsibility (other than the financial statement referred to in Item 8) are attached hereto and hereby made a part hereof as follows:

Please see attached Financial Capacity, Letters of Recommendation, and Statement of Qualification.

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

☐ Yes ☒ No

If yes, explain:

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

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

Check coverage(s) carried:

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

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

Check coverage(s) carried:

- ☐ Comprehensive Form
- ☐ Owned
- ☐ Hired
- ☐ Non-Owned

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

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

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

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

27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the COMMISSION setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the COMMISSION, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the COMMISSION, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the COMMISSION, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

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

Government Entity Making Complain	Date	Resolution
N/A		

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

No

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

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

33. Describe in detail any and all other facts, factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the COMMISSION.

N/A

34. Describe in detail, any and all other facts, factors or conditions that may favorably affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the COMMISSION.

See attached Statement of Qualifications.

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

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

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

☐ Yes ☒ No

If yes, explain:

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37. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, had a revocation or suspension of a CONTRACTOR's License?

☐ Yes ☒ No

If yes, explain:

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

1. Name: Jeff Stone, Supervisor, Third District, County of Riverside

Address: 1020 State Street, Hemet, CA 92543

Phone: (951) 955-1030

Project Name and Description: Hemet Vistas 1 & 2

Two phase affordable multi-family consisting of 73 units for Phase 1,  
and 71 units for Phase 2 

2. Name: Jean Benson, Mayor, City of Palm Desert

Address: 73510 Fred Waring Drive, Palm Desert, CA 92260

Phone: (760) 346-0611

Project Name and Description: Hovley Gardens 


One phase affordable multi-family consisting of 163 units



3. Name: Emilio Ramirez, Development Director, City of Riverside

Address: 3900 Main Street, Riverside, CA 92522

Phone: (951) 826-2591

Project Name and Description: Rancho Dorado North 

First phase consisting of 71 affordable multi-family and MHSA units

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

See Company Bios and Project Management Team information

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

Name	Experience
Unknown	

## CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

By providing the "Personal Information", (if any) as defined in Section 1798.3(a) of the Civil Code of the State of California (to the extent that it is applicable, if at all), requested herein and by seeking a loan from, a grant from, a contract with, the sale of real estate to, the right to develop from, and/or any and all other entitlements from the SAN DIEGO HOUSING COMMISSION ("COMMISSION"), the HOUSING AUTHORITY OF THE CITY OF SAN DIEGO ("AUTHORITY") and/or the CITY OF SAN DIEGO ("CITY"), the CONTRACTOR consents to the disclosure of any and all "Personal Information" and of any and all other information contained in this Public Disclosure Statement. CONTRACTOR specifically, knowingly and intentionally waives any and all privileges and rights that may exist under State and/or Federal Law relating to the public disclosure of the information contained herein. With respect to "Personal Information", if any, contained herein, the CONTRACTOR, by executing this disclosure statement and providing the information requested, consents to its disclosure pursuant to the provisions of the Information Practices Act of 1977, Civil Code Section 1798.24(b). CONTRACTOR is aware that a disclosure of information contained herein will be made at a public meeting or meetings of the COMMISSION, the AUTHORITY, and/or the CITY at such times as the meetings may be scheduled. CONTRACTOR hereby consents to the disclosure of said "Personal Information", if any, more than thirty (30) days from the date of this statement at the duly scheduled meeting(s) of the COMMISSION, the AUTHORITY and/or the CITY. CONTRACTOR acknowledges that public disclosure of the information contained herein may be made pursuant to the provisions of Civil Code Section 1798.24(d).


CONTRACTOR represents and warrants to the COMMISSION, the AUTHORITY and the CITY that by providing the information requested herein and waiving any and all privileges available under the Evidence Code of the State of California, State and Federal Law, (to the extent of this disclosure that the information being submitted herein), the information constitutes a "Public Record" subject to disclosure to members of the public in accordance with the provisions of California Government Section 6250 et seq.

CONTRACTOR specifically waives, by the production of the information disclosed herein, any and all rights that CONTRACTOR may have with respect to the information under the provisions of Government Code Section 6254 including its applicable subparagraphs, to the extent of the disclosure herein, as well as all rights of privacy, if any, under the State and Federal Law.

Executed this 10th day of April, 20 12, at San Diego, California.

CONTRACTOR

By:

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
President /Chief Exec. Officer

\_\_\_\_\_  
Title

**CERTIFICATION**

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

By: Danavon L. Horn By: \_\_\_\_\_  
Title: Pres. /Chief Exec. Officer + Title: \_\_\_\_\_  
Dated: 4/10/12 Dated: \_\_\_\_\_

**WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious or fraudulent statement or entry, in any matter within the jurisdiction or any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.**

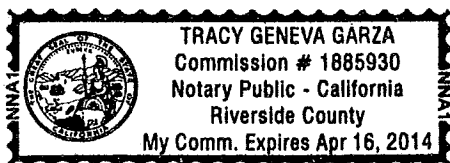
**JURAT**

State of California

County of Riverside

Subscribed and sworn to (or affirmed) before me on this 10th day of April, 2012

by DANAVON L. HORN personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



SEAL

*Tracy Geneva Garza*  
\_\_\_\_\_  
Signature of Notary

DISCLOSE.PUB

SEP 27 2011

CERTIFICATE OF AMENDMENT OF  
ARTICLES OF INCORPORATION OF  
PALM DESERT DEVELOPMENT COMPANY,  
a California corporation

Danavon L. Horn, President and Todd A. Deutscher, Secretary certify that:

1. We are the President and the Secretary, respectively, of Palm Desert Development Company, a California corporation (the "Corporation").
2. Article I of the Articles of Incorporation is hereby amended to read as follows:

"ARTICLE I

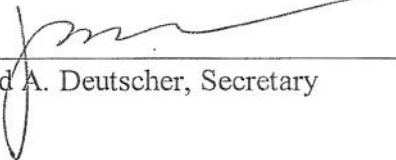
The name of this corporation shall be: Palm Communities."

