



SAN DIEGO  
HOUSING  
COMMISSION

## REPORT TO THE CITY COUNCIL AND HOUSING AUTHORITY

**DATE ISSUED:** March 4, 2011

HAR 11-010

**ATTENTION:** Members of the Housing Authority of the City of San Diego  
For the Agenda of March 8, 2011

**SUBJECT:** Florida Street Apartments – Additional Funding and Preliminary Bond Request  
(Council District 3)

**REQUESTED ACTION:**

Approve revisions to the previously approved financing plan for the potential development of the 83 unit Florida Street Apartments project in the community of North Park.

**STAFF RECOMMENDATION:**

That the Housing Authority of the City of San Diego approves the following:

1. Increase the previously approved loan from the San Diego Housing Commission ("Housing Commission") to Florida Street Housing Associates, L.P., by up to \$700,000 (from \$7,387,000 to \$8,087,000) with a three percent interest rate to be used as gap financing for the development of 83 units of affordable rental housing.
2. Authorize the Housing Commission to enter into an Option Agreement whereby the Housing Commission will have the option to purchase fee title to the Florida Street Apartments beginning at the end of the 15 year tax credit compliance period and extending for 36 months, for an amount equal to the greater of: (i) the fair market value of the improvements as rent restricted; or (ii) the sum of the limited partner project related tax liability plus the principal of and all accrued interest on the Housing Commission loan and all other loans secured by the property.
3. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$18,800,000 in Multifamily Housing Revenue Bonds for the project.
4. Authorize an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount of up to \$18,800,000 for the project.
5. Approve the bond financing team of Quint & Thimmig, LLP as bond counsel and The PFM Group as financial advisor to begin work on the project.
6. Authorize the President and Chief Executive Officer of the Housing Commission, or designee, to execute necessary documents and instruments as approved by the CEO, General Counsel and bond counsel and to authorize the CEO to perform such acts as are necessary to implement these approvals.

- B. The City Council hold a public hearing (*known as a TEFRA hearing – Tax Equity and Fiscal Responsibility Act*) and adopt a resolution approving the issuance of tax-exempt bonds in an amount of up to \$18,800,000 for the project by the Housing Authority.

**SUMMARY:**

On January 20, 2009, the Housing Authority of the City of San Diego (“Housing Authority”) approved a loan to Florida Street Housing Associates, L.P. in the amount of \$4,900,000 for the acquisition of a one acre site located at 3783-3825 Florida Street within the North Park Redevelopment Project Area.

The Housing Commission approval included funding of the land acquisition loan prior to receipt of tax credits. Florida Street Housing Associates, L.P. closed on the Housing Commission loan and acquired the site on February 27, 2009. Per the executed Housing Commission loan agreement, if tax credit financing and construction financing are not closed within 36 months from the date of funding (February 29, 2012 deadline) of the Housing Commission loan, Florida Street Housing Associates, L.P. would be in default of the loan agreement and all principal and interest shall be due and payable immediately in a balloon payment.

Since the property acquisition, Florida Street Housing Associates, L.P. made an application for nine percent tax credits on June 9, 2009, and received a perfect competitive score, but did not have a high enough tiebreaker score to win an allocation of tax credits. In order to achieve a perfect score, and to potentially win the tiebreaker, Florida Street Housing Associates, L.P. requested that the Housing Commission grant an additional subsidy via a residual receipts loan in the amount of \$2,487,000 (for a combined acquisition, construction and permanent financing loan amount of \$7,387,000). This residual receipts loan was approved by the Housing Authority on March 16, 2010. Following the approval of the residual receipts loan, Florida Street Housing Associates, L.P. applied for nine percent tax credits on March 25, 2010, and July 7, 2010. Neither application was awarded the credits due to other competing projects in the San Diego area.

Florida Street Housing Associates, L.P. was not awarded nine percent tax credits on three separate applications, however, they are requesting that the Housing Commission authorize the issuance of tax exempt private placement bonds in an amount up to \$18,800,000 to allow them to pursue a non-competitive four percent Low Income Housing Tax Credit (LIHTC) application in May of 2011 to ensure delivery of affordable housing units in 2012 (see Attachment 1). The following table provides some of the details regarding the project:

Total Number of Multi-Family Units	83 (includes one manager unit)		
Total Number of Affordable Units/Bedrooms:	82 units / 166 bedrooms		
	one-bedroom	two-bedroom	three-bedroom
30% AMI	0	0	0
40% AMI	0	0	0
50% AMI	2	3	23
60 % AMI	22	29	3
Projected Rental Rates:	\$736 to \$1,113 (2010 Area Median Income)		

Land Area (square feet)	43,350
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In addition to the Housing Commission loan, the Redevelopment Agency ("Agency") approved an Owner Participation Agreement in July of 2009 to provide a \$3,800,000 loan to Florida Street Housing Associates, L.P. In November of 2009, the Agency disbursed \$550,500 of its loan for relocation of fifteen households and the demolition of the existing improvements. On December 16, 2010, the Agency Executive Loan Committee recommended approval to increase the Agency loan amount from \$3,800,000 to \$5,600,000 because the deal structure had changed to a four percent tax credit project.

Florida Street Apartments is designed as a four-story, Type V (wood-frame construction) building over a Type I (concrete) parking garage and podium deck. The proposed project has a density over 80 units per acre. Design features include two open courtyards which provide a variety of recreation opportunities to residents and maximizing natural light into each residential unit. Sustainable measures proposed include photovoltaic panels, hydronic heat and hot water from high-efficiency central boilers (with potential solar hot water pre-heat), low/no-VOC interior materials, and enhanced unit ventilation for air quality. The building is LEED-registered, and the final target scoring is currently being refined with the architect and design team.

According to Florida Street Housing Associates, L.P. the civil drawings are permit ready and the first plan check review of the building drawings have been completed by the City's Building Department. It is anticipated that the drawings will be through the review process and ready for permit issuance by the end of March 2011. As of November 30, 2010, Florida Street Housing Associates, L.P. has expended approximately \$1,700,000 on design and other pre-development expenses.

## **FISCAL CONSIDERATIONS:**

### **Proforma Analysis**

The revised project proforma for a four percent tax credit project is attached to this report (Attachment 2). The proposed construction cost is \$18,020,576, which includes architect fees, engineering fees, and a construction contingency. The following summarizes the financial details found in the proforma without using AHP funds:

### **Sources and Uses of Funds**

<b>Sources of Funding</b>		<b>Use of Funding</b>	
Permanent Loan	\$5,950,000	Land Costs	\$5,168,061
SDHC Acquisition Loan	\$ 4,900,000	Constructions Cost	\$16,074,431
SDHC Residual Receipts Loan	\$2,487,000	Financing Costs	\$1,347,448
Agency Residual Receipts Loan	\$3,800,000	Reserves	\$419,605
GP Contribution	\$1,100,000	Loan Permits and Fees	\$899,743
Refunds	\$200,000	Architect/Engineering Design Fees	\$1,142,423
4% Tax Credit Equity	\$8,669,731	Construction Contingency	\$803,722
<b>SDHC Additional Requested</b>	<b>\$700,000</b>	Other Development Costs	\$3,751,298
<b>Agency Additional Requested</b>	<b>\$1,800,000</b>		
<b>Total Financed</b>	<b>\$29,606,731</b>		<b>\$ 29,606,731</b>

**Funding Request**

Housing Commission Total Subsidy	\$8,087,000
Housing Commission Subsidy per Unit	\$97,433
Agency Total Subsidy	\$5,600,000
Agency Subsidy Per Unit	\$67,469
<b>Total Subsidy</b>	<b>\$13,687,000</b>