3. The amendment has been approved by the Board of Directors.
4. The amendment has been duly approved by the required vote of shareholders in accordance with California Corporations Code Section 902. The total number of outstanding shares of the corporation is 2,000. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was more than 50%.

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

DATE: September 13<sup>th</sup>, 2011

  
\_\_\_\_\_  
Danavon L. Horn, President

  
\_\_\_\_\_  
Todd A. Deutscher, Secretary

0980570A

NOTICE: This document is the property of the State of California. It is loaned to you for your information and use only. It is not to be distributed outside your agency. It is to be returned to the State of California upon request.



I hereby certify that the foregoing transcript of \_\_\_\_\_ page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

OCT 11 2011

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

*Debra Bowen*  
DEBRA BOWEN, Secretary of State



## ATTACHMENT E

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

1. Name of CONTRACTOR: Las Palmas Foundation
  
2. Address and Zip Code: 531 Encinitas Blvd., Suite 206, Encinitas, CA 92024
  
3. Telephone Number: 760-944-9050
  
4. Name of Principal Contact for CONTRACTOR: Joseph M. Michaels
  
5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0497515
  
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:
  - ☐ A corporation (Attach Articles of Incorporation)
  - ☒ A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status).
  - ☐ A partnership known as: \_\_\_\_\_  
(Name)
  - Check one
    - ( ) General Partnership (Attach statement of General Partnership)
    - ( ) Limited Partnership (Attach Certificate of Limited Partnership)
  - ☐ A business association or a joint venture known as: \_\_\_\_\_  
(Attach joint venture or business association agreement)
  - ☐ A Federal, State or local government or instrumentality thereof.
  - ☐ Other (explain)
  
7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:

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

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Sherry Avery	Board Member - Board of Directors, 0% interest
Address: 531 Encinitas Blvd., Suite 206	
Encinitas, CA 92024	
Name: Victor Barone	Board Member - Board of Directors, 0% interest
Address: 531 Encinitas Blvd., Suite 206	
Encinitas, CA 92024	
Name: Susan Newcomer	Board Member - Board of Directors, 0% interest
Address: 531 Encinitas Blvd., Suite 206	
Encinitas, CA 92024	
Name: Randy Stevenson	Board Member - Board of Directors, 0% interest
Address: 531 Encinitas Blvd., Suite 206	
Encinitas, CA 92024	

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

No.

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

No.

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

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

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

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

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

Name, Address and Zip Code	Relationship to CONTRACTOR
Name: Las Palmas Housing and Development Corp.	Affiliate
Address: 531 Encinitas Blvd., Suite 206	
Encinitas, CA 92024	
Name: C.A.R.E.	Social Service Affiliate
Address: 531 Encinitas Blvd., Suite 206	
Encinitas, CA 92024	
Name:	
Address:	
Name:	
Address:	

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

15. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project:

SDHC, Tax Credits, conventional debt.

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

- a. In banks/savings and loans:

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

N/A

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

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

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

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

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

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

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

Name, Address and Zip Code	Contact Name
Name: Bank of America	Acct# 24706-04931
Address: 7770 El Camino Real	760-697-9015
Carlsbad, CA 92009	
Name: UBS 1	Acct# VR 49579 14
Address: 200 Prospect Street, Suite 500	858-551-9422
La Jolla, CA 92037	
Name: Fidelity Investments	Acct# Z46-504661
Address: P.O. Box 770001	(800) 544-4442
Cincinnati, OH 45277	
Name:	
Address:	

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

☐ Yes ☒ No

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

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

☐ Yes ☒ No

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

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

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
	see attached development portfolio.			

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

- a. Name and addresses of such contractor or builder:

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

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

☐ Yes ☒ No

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

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

General description of such work:

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

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



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

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

Identification of Contract or Development	Location	Amount	Date to be Completed
see attached development portfolio			

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

Awarding Agency	Amount	Date Opened
N/A		

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

Las Palmas Foundation, a 501 (c) 3 California nonprofit public benefit corporation, specializes in the development of affordable housing, and in enhancing the lives of residents in our communities through social service programs. The corporation was originally formed as Inland and West Affordable Housing Alliance II in December 1991. In July 1995, the corporation changed its name to Las Palmas Foundation. The officers at Las Palmas have more than 25 years of experience developing affordable housing communities. They have extensive experience in acquisitions, entitlements, financing, construction, property management and development and implementation of social service programs. Las Palmas becomes an active partner in the projects they participate in, by including project and asset management as part of their non-profit duties.

23. Does any member of the governing body of the San Diego Housing Commission ("COMMISSION"), Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of the COMMISSION, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor?

☐ Yes ☒ No

If yes, explain.

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24. Statements and other evidence of the CONTRACTOR's qualifications and financial responsibility (other than the financial statement referred to in Item 8) are attached hereto and hereby made a part hereof as follows:

see attached development portfolio.

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

☐ Yes ☒ No

If yes, explain:

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

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

Check coverage(s) carried:

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

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

Check coverage(s) carried:

- ☐ Comprehensive Form
- ☐ Owned
- ☒ Hired
- ☒ Non-Owned

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

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

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

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

27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the COMMISSION setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the COMMISSION, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the COMMISSION, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the COMMISSION, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

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

Government Entity Making Complaining	Date	Resolution
N/A		

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

N/A

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

Government Agency	License Description	License Number	Date Issued (Original)	Status (Current)	Revocation (Yes/No)
see attached	development portfolio.				No

33. Describe in detail any and all other facts, factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the COMMISSION.

None.

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34. Describe in detail, any and all other facts, factors or conditions that may favorably affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the COMMISSION.

Joseph M. Michaels has been active in all phases of multi-family development with an emphasis in affordable housing for over 25 years. He joined Las Palmas as President and Executive Director in 2000. Since 1992, Mr. Michaels has exclusively participated in the development of affordable housing projects utilizing federal tax credits, tax-exempt bonds and public sector subordinate financing. He has personally directed the development of 63 affordable housing projects. Mr. Michaels has secured construction and permanent financing through tax-exempt bonds and conventional funding sources.

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

Date	Entity Involved (i.e. City Commission, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
	See attached development portfolio		

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

☐ Yes ☒ No

If yes, explain:

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37. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, had a revocation or suspension of a CONTRACTOR's License?

☐ Yes ☒ No

If yes, explain:

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

1. Name: Amy DeVaudreuil

Address: 2260 EL CAJON BOULEVARD, NO. 922 

Phone: 619-239-6336 

Project Name and Description: Mission Apartments, La Entrada,  
El Pedregal

2. Name: Waheed Karim

Address: 4747 Executive Drive, 3rd Floor

Phone: 858-334-0702

Project Name and Description: Los Vientos

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3. Name: Sam Johnson

Address: 1200 Third Avenue, Suite 1400

Phone: 619-236-6265

Project Name and Description: Gateway, La Entrada, Los Vientos

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

The Las Palmas portfolio includes new construction, rehabilitation and repositioning of existing apartment buildings, as well as the preservation of HUD project based section 8 communities. Las Palmas Foundation employs 11 professionals who specialize in various aspects of affordable multifamily project development, finance, construction, asset management, and social services.

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

Name	Experience
Noami Pines	Ms. Pines oversees the team throughout predevelopment and construction to ensure a financially feasible and operationally viable development in a timely and cost efficient manner. +



**CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR**

By providing the "Personal Information", (if any) as defined in Section 1798.3(a) of the Civil Code of the State of California (to the extent that it is applicable, if at all), requested herein and by seeking a loan from, a grant from, a contract with, the sale of real estate to, the right to develop from, and/or any and all other entitlements from the SAN DIEGO HOUSING COMMISSION ("COMMISSION"), the HOUSING AUTHORITY OF THE CITY OF SAN DIEGO ("AUTHORITY") and/or the CITY OF SAN DIEGO ("CITY"), the CONTRACTOR consents to the disclosure of any and all "Personal Information" and of any and all other information contained in this Public Disclosure Statement. CONTRACTOR specifically, knowingly and intentionally waives any and all privileges and rights that may exist under State and/or Federal Law relating to the public disclosure of the information contained herein. With respect to "Personal Information", if any, contained herein, the CONTRACTOR, by executing this disclosure statement and providing the information requested, consents to its disclosure pursuant to the provisions of the Information Practices Act of 1977, Civil Code Section 1798.24(b). CONTRACTOR is aware that a disclosure of information contained herein will be made at a public meeting or meetings of the COMMISSION, the AUTHORITY, and/or the CITY at such times as the meetings may be scheduled. CONTRACTOR hereby consents to the disclosure of said "Personal Information", if any, more than thirty (30) days from the date of this statement at the duly scheduled meeting(s) of the COMMISSION, the AUTHORITY and/or the CITY. CONTRACTOR acknowledges that public disclosure of the information contained herein may be made pursuant to the provisions of Civil Code Section 1798.24(d).

CONTRACTOR represents and warrants to the COMMISSION, the AUTHORITY and the CITY that by providing the information requested herein and waiving any and all privileges available under the Evidence Code of the State of California, State and Federal Law, (to the extent of this disclosure that the information being submitted herein), the information constitutes a "Public Record" subject to disclosure to members of the public in accordance with the provisions of California Government Section 6250 et seq.

CONTRACTOR specifically waives, by the production of the information disclosed herein, any and all rights that CONTRACTOR may have with respect to the information under the provisions of Government Code Section 6254 including its applicable subparagraphs, to the extent of the disclosure herein, as well as all rights of privacy, if any, under the State and Federal Law.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, at San Diego, California.

CONTRACTOR

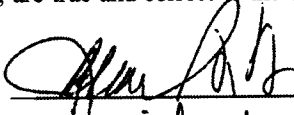
By:

  
Signature

  
Title

**CERTIFICATION**

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

By:   
Title: President  
Dated: 4/26/12

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_

**WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious or fraudulent statement or entry, in any matter within the jurisdiction or any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.**

**JURAT**

State of California

County of \_\_\_\_\_

*see attached*

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

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

\_\_\_\_\_  
Signature of Notary

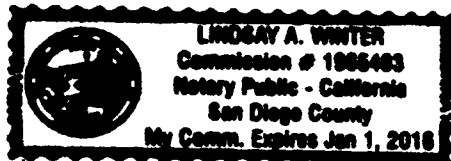
SEAL

DISCLOSE.PUB

State of California  
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 26th  
day of April, 2012, by Joseph M. Michaels

proved to me on the basis of satisfactory evidence to be the  
person(s) who appeared before me.