Rent levels of 50 percent and 60 percent of Area Median Income (“AMI”) must be used per the Community Redevelopment Law (CRL) rules in order to count toward the Agency’s production requirements. The Agency will record a 55-year rent restriction against all 82 units affordable to households with annual incomes of 50 percent to 60 percent or less of AMI. The Housing Commission will also record 55-year rent restrictions against 82 units. One non-restricted two-bedroom unit will be occupied by a resident manager. The proposed rents are as follows:

**Affordable Housing Rents – 4% LIHTC**

Bedrooms	Unit Size (sq. ft.)	Income Level	Units	Restricted Rent	Utility Allowance
1 Bedroom	560	CRL – 50% AMI	2	\$736	\$10
		CRL – 60% AMI	22	\$883	
2 Bedrooms	880	CRL – 50% AMI	3	\$849	\$14
		CRL – 60% AMI	29	\$1,019	
3 Bedrooms	1,106	CRL – 50% AMI	3	\$944	\$16
		CRL – 60% AMI	23	\$1,133	

Notes: CRL – Rent restricted per California Community Redevelopment Law

On April 1, 2011, Florida Street Housing Associates, L.P. plans to apply for the Federal Affordable Housing Program (AHP) loan program on April 1, 2011. If awarded, a portion of AHP funds would reduce the permanent financing loan. In accordance with the proforma, included as Attachment 3 of this report, the Housing Commission and Agency funds would be reduced pro-rata by any remaining AHP funds. If AHP funds are granted, the new rent restrictions per unit would be as follows:

**Affordable Housing Rents – 4% LIHTC with AHP Funds**

Bedrooms	Unit Size (sq. ft.)	Income Level	Units	Restricted Rent	Utility Allowance
1 Bedroom	560	CRL – 50% AMI	17	\$736	\$10
		CRL – 60% AMI	7	\$883	
2 Bedrooms	880	CRL – 50% AMI	23	\$849	\$14
		CRL – 60% AMI	9	\$1,019	
3 Bedrooms	1,106	CRL – 50% AMI	18	\$944	\$16
		CRL – 60% AMI	8	\$1,133	

According to the loan agreement, the developer fee shall not exceed \$1,400,000. The new proforma includes a total developer fee of \$2,500,000. However, \$1,100,000 is being reinvested back into the project which allows the overall basis to increase and therefore, the allocation of tax credit equity will

also increase. The fee retained by Florida Street Housing Associates, L.P.'s general partner, Community Housing Works, remains at \$1,400,000.

### **Loan Amount**

On February 23, 2009, Florida Street Housing Associates, L.P. entered into a loan agreement with the Housing Commission in the amount of \$4,900,000 for the acquisition of the property. On March 16, 2010, the Housing Authority approved a \$2,487,000 residual receipts loan to achieve a perfect score and to improve the potential Tax Credit Allocation Committee (TCAC) tiebreaker score for the nine percent tax credit applications. With the current \$700,000 request for additional funding, the new Housing Commission loan amount would be \$8,087,000. The loan agreement will be amended and executed once the four percent tax credit equity has been awarded. The additional \$700,000 funding request that is included in the current FY2011 budget is allocated as follows and will carry a three percent interest rate.

Coastal Funds	\$ 30,800
Inclusionary In-Lieu Fee Funds	\$669,200
<b>Total</b>	<b>\$700,000</b>

If improved debt or equity pricing are achieved, the Florida Street Housing Partners, LP 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 and Agency Loan in proportion to the original principal balance of their respective loans."

In order to ensure that the construction costs are competitive, the Housing Commission will require Florida Street Housing Associates, L.P. to obtain competitive bids from at least four general contractors. The executed contract with the General Contractor shall be a "cost plus fee and guaranteed maximum" general contract (AIA A102) versus a stipulated sum contract.

### **Proposed Bond Financing**

The first position loan would be capitalized through the issuance of tax-exempt bonds by the Housing Authority. The Housing Commission utilizes the Housing Authority's tax-exempt borrowing status to pass on lower interest rate financing (and make federal tax credits available) to developers of affordable housing. The Housing Authority's ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a project, the Housing Authority must first submit an application to CDLAC for a bond allocation. Prior to submitting applications to CDLAC, projects are brought before the Housing Commission, Housing Authority, and City Council. Housing Authority bond inducement resolutions must be obtained prior to application submittal and City Council TEFRA resolutions must be secured no later than 30 days after application submittal. These actions do not obligate the Housing Authority to issue bonds.

The bond application is due to CDLAC on March 18, 2011 and it is anticipated that this development will receive a bond allocation at CDLAC's May 18, 2011 meeting. Florida Street Housing Partners, LP has ninety days to close the bond financing unless an extension is received by CDLAC (August 16, 2011 deadline). However, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the project. A general description of the Multifamily Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 4.

CHW is seeking approximately \$18,800,000 allocation from CDLAC. The bond amount that is ultimately issued will be based upon project costs, revenues, and interest rates at the time of bond issuance. CHW currently proposes to issue the bonds through a tax exempt private placement bond issuance. The bonds would meet all the requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and would fully comply with the City's ordinance on bond disclosure.

The \$18,800,000 allocation that will be sought from CDLAC is approximately 20 percent higher than the amount for which the project is currently being underwritten for the construction financing, which is \$15,611,264. This increased amount represents a cushion to account for possible increases in the bond amount due to increases in construction costs or decreases in the assumed interest rate. The bond amount that is ultimately issued will be based upon project costs, revenues, and interest rates at the time of bond issuance. It is anticipated that the bonds will be used for both construction financing and permanent financing of the project.

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

Staff recommends assigning The PFM Group as financial advisor and Quint & Thimmig, LLP as bond counsel to work on the project. The proposed financing team members have been selected in accordance with the existing policy for the issuance of bonds. Financial advisors and bond counsels are designated on a rotating basis from the firms selected through a competitive Request For Proposal ("RFP") process.

**PREVIOUS BOARD and/or CITY COUNCIL ACTION:**

On February 18, 2011, the Housing Commission Board approved staff recommendations and recommended approval of the four percent tax credit deal structure and additional funding to the Housing Authority.

On December 16, 2010, the Affordable Housing Collaborative Executive Loan Committee unanimously approved staff's recommendation to allow CHW to submit an application for a 4 percent tax credit deal and to provide additional funding in the amount of \$1,800,000.

On March 16, 2010, the Housing Authority approved a \$2,487,000 residual receipts loan to Florida Street Housing Associates, L.P. as gap financing, which was in addition to the \$4,900,000 which was used by the developer to acquire the land.

On January 20, 2009, the Housing Authority approved the site acquisition loan to Florida Street Housing Associates, L.P. in the amount of \$4,900,000.

**COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:**

On November 9, 2010, CHW met with the North Park Project Area Committee regarding the status of the project and, at the meeting, the PAC unanimously recommended that the Redevelopment Agency expend additional funds to allow the project to proceed as a four percent tax credit deal. In addition, CHW also provided updates to adjacent residents, community leaders and representatives from the Coral Ridge Homeowner's Association regarding the status of the project.

On October 21, 2008, a development concept for the property was previously approved by the North Park Project Area Committee (PAC). On June 3, 2009, the current multifamily entitlements were approved by the City Hearing Officer.

**ENVIRONMENTAL REVIEW:**

The City of San Diego previously evaluated the environmental impacts associated with this project in the Mitigated Negative Declaration (Project No. 89239, dated June 20, 2006) adopted on July 13, 2006, by Planning Commission Resolution No. 4103-PC and there is no change in circumstance, additional information, or project changes to warrant additional environmental review. Processing under the National Environmental Policy Act is not required as no federal funds are implicated in this action.

**KEY STAKEHOLDERS & PROJECTED IMPACTS:**

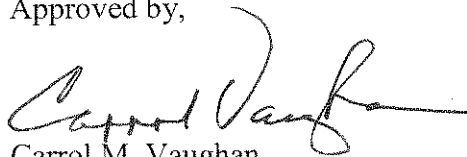
Stakeholders include CHW as the nonprofit general partner, Florida Street Housing Partners, LP as the borrower, and the Community of North Park. Development of the property is expected to have a positive impact on the community because it will improve the quality of housing in the neighborhood and provide much-needed rental units affordable to low-income and very low-income families.

Submitted by,



Roger Green  
Real Estate Manager

Approved by,



Carrol M. Vaughan  
Executive Vice President &  
Chief Operating Officer

**Attachments:**

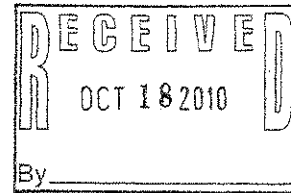
1. CHW Request Letter dated October 13, 2010
2. CHW 4% LIHTC Proforma dated January 11, 2011
3. CHW 4% LIHTC with AHP Funds dated January 11, 2011
4. Multi-Family Bond Program

A copy of the report is available for review at the Housing Commission offices located at 1122 Broadway, Suite 300, San Diego, CA

Information: Roger Green, Real Estate Manager (619) 578-7587



Building Communities. Changing Lives.



October 13, 2010

Mr. Michael Lengyel  
Project Manager  
City of San Diego – Redevelopment Agency  
1200 Third Ave., Suite 1400, MS 56D  
San Diego, CA 92101-4110

Mr. Jerry Lohla  
San Diego Housing Commission  
1122 Broadway – Fifth Floor  
San Diego, CA 92102

Re: Request for additional funding and related modifications of loan agreements for Florida Street Apartments (a.k.a. Arbor Crest North) to allow financing with Tax-Exempt Bonds and 4% Low Income Housing Tax Credits

Dear Gentlemen: *Jerry*

Pursuant to our recent discussions, Community Housing Works (“CHW”) hereby requests modifications to our existing loan and other regulatory agreements detailed below for the Florida Street Apartments (a.k.a. Arbor Crest North) in order to finance the project using 4% Low Income Housing Tax Credits (“LIHTC”) in lieu of the competitive 9% LIHTC previously assumed. CHW has submitted applications to the California Tax Credit Allocation Committee (“TCAC”) for 9% LIHTC in the last three competitive rounds. While the proposed project receives a perfect score under TCAC’s system, it has placed second or third under the “tie-breaker” in each round, and has not received an allocation of tax credits.

The opportunity exists to fund the project with non-competitive 4% LIHTC and start construction as early as April, 2011, creating much needed construction jobs and affordable housing opportunities for San Diego residents. Additionally, by financing Florida Street Apartments under the 4% LIHTC program, the project will not be competing with other San Diego priorities including the 9<sup>th</sup> & Broadway and World Trade Center Homeless projects. This letter outlines our requests of each agency in order to achieve these important public policy objectives and move the project forward as quickly as possible.

A full proforma and project schedule are attached for reference.

Phone: 760.432.6878 Fax: 760.432.6883

4305 University Avenue, Suite 550, San Diego, CA 92105  
Phone: 619.282.6647 Fax: 619.640.7119

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



ATTACHMENT 1



## Redevelopment Agency

On July 31, 2009, the Redevelopment Agency of the City of San Diego approved funding in the amount of \$3,800,000, comprised of two components: (i) a \$550,500 advance for relocation and demolition funding ("Agency Advance Loan"), and (ii) \$3,249,500 as a residual receipts loan ("Agency Residual Receipts Loan") (Resolution R-04440). The funding was memorialized in an Owner Participation Agreement ("OPA"), and subsequently modified by the First Implementation Agreement approved March 16, 2010.

Community Housing Works requests the following in order to allow the project to proceed forward under 4% LIHTC financing:

1. Increase the total Agency funding contribution by \$2,500,000 (to a total of \$6,300,000), including an additional \$500,000 advance of the Agency Residual Receipts Loan (to an advanced total of \$1,050,500).

The additional \$2,500,000 is necessary to reduce the gap in financing created when 4% LIHTC are used instead of the previously-contemplated 9% credits. The additional Agency Advance Loan will allow the completion of the construction drawings for the proposed project, accelerating the construction start. In addition, by bringing the project to "permit ready" status, competitiveness for additional funding from the Federal Home Loan Savings Bank's AHP program is significantly increased. CHW has already advanced over \$1,000,000 in pre-development funds to acquire the site, entitle the project, and prepare the construction drawings. The increased advance will allow the completion of the construction documents, increasing the project's competitiveness for other funding sources, and reimburse CHW for part of its pre-development expenses.

2. Amend the Agreement Affecting Real Property to revise the number of Low- and Very Low-Income units provided, consistent with the 4% LIHTC funding requirements.

In order to reduce the financing gap by increasing the NOI, CHW must modify the affordability of the units per the table below. This proposed affordability level allows the project to maintain competitiveness for AHP funding.

	Bedrooms	Original OPA		Proposed	
		Units	Total	Units	Total
Low Income (60% AMI)	1	6		10	
	2	7	19	12	32
	3	6		10	
Very Low Income (50% AMI)	1	18		14	
	2	25	63	20	50
	3	20		16	

3. Amend the OPA and related documents to revise the residual receipts split between the Agency and the San Diego Housing Commission to reflect the revised proportionate funding amounts of the two agencies.

The attached proforma identifies residual receipts funding from the San Diego Housing Commission totaling \$8,485,568, and funding from the Agency totaling \$6,300,000. Accordingly, the 50% share of residual receipts distributed to the public lenders would be 29% to SDHC and 21% to the Redevelopment Agency.

4. Amend the OPA and related documents to allow the Developer Fee to increase to the maximum-allowed \$2,500,000, of which \$1,100,000 will be returned to the project as a General Partner Contribution, and cannot be recovered as a cash developer fee.

This modification increases the amount of tax credits that accrue to the project, reducing the funding gap, while maintaining CHW's cash developer fee at the previously-agreed amount of \$1,400,000.

#### **San Diego Housing Commission**

On January 20, 2009, the Housing Authority of the City of San Diego approved a residual receipts acquisition loan in the amount of \$4,900,000 ("Commission Residual Receipts Loan"). Subsequently, on February 8, 2010, the Housing Commission authorized an increase in the Commission Residual Receipts Loan to \$2,487,000 in order to maximize the project's competitiveness for 9% LIHTC. Unfortunately, this funding amount fell short of the extraordinary funding for other projects submitted for 9% tax credits in 2010. Accordingly, CHW makes the following requests in order to finance the project with 4% tax credits:

1. Increase the Commission Residual Receipts Loan in the amount of \$1,098,568 to a total funding commitment of \$8,485,568 (\$102,236/unit).
2. Revise the affordability outlined in the Declaration of CC&R's recorded against the property according to the table on the following page.
3. Accept the revised terms of the Redevelopment Agency financing (additional advance and greater residual receipts loan amount) outlined above, and amend the residual receipts split and developer fee clauses of the agreement as outlined in items #3 and #4 above.

### Proposed Affordability

Original Agreement				Proposed			
AMI	Bedrooms	Units	Total	AMI	Bedrooms	Units	Total
60%	1 or 2	13	19	60%	1	10	32
60%	3	6			2	12	
50%	1 or 2	29	42		3	10	
50%	3	13		1	14	50	
				2	20		
44%	1 or 2	8	12	3	16		
46%	3	4					
33%	1 or 2	6		9			
34%	3	3					

#### **Additional Efforts to Reduce Gap**

Community HousingWorks will continue to work to reduce the gap financing and achieve both additional funding and strive for potential cost savings.

The attached proforma assumes a \$1,000,000 savings in hard construction costs (6.6%) based on competitive bidding and a construction start in early 2011. We believe a window of opportunity exists for competitive construction bids which makes this assumption reasonable, but also note a few recent large land transactions indicate the construction market may be returning in later 2011, emphasizing the importance of reducing the competitive risk to Florida Street Apartments and starting this project as quickly as possible.