(Seal)

Signature

*Lindsay A. Winter*



Policy Number:

Date Entered: 06/07/2011

**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

9/28/2011

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

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

<b>PRODUCER</b> MATTHEW GEE & ASSOCIATES 2775 TAPO STREET, SUITE 102 SIMI VALLEY, CA 93063 LICENSE #0H07373	<b>CONTACT NAME:</b>		
	<b>PHONE (AG, No, Ext):</b> (805) 527-5275 <b>FAX (A/C, No):</b> (805) 582-6191		
<b>INSURED</b> LAS PALMAS HOUSING C/O JOE MICHAELS 531 ENCINITAS BLVD. #206 ENCINITAS, CA 92024	<b>E-MAIL ADDRESS:</b>		
	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	<b>INSURER A:</b> FARMERS INSURANCE GROUP OF COMPANIES		
	<b>INSURER B:</b>		
	<b>INSURER C:</b>		
	<b>INSURER D:</b>		
<b>INSURER E:</b>			
<b>INSURER F:</b>			

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY			60435 71 41	7/1/2011	7/1/2012	EACH OCCURRENCE
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY		DAMAGE TO RENTED PREMISES (Ea occurrence)				
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		MED EXP (Any one person)				
			PERSONAL & ADV INJURY				
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG
							\$
A	<input type="checkbox"/> AUTOMOBILE LIABILITY			60435-71-41	07/01/2011	07/01/2012	COMBINED SINGLE LIMIT (Ea accident)
	<input type="checkbox"/> ANY AUTO		SCHEDULED AUTOS				BODILY INJURY (Per person)
	<input type="checkbox"/> ALL OWNED AUTOS		NON-OWNED AUTOS				BODILY INJURY (Per accident)
	<input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/>						PROPERTY DAMAGE (Per accident)
							\$
	<input type="checkbox"/> UMBRELLA LIAB						EACH OCCURRENCE
	<input type="checkbox"/> EXCESS LIAB						AGGREGATE
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>						WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input type="checkbox"/> N	N/A				OTH-ER
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT
							E.L. DISEASE - EA EMPLOYEE
							E.L. DISEASE - POLICY LIMIT

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

**CERTIFICATE HOLDER****CANCELLATION**

INSURED'S COPY

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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ACORD 25 (2010/05)

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## ATTACHMENT E

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

1. Name of CONTRACTOR: Phoenix Realty Development Co LLC
  
2. Address and Zip Code: 645 Madison Ave, 5th Floor, New York, NY 10022
  
3. Telephone Number: 212-207-1999
  
4. Name of Principal Contact for CONTRACTOR: E. Ron Orgel
  
5. Federal Identification Number or Social Security Number of CONTRACTOR: 13-4175278
  
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:
  - ☐ A corporation (Attach Articles of Incorporation)
  - ☐ A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status).
  - ☐ A partnership known as: \_\_\_\_\_  
(Name)
  - Check one
    - ☐ General Partnership (Attach statement of General Partnership)
    - ☐ Limited Partnership (Attach Certificate of Limited Partnership)
  - ☐ A business association or a joint venture known as: \_\_\_\_\_ (Attach joint venture or business association agreement)
  - ☐ A Federal, State or local government or instrumentality thereof.
  - ☒ Other (explain) Limited Liability Company
  
7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
 

June 13, 2001

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

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Phoenix Realty Group	100% Managing Member
Address: 645 Madison Ave, 5th Floor	
New York, NY 10022	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

No

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

No

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

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: <b>JMF Associates LP</b>	<b>43.5% Managing Member of Phoenix Realty Group</b>
Address: <b>645 Madison Ave, 5th Floor</b>	
<b>New York, NY 10022</b>	
Name: <b>Keith Rosenthal</b>	<b>27% Member of Phoenix Realty Group</b>
Address: <b>645 Madison Ave, 5th Floor</b>	
<b>New York, NY 10022</b>	
Name: <b>ConAm Real Estate, Ltd</b>	<b>20% Member of Phoenix Realty Group</b>
Address: <b>3990 Ruffin Road, Suite 100</b>	
<b>San Diego, CA 92123-4805</b>	
Name:	
Address:	

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

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: <b>J. Michael Fried</b>	<b>100% of JMF Associates</b>
Address: <b>645 Madison Ave, 5th Floor</b>	
<b>New York, NY 10022</b>	
Name: <b>Daniel J. Epstein</b>	<b>65% Limited Partner of ConAm Real Estate</b>
Address: <b>3990 Ruffin Road, Suite 100</b>	
<b>San Diego, CA 92123-4805</b>	
Name:	
Address:	
Name:	
Address:	

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

Name, Address and Zip Code	Relationship to CONTRACTOR
Name: NA	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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



15. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project:  
**See attached pro forma.**

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

a. In banks/savings and loans:

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

NA

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

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

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

NA

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

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

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

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

Name, Address and Zip Code	Contact Name
Name: Bank of America Merrill Lynch	Jordan A. Casella
Address: 225 Franklin Street	
Boston, MA 02110	
Name: Hanmi Bank	Daniel Lee
Address: 3660 Wilshire Blvd., Suite #1050	
Los Angeles, CA 90010	
Name:	
Address:	
Name:	
Address:	

18. Has the CONTRACTOR or any of the CONTRACTOR's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past 10 years?  
 \_\_\_ Yes ☒ No

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

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

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

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

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
NA				

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

- a. Name and addresses of such contractor or builder:

Name, Address and Zip Code	Affiliation
Name: NA	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

☐ Yes ☐ No

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

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

General description of such work:

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

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

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



23. Does any member of the governing body of the San Diego Housing Commission ("COMMISSION"), Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of the COMMISSION, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor?