Tax credit pricing is assumed at \$0.86 based on a review of pricing by Union Bank. This market has been improving, and we expect that there may be upside available when credits are put to the marketplace in the first quarter of 2011.

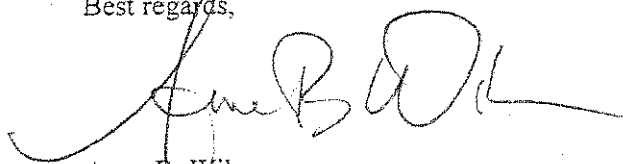
The most likely source of additional funding is AHP funding from the Federal Home Loan Savings Bank. While this program allows a maximum of \$1,000,000 in funding, we believe the project will be most competitive for an award of \$820,000, or \$10,000/unit. The proposed rent levels have been purposely sized to keep the project competitive for this program. Additionally, once the project is "permit ready" its competitive will increase. The attached schedule shows that we will be able to achieve this status by the April 1, 2011, deadline for AHP application.

To the extent that costs are reduced and/or additional sources achieved, we fully expect that any cost savings will be returned pro-rata to the funding agencies, potentially reducing the funding requests herein.

## Conclusion

Community Housing Works looks forward to working with you to achieve the construction and occupancy of Florida Street Apartments as quickly as possible. After you have had the opportunity to review this request and the attached supporting documents, we look forward to meeting with you, answering your questions, and discussing next steps.

Best regards,

A handwritten signature in black ink, appearing to read "Anne B. Wilson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Anne B. Wilson  
Senior Vice President

Attachments: Proforma  
Schedule

**Community HousingWorks**  
 Florida Street; North Park, San Diego (4% LIHTC | NO AHP)  
 4% LIHTC  
**Development Summary**  
 1/11/2011

DEVELOPMENT ASSUMPTIONS			
<b>Site &amp; Structures</b>			
Site (Square Feet / Acres)	43,350	1.00	
Site 1		1.00	
Site 2		0.00	
Assessor's P. Number(s)		TBD	
	<b>SF</b>	<b>Per Unit</b>	<b>Total</b>
Total Land Cost	\$119		\$5,168,061
Residential Land Cost	\$62,266		\$5,168,061
Commercial Land Cost			\$0
Land Cost/Acre			\$0
Number of Buildings	2 Story	Type V	1
Number of Units			83
Density/Acre			83
Restricted Units			0

<b>Residential/Commercial Space</b>			
Residential - Net Rentable			70,970
Residential - Corridor Space	13%		10,646
Residential - Community Space			2,928
Residential - Other			7,097
Commercial			0
Allocated Cost of Commercial Construction			0.00%
Total Residential SF			91,641

<b>Construction Cost</b>			
Prevailing Wages	n	15%	
	w/o PW	w/ PW	
Hard Cost/GSF	\$184.18		\$211.80
Hard Cost/NRSF	\$237.82		\$273.49
Hard Cost/Parking Spc.	\$28,152		\$32,374
Total Cost per Unit	\$	356,708	

<b>OPERATING ASSUMPTIONS</b>	
Income Inflation	2.50%
Expenses Inflation	3.50%
Property Tax Inflation	2.00%
Vacancy - Housing	5%
Vacancy - Special Needs Housing	10%

Asset Management Fee	\$12,500
Resident Services Annual Allocation	\$38,500
Partnership Fee	5,000
Discount Rate	0%
Investor Cash Flow Participation	10%
Sponsor Cash Flow Participation	90%

<b>Local Public Subsidy</b>	<b>RDA</b>	<b>SDHC</b>	<b>TOTAL</b>
Per Unit	\$67,470	\$97,434	\$164,904
Per Bedroom	\$33,333	\$43,970	\$77,304

PERMANENT FINANCING SOURCES		PER UNIT	% OF TOTAL
Perm. Loan	\$5,950,000	\$71,687	20.10%
SDHC	\$7,387,000	\$89,000	24.95%
Additional SDHC Soft Loan	\$700,000	\$8,434	2.36%
Redevelopment Agency	\$5,600,000	\$67,470	18.91%
		\$0	0.00%
GP Contribution	\$1,100,000	\$13,253	3.72%
Accrued Interest on Soft Debt			0.00%
Refunds	\$200,000	\$2,410	0.68%
Tax Credit Equity @ 0.89	\$8,669,731	\$104,455	29.28%
<b>TOTAL SOURCES</b>	<b>\$29,606,731</b>	<b>\$356,708</b>	<b>100.00%</b>
Surplus (Gap)	\$0		

CONSTRUCTION FINANCING SOURCES AND USES		PER UNIT	% OF TOTAL
Construction Loan	\$15,611,264	\$188,088	47.53%
SDHC	\$7,387,000	\$89,000	22.49%
Additional SDHC Soft Loan	\$700,000	\$8,434	2.13%
Redevelopment Agency	\$5,600,000	\$67,470	17.05%
			0.00%
Deferred Costs	\$2,681,688	\$32,309	8.16%
Tax Credit Equity 10%	\$866,973	\$10,445	2.64%
<b>TOTAL SOURCES</b>	<b>\$32,846,925</b>	<b>\$395,746</b>	<b>100.00%</b>
Excess (Deficit)	\$3,240,194		

PERMANENT FINANCING USES		PER UNIT	% OF TOTAL
Land Costs	5,168,061	\$62,266	17.46%
Commercial Const Cost	0%	\$0	0.00%
Residential Const Cost	100%	\$203,351	57.01%
Financing Costs	1,347,448	\$16,234	4.55%
Accrued Interest on Soft Debt	0	\$0	0.00%
Reserves	419,605	\$5,055	1.42%
Local Permits and Fees	899,743	\$10,840	3.04%
Other Development Costs	\$4,893,721	\$59,960	16.53%
<b>TOTAL USES</b>	<b>\$29,606,731</b>	<b>\$356,708</b>	<b>100.00%</b>
Excess (Deficit)	\$0		

<b>PARKING CALCULATION</b>				
Residential	Studio	1 BR	2 BR	3 BR
Transit Oriented Pkng Ratio	0.75	0.75	1.75	1.75
Parking Spaces	0.00	18.00	57.75	45.50
Reduction for <=50%AMI	0.00	(0.50)	(0.75)	(0.75)
Total Parking Spaces	0.00	17.50	57.00	44.75
Total Residential Spaces Required				120
Total Extra Spaces				1
<b>Total Parking</b>	<b>1.46</b>	<b>spaces/unit</b>		<b>121</b>
<b>Total Parking SQFT</b>	<b>288</b>	<b>SF/Stall</b>		<b>34,877</b>

<b>DEVELOPER FEE</b>	
Total Developer Fee	\$2,500,000
	\$0
GP Contribution	\$1,100,000
Net Developer Fee @ Completion	\$1,400,000
Earned @ Const Close 40%	\$560,000
Developer Fee During Const & Close out	\$840,000

<b>Notes</b>	
Assumes \$1.8 million additional contribution from Redevelopment Agency, \$700,000 from Housing Commission.	
Average Affordability =	59.02%