☐ Yes ☒ No

If yes, explain.

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24. Statements and other evidence of the CONTRACTOR's qualifications and financial responsibility (other than the financial statement referred to in Item 8) are attached hereto and hereby made a part hereof as follows:

See attached resume

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

☐ Yes ☒ No

If yes, explain:

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

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

Check coverage(s) carried:

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

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

Check coverage(s) carried:

- ☒ Comprehensive Form
- ☒ Owned
- ☒ Hired
- ☒ Non-Owned

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

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

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

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

27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the COMMISSION setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the COMMISSION, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the COMMISSION, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the COMMISSION, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.



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

Government Entity Making Complaining	Date	Resolution
NA		

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

No

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

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

33. Describe in detail any and all other facts, factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the COMMISSION.

NA

34. Describe in detail, any and all other facts, factors or conditions that may favorably affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the COMMISSION.

None

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

Date	Entity Involved (i.e. City Commission, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
	None		

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

☐ Yes ☒ No

If yes, explain:

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37. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, had a revocation or suspension of a CONTRACTOR's License?

☐ Yes ☒ No

If yes, explain:

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

1. Name: Michael R. Kairis

Address: 1045 West Katella Ave, Suite 210, Orange, California 92867

Phone: (714) 516-0975

Project Name and Description: Portofino, a 235-unit multifamily community within 32 buildings

2. Name: Edward Ring

Address: 16255 Ventura Blvd, Ste 215, Encino, CA 91436

Phone: (818) 582-3569

Project Name and Description: The Crossings, a 230-unit multifamily community within 12 2-story buildings

3. Name: Rick Holcomb

Address: 19600 Fairchild Road, Suite 285, Irvine, CA 92612

Phone: (949) 756-2525

Project Name and Description: The Reserve on Baltimore, a 406 unit multifamily community

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

See attached resume and company bios.

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

Name	Experience
NA	

**CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR**

By providing the "Personal Information", (if any) as defined in Section 1798.3(a) of the Civil Code of the State of California (to the extent that it is applicable, if at all), requested herein and by seeking a loan from, a grant from, a contract with, the sale of real estate to, the right to develop from, and/or any and all other entitlements from the SAN DIEGO HOUSING COMMISSION ("COMMISSION"), the HOUSING AUTHORITY OF THE CITY OF SAN DIEGO ("AUTHORITY") and/or the CITY OF SAN DIEGO ("CITY"), the CONTRACTOR consents to the disclosure of any and all "Personal Information" and of any and all other information contained in this Public Disclosure Statement. CONTRACTOR specifically, knowingly and intentionally waives any and all privileges and rights that may exist under State and/or Federal Law relating to the public disclosure of the information contained herein. With respect to "Personal Information", if any, contained herein, the CONTRACTOR, by executing this disclosure statement and providing the information requested, consents to its disclosure pursuant to the provisions of the Information Practices Act of 1977, Civil Code Section 1798.24(b). CONTRACTOR is aware that a disclosure of information contained herein will be made at a public meeting or meetings of the COMMISSION, the AUTHORITY, and/or the CITY at such times as the meetings may be scheduled. CONTRACTOR hereby consents to the disclosure of said "Personal Information", if any, more than thirty (30) days from the date of this statement at the duly scheduled meeting(s) of the COMMISSION, the AUTHORITY and/or the CITY. CONTRACTOR acknowledges that public disclosure of the information contained herein may be made pursuant to the provisions of Civil Code Section 1798.24(d).

CONTRACTOR represents and warrants to the COMMISSION, the AUTHORITY and the CITY that by providing the information requested herein and waiving any and all privileges available under the Evidence Code of the State of California, State and Federal Law, (to the extent of this disclosure that the information being submitted herein), the information constitutes a "Public Record" subject to disclosure to members of the public in accordance with the provisions of California Government Section 6250 et seq.

CONTRACTOR specifically waives, by the production of the information disclosed herein, any and all rights that CONTRACTOR may have with respect to the information under the provisions of Government Code Section 6254 including its applicable subparagraphs, to the extent of the disclosure herein, as well as all rights of privacy, if any, under the State and Federal Law.

Executed this 9th day of May, 20 12, at San Diego, California.

CONTRACTOR

By:

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Managing Director

\_\_\_\_\_  
Title

**CERTIFICATION**

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

By: E. Ron Orgel

By: \_\_\_\_\_

Title: Managing Director

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

Dated: 5/9/12

Dated: \_\_\_\_\_

**WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious or fraudulent statement or entry, in any matter within the jurisdiction or any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.**

**JURAT**

State of New York

County of New York

Subscribed and sworn to (or affirmed) before me on this 9<sup>th</sup> day of MAY, 20 12

by E. Ron Orgel personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

  
\_\_\_\_\_  
Signature of Notary

SEAL

ABRAHAM TEITELBAUM  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01TE6219142  
Qualified in Nassau County  
My Commission Expires March 22, 2014

DISCLOSE.PUB

## PROJECT SUMMARY

Non-Rural, 9%, Family, Mesa Commons, SAN DIEGO , 77-units +1-mgr unit Non PW, San Diego County

5/17/2012

10:12 AM

Permanent Sources					
Source	Amount	Interest Rate	Term	/ Unit	
Conventional Perm Loan	\$ 3,979,553	6.50%	30	\$ 51,020	
Tax Credit Proceeds	15,343,593	0.00%	0	196,713	
SDHC Residual Receipt Loan	4,905,000	3.00%	55	62,885	
0	0	0.00%	0	0	
0	0	0.00%	0	0	
SDH Waived Fees	154,363	0.00%	0	1,979	
0	0	0.00%	0	0	
0	0	0.00%	0	0	
0	0	0.00%	0	0	
Prestabilization Income	90,553	0.00%	0	1,161	
Deferred Developer Fee	2,606	6.00%	15	33	
\$ 24,475,668				\$313,791	

Permanent Uses			
Uses	Amount	/ Unit	
Land Costs	\$ 3,640,000	\$ 46,667	
Insurance	336,328	4,312	
Architecture and Engineering	755,000	9,679	
Permit and Impact Fees	1,989,920	25,512	
Furniture, Fixtures, and Eqpm.	150,000	1,923	
Construction Contract	13,453,111	172,476	
Soft Costs	1,270,027	16,282	
Loan Fees and Interest	1,124,027	14,411	
Operating Reserves	180,555	2,315	
Developer Fee	1,400,000	17,949	
Project Contingency	176,700	2,265	
\$ 24,475,668		\$ 313,791	

Source Pay in Schedule			
Source	Amount	Date	Comments
Tax Credit Proceeds	\$1,267,180	February-13	CL Close
Tax Credit Proceeds	\$11,007,695	July-14	Rent up
Tax Credit Proceeds	\$3,068,719	December-14	Perm Conversion
SDHC Residual Receipt Loan	\$1,471,500	February-13	CL Close
SDHC Residual Receipt Loan	\$1,471,500	November-13	
SDHC Residual Receipt Loan	\$1,471,500	March-14	
SDHC Residual Receipt Loan	\$490,500	December-14	Perm Conversion

Bedroom Mix / Rent Levels			
Bedrooms	Avg. Rent	Total Units	%
0		0	0%
1	\$ 859.00	2	3%
2	\$ 891.43	51	66%
3	\$ 846.33	24	31%
4		0	0%
Average Income: 49.6%		77	100%

Square Footages		Operations	
Item	SQ. Footage	Item /Unit /Year	Amount
Structures	98,642	Income	\$ 10,033
Common Bld.	7,644	Expenses	\$ 5,389
Total	106,286	Net Oper. Inc.	\$ 4,644
		Debt Service	\$ 3,870
CL Closing:	2/1/13	Debt Cov. Ratio	1.20

Tax Credit Information	
Item	Value
Eligible Basis	\$ 19,405,473
Eligible Basis Limit	\$ 21,444,111
Voluntarily Excluded Basis	15.6%
Voluntarily Excluded Basis	\$ 3,027,254
Credit Reduction	\$ -
Federal Credit Price	\$ 0.97
State Credit Price	0.50
Annual Federal Credits	1,581,972
Annualized State Credits	0
Total Annualized Credits	1,581,972
TCAC Tiebreaker	0.31
	0

Rent Schedule					
Calculation	Quantity	Bedrooms	AMI	Rent	Util.
TCAC 12	2	1	60%	\$ 859	\$ 44
TCAC 12	4	2	30%	\$ 491	\$ 50
TCAC 12	4	2	35%	\$ 582	\$ 50
TCAC 12	4	2	40%	\$ 672	\$ 50
TCAC 12	4	2	45%	\$ 762	\$ 50
TCAC 12	4	2	50%	\$ 853	\$ 50
TCAC 12	31	2	60%	\$ 1,033	\$ 50
TCAC 12	4	3	30%	\$ 568	\$ 58
TCAC 12	4	3	35%	\$ 672	\$ 58
TCAC 12	4	3	40%	\$ 777	\$ 58
TCAC 12	4	3	45%	\$ 881	\$ 58
TCAC 12	4	3	50%	\$ 986	\$ 58
TCAC 12	4	3	60%	\$ 1,194	\$ 58

# COST INPUT

Non-Rural, 9%, Family, Mesa Commons, SAN DIEGO , 77-units +1-mgr unit Non PW, San Diego County

Code	Description	Amount	Basis	Percentage	Notes
10010	LAND ACQUISITION	3,600,000	0	0%	
10020	LAND CARRY COST	20,000	0	0%	
10030	APPRAISAL	7,500	7,500	100%	additional appraisal 2,500
10040	MARKET STUDY	18,000	18,000	100%	
30030	PLAN CHECK FEES	0	0		
30040	DEVELOPER IMPACT	1,989,920	1,835,557	92%	
30050	PERMIT FEES		0		
30060	REFUNDABLE FEES	0	0		
40000	ARCHITECT & ENGINEERING	755,000	755,000	100%	added NEPA preparation 30,000
40800	COMMUNITY OUTREACH	47,000	0	0%	
40900	OTHER				
50000	CONSTRUCTION CONTRACT	13,453,111	13,453,111	100%	removed pool from plan -65,000
50099	5% HARD COST CONTINGENC	586,448	586,448	100%	
60020	MARKETING/LEASE-UP	50,000	0	0%	
60030	FURNITURE/FXTRS/EQMT	150,000	150,000	100%	
60040	OPERATING RESERVES	180,555	0	0%	
70000	GENERAL & ADMINISTRATION	2,000	0	0%	
70010	ACCOUNTING	60,000	54,000	90%	
70020	LEGAL FINANCE	90,000	0	0%	
70025	LEGAL OTHER	20,000	0	0%	
70030	INSURANCE/BONDING	336,328	336,328	100%	
70040	FTB COST	1,600	0	0%	
70050	GENERAL REIMBURSEMENTS	5,000	0	0%	
80100	PRE DEV INTEREST	30,000	0	0%	
80110	CONSTRUCTION INTEREST	884,436	530,662		
80200	CON. LOAN FEES / COST	130,000	78,000		
80400	CTCAC FEES	160,129	0		
80300	PERM LOAN FEES / COST	79,591	0	0%	
90020	5% SOFT COST CONTINGENC	176,700	176,700	100%	
	SDHC Origination & Legal	69,050	24,168	35%	
	INT. RATE/CREDIT PRICE CON	173,300	0	0%	
	PROPERTY TAX				
	OTHER				
	DEVELOPER FEE, DEFERRED		0		
90010	DEVELOPER FEE	1,400,000	1,400,000	100%	
		24,475,668	19,405,473		