**Florida Street; North Park, San Diego (4% LIHTC | NO AHP)**  
**Financing Summary**

FINANCING ASSUMPTIONS	
<b>Predevelopment Loan</b>	<b>\$2,216,182</b>
Assumed Balance	50%
Interest Rate	6.00%
Term (months)	24
<b>Construction Loan/LTV</b>	<b>\$15,611,264</b>
Interest Rate	4.50%
Term (months)	20
Assumed Balance	50%
Lease-up and Conversion Term	6
Interest During Construction	409,796
Interest During Lease-up	351,253
<b>Total Constr. Interest</b>	<b>761,049</b>
<b>Perm. Loan</b>	<b>\$5,950,000</b>
Interest Rate	6.40%
Amortization	30
Debt C. Ratio	1.15
Term (years)	15
Annual Debt Svc. - Housing	\$446,611
Amount Due at end of Term	\$4,299,534
<b>Perm. Loan - Comm'l Allocation</b>	<b>\$0</b>
Interest Rate	6.40%
Amortization	30
Debt Coverage Ratio	1.15
Term (years)	15
Annual Payment	\$0
Amount Due at end of Term	\$0
<b>Residual Loan Funding Sources</b>	
<b>SDHC</b>	<b>\$7,387,000</b>
Interest	3.00%
Term (years)	55
Minimum Annual Payment	\$0
Residual Annual Payment	Y
Accrued Interest - During Const	\$258,545
<b>Additional SDHC Soft Loan GAP</b>	<b>\$700,000</b>
A. Housing Portion	\$700,000
of which HOME	
Amount per Assisted Unit	\$8,434
B. Commercial	\$0
Amount per SF	
Interest Rate	3.00%
Term (years)	55
Accrued Interest - During Const	\$24,500
Residual Payment	Y
HOME Assisted Units	0.0
<b>Redevelopment Agency</b>	<b>5,600,000</b>
Interest Rate	3.00%
Term (years)	55
Accrued Interest - During Const	196,000
Residual Payment	Y
<b>Other Funding Sources</b>	
N	\$0
Amount per Assisted Unit	
Interest Rate	0.42%
Term (years)	55
Minimum Annual Payment	-
Residual Annual Payment	N
Total Annual Payment	
<b>AHP</b>	<b>0</b>

<b>50% BASIS TEST</b>	<b>Y</b>
Eligible Basis	22,709,196
Land Cost	5,168,061
Total Aggregate Basis	27,877,257
<b>Required Bond Amount</b>	<b>56% 15,611,264</b>
Addtl Amount as Constr. Loan	9,661,264

<b>RESIDUAL LOAN CALCULATION</b>		<b>50%</b>
SDHC	27.0%	7,387,000
Additional SDHC Soft Loan	2.6%	700,000
Redevelopment Agency	20.5%	5,600,000
	0.00	0.0%
<b>TOTAL</b>		<b>13,687,000</b>

TAX CREDIT EQUITY			
2010 THRESHOLD BASIS LIMITS - 4%			
# UNITS	Bedroom Count	LIMIT	TOTAL
0	Studio	\$174,861	\$0
24	1	\$201,163	\$4,827,912
33	2	\$243,200	\$8,025,600
26	3	\$311,296	\$8,093,696
			\$0
83	<b>T. TH. BASIS LIMIT</b>		<b>\$20,947,208</b>
<b>ADJUSTMENTS:</b>			
Prevailing Wages (1)	20.0%		0
Parking Beneath Units(1)	7.0%		1,466,305
Day Care Center (1)	2.0%		0
100% Special Needs (1)	2.0%		0
Energy Title 24	4.0%		837,888
Seismic/Environmental	at cost		0
Elevator	10.0%		2,094,721
Energy Technologies	at cost		0
Impact Fees	at cost		733,743
50% - 36% AMI (4% only)	10%		2,094,721
< 35% AMI (4% only)	0%		0
<b>ADJUSTED TH. BASIS LIMIT</b>			<b>\$28,174,585</b>
Total Eligible Basis			\$22,709,196
Energy ITC adjustment			-
Adjusted, Eligible Basis			\$22,709,196
Amount (Over)/Under Basis Limit			\$5,465,389
Voluntary Eligible Basis Reduction			0.00%
Voluntary Eligible Basis Reduction			\$0
Unadjusted Eligible Basis			\$22,709,196
Difficult to Develop Area Adjustment			30%
<b>ADJUSTED ELIGIBLE BASIS</b>			<b>\$29,521,955</b>
Percentage of Affordable Units			100%
Qualified Basis			\$29,521,955
Qualified Basis Reduction			0.00%
Reduction Amount			\$0
<b>ADJUSTED QUALIFIED BASIS</b>			<b>\$29,521,955</b>
Tax Credit Construction Rate			9.00%
Tax Credit Acquisition/Subsidy Rate			3.30%
<b>SELECT 4% or 9% CREDIT OPTION</b>			<b>4.00%</b>
Annual Federal Credit Amount (CALCULATED)			974,225
Annual Federal Credit Amount (MAX ALLOWED)			\$2,500,000
<b>FEDERAL CREDIT AMOUNT</b>			<b>\$9,742,245</b>
Total State Credit Amount			\$0
Percentage of Credits Sold			100.0%
Price Per Tax Credit Dollar			0.89
Equity from Federal Credit			\$8,669,731
Equity from State Credit			\$0
Total Gross Proceeds			\$8,669,731
Cost of Syndication			
<b>TOTAL TAX CREDIT EQUITY</b>			<b>\$8,669,731</b>
Tax Credit Equity at Constructic	10.00%		\$866,973
Tax Credit Equity at Takeout			\$7,802,758

n/a

MORTGAGE RATE STRUCTURE	
Bond Cap Rate	4.700%
Bond Rate	2.750%
Letter of Credit	1.000%
Issuer	0.125%
Trustee	0.020%
Remarketing	0.100%
Cap escrow	0.000%
<b>Mortgage Rate</b>	<b>4.005%</b>
Underwriting Spread	1.950%
<b>Underwriting Rate</b>	<b>5.955%</b>
Swap (Y/N)	Y

### Income Assumptions

PROPOSED UNIT MIX AT MARKET				Market	At Close	PSF	Market	Avg
# Units	Type	Sq. Ft.	Room	Units	Units	Units	Units	ENTER HERE
0	0	0	1 Bath	0	\$0	\$0	0	0
24	1	560	1 Bedroom	0	0,00	0	0	24
33	2	980	1 Bath	0	0,00	\$0	0	33
26	3	1,196	2 Bath	0	0,00	\$0	0	26
0	4	0	2 Bath	0	\$0	\$0	0	0
83		858		0	\$0	\$0	0	83

Total NRSF	71.236
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INFLATION FACTOR FOR RENTS	
Assumed increase in tax credit rents at close:	0.0%
Assumed increase in market rents at close:	0.0%

[illegible]

Prop 1C Affordability Points (30 Max)	1.25

STABILIZED OTHER INCOME	
Monthly Laundry Income:	\$10
Monthly Deposit Fertilizers:	\$0
Monthly Late Fees:	\$3
Monthly Pet Rent:	\$0
Monthly Misc. Charges:	\$0
<b>Total Monthly Other Income Per Unit:</b>	<b>\$13</b>
<b>Total Monthly Other Income:</b>	
	<b>\$1,079</b>

	UTILITIES				
	0	1	2	3	4
BEDROOMS:					
Heating(G)		\$2	\$3	\$3	\$4
Cooling(E)					
Water Heat(G)					
Other Elec.	\$5	\$15	\$11	\$13	\$17
Water & Sewer					
Trash					
Range/Micro					
Refrigerator					
TOTAL	\$6	\$10	\$14	\$16	\$21

UTILITY ASSUMPTIONS

(1) Assumes Central Boiler for Hot Water - Owner Paid

(2) Assumes Hydronic Heat (Central Boiler) for Heating

**Florida Street; North Park, San Diego (4% LIHTC | NO AHP)**  
**Operating Expenses**

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	ANNUAL TOTAL	Percentage of Total	ANNUAL PER UNIT	PER MONTH	PER UNIT PER MONTH
<b>ADMINISTRATIVE EXPENSES</b>					
Advertising	400	0.09%	4.82	33.33	0.40
Legal	3,500	0.81%	42.17	291.67	3.51
Accounting/Audit	6,500	1.51%	78.31	541.67	6.53
Security	0	0.00%	0.00	0.00	0.00
Credit Checks and Bank Fees	1,120	0.26%	13.49	93.33	1.12
Licenses/Fees	1,050	0.24%	12.65	87.50	1.05
SDHC Monitoring Fee	3,735	0.87%	45.00	311.25	3.75
Office Expense	9,100	2.11%	109.64	758.33	9.14
Other Expense	0	0.00%	0.00	0.00	0.00
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>25,405</b>	<b>5.89%</b>	<b>306.08</b>	<b>2,117</b>	<b>25.51</b>
<b>MANAGEMENT FEE</b> Per Unit/Month \$ 40	<b>39,840</b>	<b>9.24%</b>	<b>480.00</b>	<b>3,320</b>	<b>40.00</b>
<b>UTILITY EXPENSES (uses BL #'s)</b>					
Electricity Tenant Paid - Common Only	7,029	1.63%	84.69	586	7.06
Gas Central Boiler	22,500	5.22%	271.08	1,875	22.59
Water	17,500	4.06%	210.84	1,458	17.57
Sewer	17,500	4.06%	210.84	1,458	17.57
<b>TOTAL UTILITY EXPENSES</b>	<b>64,529</b>	<b>14.97%</b>	<b>777.46</b>	<b>5,377</b>	<b>64.79</b>
<b>PAYROLL EXPENSES</b>					
On-Site Manager 1.5 FTE	72,150	16.74%	869.28	6,013	72.44
Maintenance Personnel	35,000	8.12%	421.69	2,917	35.14
Payroll Taxes/Benefits 31%	32,681	7.58%	393.74	2,723	32.81
<b>TOTAL PAYROLL EXPENSES</b>	<b>139,831</b>	<b>32.44%</b>	<b>1,684.71</b>	<b>11,653</b>	<b>140.39</b>
<b>INSURANCE</b>	<b>25,000</b>	<b>5.80%</b>	<b>301.20</b>	<b>2,083</b>	<b>25.10</b>
<b>REPAIRS &amp; MAINTENANCE</b>					
Painting	6,225	1.44%	75.00	519	6.25
Repairs	20,750	4.81%	250.00	1,729	20.83
Trash Removal	18,924	4.39%	228.00	1,577	0.08
Pest Control	1,250	0.29%	15.06	104	1.26
Landscaping	8,525	1.98%	102.71	710	8.56
Supplies	3,500	0.81%	42.17	292	3.51
Elevator	5,115	1.19%	61.63	426	5.14
Parking deck ops & maint	1,705	0.40%	20.54	142	1.71
Fire Protection	3,978	0.92%	47.93	332	3.99
Lock & Keys	284	0.07%	3.42	24	0.29
Uniforms	120	0.03%	1.45	10	0.12
Telephone / Cable / Internet	0	0.00%	0.00	0	0.00
Other	219	0.05%	2.64	18	0.22
<b>TOTAL REPAIRS &amp; MAINTENANCE</b>	<b>70,595</b>	<b>16.38%</b>	<b>850.54</b>	<b>5,883</b>	<b>70.88</b>
<b>TOTAL RESIDENTIAL OPERATING EXPENSES</b>	<b>365,200</b>	<b>84.71%</b>	<b>4,400.00</b>	<b>30,433</b>	<b>366.67</b>
<b>RESIDENT SERVICES</b>	<b>38,500</b>	<b>8.93%</b>	<b>463.86</b>	<b>3,208</b>	<b>38.65</b>
<b>TRANSIT PASS SUBSIDY</b>	<b>0</b>	<b>0.00%</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>REPLACEMENT RESERVES</b> 300	<b>24,900</b>	<b>5.78%</b>	<b>300.00</b>	<b>2,075</b>	<b>25.00</b>
<b>REAL ESTATE TAXES &amp; ASSESSMENTS</b>	<b>2,500</b>	<b>0.58%</b>	<b>30.12</b>	<b>208</b>	<b>2.51</b>
<b>TOTAL ANNUAL OPERATING EXPENSES</b>	<b>431,100</b>	<b>100.00%</b>	<b>5,193.97</b>	<b>35,925</b>	<b>432.83</b>