## **Attachment 5**

### **Mesa Commons Proposed Schedule**

<b>Activity</b>	<b>Date</b>
TCAC Application Deadline	June 11, 2012
TCAC Award Date	October 1, 2012
Construction Loan Close	March 1, 2013
Construction Start	March 1, 2013
TCAC 180 Day Deadline	April 1, 2013
Construction Completion	May 1, 2014
Property Leased to 95%	July 1, 2014
Close Permanent Loan	January 1, 2015



Real Estate Department

## PROPOSED LOAN NON-BINDING COMMITMENT TERMS SUMMARY

Mesa Commons Affordable Housing Project  
 6456 El Cajon Boulevard, San Diego 92115 ("Property")  
 March 19, 2012

The San Diego Housing Commission ("Housing Commission") is pleased to submit this non-binding commitment terms summary. This commitment terms summary is not a binding contract. The purpose of this commitment terms summary is to set forth the general terms and conditions under which the Housing Commission is interested in making a loan ("Housing Commission Loan") to Palm Communities or an entity controlled by Palm Communities ("Borrower") with respect to the Property. Closing must occur within one (1) year of Housing Authority of the City of San Diego approval of the Housing Commission Loan, unless an extension is granted by the President & CEO of the Housing Commission in his sole discretion. In the event of a conflict between any term or provision (or absence of any term or provision) of this commitment terms summary and any term or provision of any approval of any applicable board or governing body, the term or provision of such board or governing body shall apply. Provided the Housing Commission Loan is approved by the Housing Authority of the City of San Diego, the following terms shall apply to the Housing Commission Loan. In addition, Exhibit A details other Housing Commission requirements.

1. **Maximum loan amount** – Not to exceed \$4,905,000. To be used for the acquisition, construction and permanent financing of a 77-unit (plus 1 manager's unit) affordable housing project ("Project") located at 6456 El Cajon Boulevard ("the Property"). The Housing Commission Loan will be secured by a deed of trust which will be subordinate to the deed of trust and security instruments securing the conventional construction and permanent financing to be provided by a commercial bank, only.
2. **Loan** - Simple interest at 3% annually.
3. **Term** – 55 year maximum.
4. **Residual payments** - The proposed loan will be repaid with annual residual receipt payments to the Housing Commission. Borrower and Housing Commission will split available cash flow 50/50. Residual receipt payments will be payable beginning on May 1, in the year immediately following the calendar year in which construction of the Project is completed.
5. **Affordability** – 40 units (52%) are to be rent and occupancy restricted at 50% AMI and 37 units (48%) are to be rent and occupancy restricted at 60% AMI.
6. **Funding Sources** –The Housing Commission may fund the Housing Commission Loan from various sources including local, State, and/or federal funds, including HOME Investment Partnership Program funds. The Housing Commission reserves the right to allocate available program funds in the best interest of the Housing Commission. Borrower should be familiar with the HOME program rules and regulations as well as Federal Davis-Bacon law.
7. **Managers' Units** - There will be one manager's unit (the number of manager's units must be in conformance with the TCAC program requirements).
8. **Cost Savings** – If there are any cost savings, improved debt, or improved tax credit equity pricing then such funds will be first used to make an adjustment to the total tax credit allocation as may be required by TCAC

and thereafter apply 100% of the excess sources/cost savings towards the reduction of the Housing Commission's loan. Up to 50% of any costs savings can be used to pay any deferred developer fees.

9. **Financing Gap** - The Borrower will cover any financing gap with its equity, its developer fee and/or other non-Housing Commission sources, all of which shall be subject to the approval of the Housing Commission in its sole discretion and will not be unreasonably withheld.
10. **Recourse** - The Housing Commission's loan will be recourse until the timely completion of the construction, after which it will become non-recourse.
11. **Prevailing Wages** - The Borrower's proforma does not budget for prevailing wages. It is anticipated that the current sources of funding will not require prevailing wages based on current funding amounts. The Housing Commission may change (increase or decrease) the HOME funding amount based on funding availability from other Commission programs and shall give Borrower 45day notice of such changes prior to the Tax Credit Allocation Committee application deadline. Changes in funding could result in the requirements for payment of prevailing wages. Any increased costs to the Borrower resulting from the requirement to pay prevailing wages shall be paid for by the Borrower.
12. **Builder General Conditions, Profit & Overhead** - The construction contract shall be competitively bid to at least three qualified general contractors.
13. **Contingency** - 10% of the Housing Commission loan amount will be withheld as contingency and will be paid upon final cost certification and conversion to permanent loan. This contingency amount will be reduced by any project cost savings.
14. **Limited Partnership Fees** - Amounts not to exceed: General Partner(s) \$17,500/year, and Special Limited Partner \$5,000/year.
15. **Property Management Fee** - Proposed at \$39,312 (\$43.00/unit/month).
16. **Replacement Reserve** - To be consistent with TCAC Regulations (estimated at \$250/unit/year).
17. **Operating Reserve** - To be consistent with TCAC Regulations (three months estimated operating expenses and three months debt service under stabilized occupancy).
18. **Loan Disbursement Schedule** - Upon submittal and approval of eligible costs, the Housing Commission Loan will be disbursed as follows: up to thirty percent (30%) at escrow closing, up to sixty percent (60%) during construction, and ten percent (10%) upon conversion to permanent financing. Ten percent of the HOME Investment Partnership funds are to be withheld until issuance of a Certificate of Occupancy and all unconditional lien releases are forwarded to the Housing Commission. The President and Chief Executive Officer is authorized to modify the Housing Commission loan disbursement schedule in his sole reasonable discretion.
19. **Developer Fee** - Maximum \$1,400,000. The developer fee disbursement will be confirmed by the tax credit investor partner. It is estimated that the developer fee will be disbursed at completion of construction. Developer fee may be deferred and paid out of projects operations cash flow within ten years from projects