Florida Street; North Park, San Diego (4% LIHTC   NO AHP)											
Development Budget											
ACCT CODE	Enter as Non-PW	Notes	Acquisition Loan	PREDEV	TOTAL COST Non-PW	ELIGIBLE BASIS	RESIDENT	COMMERC.	CONSTR	DEFER TO PERM	
1200		LAND ACQUISITION									
1210		Land Cost + Value of Arch & Engr.	4,900,000	22,030	4,922,030	0	4,922,030	0	4,922,030	0	
1225	123,532	Demolition + Abatement		123,532	123,532	0	123,532	0	123,532	0	
1240	10,500	Legal		10,500	10,500	0	10,500	0	10,500	0	
1255	0	Existing Improvements Value		0	0	0	0	0	0	0	
1270	13,999	Title Escrow and Recording		13,999	13,999	0	13,999	0	13,999	0	
	98,000	Acquisition Consultant/Broker Fee		98,000	98,000	0	98,000	0	98,000	0	
1285	0	Land Interest Cost		0	0	0	0	0	0	0	
	0%	Land Cost Contingency		0	0	0	0	0	0	0	
1200		TOTAL ACQUISITION COST	4,900,000	268,061	5,168,061	0	5,168,061	0	5,168,061	0	
1300		CONSTRUCTION WORK									
1310		On Site Work		18,000	1,395,000	1,395,000	1,395,000	0	1,395,000	0	
1315	599,350	Offsite			599,350	599,350	599,350	0	599,350	0	
	0	Abatement		0	0	0	0	0	0	0	
1316	0	Landscaping, lot lot		0	0	0	0	0	0	0	
1318	0	Off-Site Improvements cost share		0	0	0	0	0	0	0	
1320	0	Direct Construction (cost per gba)		0	10,081,000	10,081,000	10,081,000	0	10,081,000	0	
1322	0	Photovoltaic system		0	0	0	0	0	0	0	
1323	0	"Green" upgrades - (\$ per gross SF)		0	0	0	0	0	0	0	
1324		Structured Parking (price per sf)		0	2,990,000	2,990,000	2,990,000	0	2,990,000	0	
	7.4%	ASSUMED CONSTRUCTION COST SAVINGS		0	(\$1,117,500)	(\$1,117,500)	(\$1,117,500)	0	(\$1,117,500)	0	
1326	0	Structures-Elevator - (Enter as Lump Sum)		0	0	0	0	0	0	0	
1330	3.06%	GC Contingency		0	418,436	418,436	418,436	0	418,436	0	
1335	18	General Conditions (number of months)	\$21,000	0	918,000	918,000	918,000	0	918,000	0	
1340	4.00%	GC Fee		0	574,651	574,651	574,651	0	574,651	0	
1350	0.00%	Contractor Bonds		0	0	0	0	0	0	0	
1360	1.00%	General Contractor (GC) Liability Insurance		0	143,663	143,663	143,663	0	143,663	0	
1365	0.50%	Builder's Risk		0	71,831	71,831	71,831	0	71,831	0	
1370	0.00%	Prevailing Wage Monitoring		0	0	0	0	\$0	0	0	
1300		TOTAL CONSTRUCTION		18,000	16,074,431	16,074,431	16,074,431	0	16,074,431	0	
1670	5.0%	CONSTRUCTION CONTINGENCY			803,722	803,722	803,722	0	803,722	0	
1400		ARCHITECTURAL FEES -									
1410		Design and Con Supervision		706,920	775,000	775,000	775,000	0	775,000	0	
		Peer Review/Owner's Rep		12,020	15,000	15,000	15,000	0	15,000	0	
		Design / Green Certification		21,981	39,312	39,312	39,312	0	39,312	0	
1420		Expenses		28,000	35,000	35,000	35,000	0	35,000	0	
1400		TOTAL ARCHITECTURAL COSTS	5.12%	762,001	864,312	864,312	864,312	0	864,312	0	
1450		SURVEY & ENGINEERING COSTS									
1501		CONSTRUCTION FINANCING									
1510		Construction Loan Interest			761,049	409,796	761,049	0	761,049	0	
1520	1.00%	Construction Loan Fee			156,113	156,113	156,113	0	156,113	0	
1522	90,000	Construction Management		20,000	90,000	90,000	90,000	0	90,000	0	
1535	500	Bank Construction Monitoring			10,000	10,000	10,000	0	10,000	0	
1540	N	Accrued Interest on Soft Debt			0	0	0	0	0	0	
1545	75,000	Real Estate Taxes		75,000	75,000	75,000	75,000	0	75,000	0	
1503	det. Below	Insurance		6,000	30,900	30,900	30,900	0	30,900	0	
	30,000	Construction Loan - Other		20,000	30,000	30,000	30,000	0	30,000	0	
1565	17,500	Title Escrow & Recording - Construction (LUMP SUM)			17,500	17,500	17,500	0	17,500	0	
1500		TOTAL CONSTRUCTION INTEREST & FEES		121,000	1,170,562	819,308	1,170,562	0	1,170,562	0	
1570		PERMANENT FINANCING									
1572	1.00%	Permanent Loan Fee - Housing			50,500	0	50,500	0	0	50,500	
1575	0.00%	Rate Lock Fee - Housing			0	0	0	0	0	0	
1578	1.50%	Permanent Loan Fee - Commercial			0	0	0	0	0	0	
1580	0.00%	Rate Lock Fee - Commercial			0	0	0	0	0	0	
1582	det. Below	Cost of Issuance	PRIVATE		203,383	0	203,383	0	0	203,383	
1585		Low Floater Cap			0	0	0	0	0	0	
1588	30,900	Title Escrow & Recording - Permanent			30,000	15,900	0	0	0	30,000	
1570		TOTAL PERMANENT FINANCING COSTS			292,883	0	277,883	0	0	292,883	
1590		PREDEVELOPMENT FINANCING									
1592	0.20%	Predevelopment Loan Fee		4,432	4,432	4,432	4,432	0	4,432	0	
1595		Predevelopment Loan Interest		132,971	132,971	132,971	132,971	0	132,971	0	
1590		TOTAL PREDEVELOPMENT FINANCING		137,403	137,403	137,403	137,403	0	137,403	0	
1600		LEGAL FEES - (ENTER AS LUMP SUM)									
1610	40,000	Bank Legal - Construction		4,000	40,000	40,000	40,000	0	40,000	0	
1620	40,000	Owner Legal - Construction		15,000	40,000	40,000	40,000	0	40,000	0	
	20,000	Bank - Expenses & Fees		7,500	20,000	20,000	20,000	0	20,000	0	
1630		Bank Legal - Permanent		0	0	0	0	0	0	0	
1640	15,000	Owner Legal - Permanent		15,000	15,000	0	15,000	0	0	15,000	
1600		TOTAL LEGAL COSTS		41,500	115,000	100,000	115,000	0	100,000	15,000	
1650		RESERVES									
1652	0	Construction Defect Reserve		0	0	0	0	0	0	0	
1655	0	Replacement Reserve - Initial Deposit (Enter per unit)		0	0	0	0	0	0	0	
	0	Reserve for AM Fee		0	0	0	0	0	0	0	
1658	0	Operating Reserve - ENTER # of MONTHS			419,605	0	419,605	0	0	419,605	
1650		TOTAL RESERVE COSTS			419,605	0	419,605	0	0	419,605	
1660	14,200	APPRAISAL COSTS			14,200	14,200	14,200	0	0	14,200	
1700		OTHER									
1701	det. Below	Tax Credit Fees		116,742	150,362	0	150,362	0	150,362	0	
1702	det. Below	Environmental Consultants		2,330	2,230	2,230	2,230	0	2,230	0	
1732	25,500	Accounting/Audit			25,500	25,500	25,500	0	25,500	0	
1735	2,900	Permit Processing Fees - (Enter PER UNIT)		123,000	166,000	166,000	166,000	0	166,000	0	
1738	8,840	Development Impact Fees - (PER UNIT)			733,743	733,743	733,743	0	733,743	0	
1740	15,000	Signage			15,000	0	15,000	15,000	0	0	
1742	25,000	Marketing/Rent-Up		228	25,000	0	25,000	0	25,000	0	
1745	10,200	Market Study		10,200	10,200	10,200	10,200	0	10,200	0	
1748	40,000	FFE			40,000	40,000	40,000	0	40,000	0	
1750	det. Below	Utility Deposits			25,000	0	25,000	0	25,000	0	
1703	det. Below	Relocation		313,264	313,264	0	313,264	0	313,264	0	
	1,106	Entitlement Consultant		1,106	1,106	0	1,106	0	1,106	0	
1768	10%	Soft Cost Contingency		62,247	125,036	125,036	125,036	0	125,036	0	
1700		TOTAL OTHER COSTS		628,017	1,632,441	1,117,709	1,617,441	15,000	1,632,441	0	
1119		SUBTOTAL DEVELOPMENT COST	4,900,000	2,216,182	26,970,731	20,200,196	26,940,731	15,000	26,229,042	741,688	
1801		DEVELOPER COSTS									
1810		Developer Fee			2,500,000	2,500,000	2,500,000	0	1,120,000	1,940,000	
1802	det. Below	Syndication			136,000	0	136,000	0	136,000	0	
	0	Development Consulting			0	0	0	0	0	0	
1820	0	Project Administration/Other			0	0	0	0	0	0	
1800		TOTAL DEVELOPER COSTS			2,636,000	2,500,000	2,636,000	0	1,256,000	1,940,000	
		TOTAL PROJECT COST		2,216,182	29,606,731	22,709,196	29,576,731	15,000	27,485,042	2,681,688	
Maximum developer fee lesser of 15% of eligible basis or \$2.5 million											
3,406,376											