placed in service date. Any unpaid deferred developer fee after this ten-year period shall become Borrower's capital contribution to the project.

20. **SDHC Monitoring Fees** – Borrower will pay a monitoring fee for setup and an annual monitoring fee in accordance with the then-existing Housing Commission fee schedules.
21. **SDHC Legal Fees** – Borrower will pay Housing Commission legal fees in an amount estimated at \$20,000 and to be calculated at escrow closing.
22. **Origination Fee** – Borrower to pay Housing Commission loan origination fee equal to 1% of the Housing Commission Loan amount.
23. **Closing Costs** – Borrower shall pay all escrow, title and closing costs, including, without limitation, paying for an ALTA lenders policies for the Housing Commission Loan, with endorsements acceptable to the Housing Commission, insuring the Housing Commission Loan lien priority as referenced in this letter.
24. **Additional Conditions** – The Housing Commission reserves the right to impose such additional conditions in the final documentation of the transaction as are reasonably necessary to protect the interests of the Housing Commission and fulfill the intent of this letter.
25. **Purchase Option** – Housing Commission shall have a first right of refusal to purchase the Property and the Project. The Housing Commission and the Borrower will enter into an option agreement whereby the Commission will have the option to purchase the Property and the Project at any time during the three-year period beginning at the end of the fifteen-year tax credit compliance period for an amount equal to the greater of: (i) the fair market value of the Property and the Project (taking into account the various rent and occupancy restrictions); or (ii) the sum of: (a) the limited partner project related tax liability; plus (b) the principal of and all accrued interest of the Housing Commission loan and all other loans secured by the property.

### Exhibit A

1. **Pursue Maximum Financing from Other Sources** – The borrower is required to pursue maximum available financing from other sources including a funding application the Federal Home Loan Bank Affordable Housing Program (AHP). If awarded, these other sources' funds would used first to pay Housing Commission approved cost overruns and/or reductions in estimated funding. The remaining additional proceeds, as allowed by TCAC, would reduce the Housing Commission's permanent financing loan.
2. **Insurance**- Borrower shall at all times during the term of the loan maintain General Liability and Property Insurance in a form and in acceptable to the Housing Commission and approved by the Housing Commission's General Counsel. The San Diego Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego shall be listed as an additional insured for General Liability Insurance and Property Insurance and the San Diego Housing Commission shall be endorsed as a loss payee of the Private Insurance.
3. **Loan Security** – The Housing Commission loan shall be evidenced by a deed of trust, in a form and format acceptable to the Housing Commission and its General Counsel in their sole discretions, made in favor of the Housing Commission and secured by the value of the property.
4. **Senior Financing** – The Housing Commission loan will be subordinate to a senior loan.
5. **Cure Rights** – The Housing Commission shall have the right, but not the obligation, to cure all senior encumbrances in all subordinating agreements that it executes. All subordination agreements shall be subject to the sole approval of the Housing Commission's President and Chief Executive Officer and General Counsel.
6. **Management Plan** – The Management Plan shall be subject to periodic approval by the Housing Commission, in its reasonable discretion.
7. **Approval of Management** – The Housing Commission reserves the right to declare Borrower in default of the loan agreement after an uncured ninety (90) day written notice of malfeasance and/or misfeasance in management of the project.
8. **ALTA Lender's Policy** – The Borrower shall acquire, at its sole cost and expense, ALTA Lender's Policies for the loan with endorsements acceptable to the Housing Commission insuring the Housing Commission's lien position.
9. **Environmental Requirements** – Notwithstanding any provision of this Letter, the parties agree and acknowledge that this Letter constitutes a conditional reservation and does not represent a final commitment of HOME funds or site approval under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). Should HOME funds constitute a portion of the funding for the project, a final reservation of HOME funds shall occur only upon satisfactory completion of environmental review and receipt by the City of San Diego of a Release Of Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of NEPA. The parties agree that the provision of any HOME funds to the project is conditioned on the City of San Diego's determination to proceed with, modify or cancel the project based on the results of subsequent environmental review under NEPA. By execution of this Letter, you acknowledge no legal claim to any amount of HOME funds to be used for the project or site unless and until the site has received environmental clearance under NEPA. You are also prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, clearance, rehabilitation, conversion, repair or construction prior to environmental clearance under NEPA. Violation of this provision may result in denial of any HOME funds for this project.