Florida Street, North Park, San Diego (4% UHTC   NO AHP)				
Budget Details				
<b>Survey and Engineering Costs</b>				
Civil Engineer - Nasland				179,600
Soils Engineer				43,371
Survey		incl in civil		-
Traffic Engineer - LLG				9,750
Electrical Engineer - SDGE Design				3,000
Shoring - ESSI				11,290
Reimbursables				7,500
ALTA Survey				3,600
Materials Testing Eng.				20,000
Utility Consultant		(incl in civil)		-
<b>Total Survey and Eng.</b>				<b>278,111</b>
<b>Insurance Cost</b>				
Owner Liability	3 years	\$2,000		6,000
1st Year Operations		\$200		24,900
<b>Total Insurance</b>				<b>30,900</b>
<b>Tax Credit Issuance Cost</b>	<b>4%</b>			
Application Fee	2.5	2,000		7,000
Reservation Fee	1.8%	\$974,225		\$9,742
CDLAC Performance Deposit	0.5%	\$15,611,264		100,000
Monitoring Fee	\$410	82	33,620	33,620
<b>Total Cost of Issuance</b>				<b>150,362</b>
<b>Environmental Consultants</b>				
Phase I				2,230
Misc. Environmental Reports				-
Traffic Study				-
Mitigation				-
Archeology/Paleontology				-
Phase II - Remediation	Lead / Asbestos Survey	in demo		-
<b>Total Environmental</b>				<b>2,230</b>
<b>Relocation Costs</b>				
Relocation Consultant Fee				56,500
Temporary Relocation				-
Relocation Payments				254,784
<b>Total Relocation</b>				<b>311,284</b>
<b>Syndication Costs</b>				
Consultant				46,000
Legal				70,000
Other - LP costs, Accounting				28,800
<b>Total Syndication</b>				<b>144,800</b>
<b>Refundable Deposits</b>				
Utility Deposit				25,000
Property Taxes				75,000
CDLAC Performance Deposit				100,000
<b>Total Refunds</b>				<b>200,000</b>
<b>Bond Issuance Cost - Private Placement</b>				
<b>Total Amount of the Bond</b>				<b>\$15,611,264</b>
CDLAC Application Fee	one time	600		600
CDIAC Fee	one time			3,000
CDLAC Fee	one time	0.00035		5,464
Issue Origination Fee	one time			40,800
Issuer Expenses	one time	20,000		20,000
Issuer Fee - Assumed in bond rate	annual ongoing	0.00125		0
Issuer Const. Mgmt Fee	per year-const	0.001		26,019
Issuer Counsel	one time	20,000		20,000
Bond Trustee Fee (optional)	annual ongoing	7,500		7,500
Bond Counsel	one time	50,000		50,000
Contingency		30,000		30,000
<b>Total Cost of Issuance - Private</b>				<b>203,383</b>
<b>Add for Public Placement</b>				
Remarketing Fee (if floater/variable rate)	per year-const	0.0010		41,830
Underwriter	one time	0.0038		58,323
Underwriter Legal	one time	40,000		40,000
Rating Agency	one time	13,500		13,500
Bond Trustee	per year-const	0.0002		6,204
<b>Total Cost of Issuance - Public</b>				<b>363,039</b>
<b>Fee Schedule</b>				
SDUSD School Fees	\$2.67 /sf	62,296		\$166,019
Water Capacity Fees	\$3,647 /edu	34.8		\$106,036
Misc. Water Connection	\$2,716	1.0		\$2,716
Sewer Capacity Fees	\$4,124 /edu	34.8		\$143,515
County Water Authority	\$17,073			\$17,073
DIF Fee	\$4,000 /unit	68		\$272,440
RTCIP	\$1,944 /unit	66		\$132,192
RTCIP Credit for Affordable Units	\$1,644 /unit	67		\$136,158
				<b>\$733,743</b>
Contingency	0%			\$0
				<b>\$733,743</b>
		per unit:		<b>\$8,840.28</b>

Florida Street, North Park, San Diego (4% LIHTC   NO AHP)																
Cash Flow Projections																
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Housing Portion</b>																
Gross Scheduled Income - Rents	7.40%	981,468	1,006,005	1,031,155	1,056,934	1,083,357	1,110,441	1,138,202	1,166,657	1,195,823	1,225,719	1,256,262	1,287,771	1,319,965	1,352,964	1,386,789
Gross Scheduled Income - Sec. 8																
Other Income		12,948	13,272	13,603	13,944	14,292	14,649	15,016	15,391	15,776	16,170	16,575	16,989	17,414	17,849	18,295
Vacancy	5%	(49,721)	(50,964)	(52,238)	(53,544)	(54,882)	(56,255)	(57,661)	(59,102)	(60,580)	(62,094)	(63,647)	(65,238)	(66,869)	(68,541)	(70,254)
Effective Gross Income		944,695	968,313	992,520	1,017,333	1,042,767	1,068,836	1,095,557	1,122,946	1,151,019	1,179,735	1,209,290	1,239,522	1,270,510	1,302,273	1,334,830
Operating Expenses	3.50%	(365,200)	(377,982)	(391,211)	(404,903)	(419,075)	(433,743)	(448,924)	(464,636)	(480,898)	(497,730)	(515,150)	(533,181)	(551,842)	(571,156)	(591,147)
Service Amenities		(38,500)	(39,848)	(41,242)	(42,686)	(44,180)	(45,726)	(47,326)	(48,983)	(50,697)	(52,472)	(54,308)	(56,209)	(58,176)	(60,212)	(62,320)
Transit Pass Subsidy	3.50%	(24,900)	(25,772)	(26,674)	(27,607)	(28,573)	(29,573)	(30,608)	(31,680)	(32,789)	(33,936)	(35,124)	(36,353)	(37,626)	(38,943)	(40,305)
Replacement Reserves		(2,500)	(2,500)	(2,601)	(2,653)	(2,706)	(2,760)	(2,815)	(2,872)	(2,929)	(2,988)	(3,047)	(3,108)	(3,171)	(3,234)	(3,299)
Real Estate Taxes		513,395	522,162	530,793	539,484	548,233	557,034	565,883	574,775	583,706	592,670	601,660	610,671	619,696	628,728	637,759
<b>Net Operating Income - Resi</b>		513,395	522,162	530,793	539,484	548,233	557,034	565,883	574,775	583,706	592,670	601,660	610,671	619,696	628,728	637,759
<b>Total Net Operating Income</b>		513,395	522,162	530,793	539,484	548,233	557,034	565,883	574,775	583,706	592,670	601,660	610,671	619,696	628,728	637,759
Debt Service - Housing Allocation		(446,611)	(446,611)	(446,611)	(446,611)	(446,611)	(446,611)	(446,611)	(446,611)	(446,611)	(446,611)	(446,611)	(446,611)	(446,611)	(446,611)	(446,611)
Debt Service - Commercial Allocation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prop 1C - Minimum Payment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>After DS Cash Flow</b>		66,984	75,551	84,181	92,873	101,621	110,422	119,272	128,164	137,095	146,058	155,049	164,060	173,085	182,116	191,148
Debt Coverage		1.15	1.17	1.19	1.21	1.23	1.25	1.27	1.29	1.31	1.33	1.35	1.37	1.39	1.41	1.43
<b>Cash Flow Distribution:</b>																
Partnership Fee - Investor	3%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Resident Services	5.00%	5,000	5,175	5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053	7,300	7,555	7,820	8,093
Asset Management Fee	12.50%	12,500	12,938	13,390	13,859	14,344	14,846	15,366	15,903	16,460	17,036	17,632	18,250	18,888	19,549	20,234
<b>Available for Distribution:</b>		49,484	57,438	65,435	73,470	81,540	89,638	97,760	105,899	114,051	122,208	130,363	138,510	146,641	154,747	162,820
Deferred Developer Fee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Starting Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Fee Payment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Available for Residual Split</b>		49,484	57,438	65,435	73,470	81,540	89,638	97,760	105,899	114,051	122,208	130,363	138,510	146,641	154,747	162,820
<b>Residual Loan Payments</b>																
SDHC	21.0%	13,354	15,500	17,658	19,826	22,004	24,189	26,381	28,577	30,777	32,978	35,179	37,378	39,572	41,769	43,938
Additional SDHC Soft Loan	2.0%	1,265	1,469	1,673	1,879	2,085	2,292	2,500	2,708	2,916	3,125	3,334	3,542	3,750	3,957	4,164
Redevelopment Agency	20.0%	10,123	11,750	13,386	15,030	16,681	18,338	19,999	21,664	23,332	25,000	26,669	28,336	29,999	31,657	33,309
<b>Total - Residual Payments</b>		24,742	28,719	32,717	36,735	40,770	44,819	48,880	52,950	57,025	61,104	65,182	69,265	73,320	77,374	81,410
<b>Sponsor Residual</b>		24,742	28,719	32,717	36,735	40,770	44,819	48,880	52,950	57,025	61,104	65,182	69,265	73,320	77,374	81,410
Cash Flow to Investor	50%	2,474	2,872	3,272	3,674	4,077	4,482	4,888	5,295	5,703	6,110	6,518	6,926	7,332	7,737	8,141
Cash Flow to Sponsor	90%	22,268	25,847	29,446	33,062	36,693	40,337	43,992	47,655	51,323	54,993	58,663	62,330	65,988	69,636	73,269

**Community HousingWorks**  
**Florida Street; North Park, San Diego (4% LIHTC | with AHP)**  
**4% LIHTC - Assuming AHP Award**  
**Development Summary**  
**1/11/2011**

DEVELOPMENT ASSUMPTIONS			
<b>Site &amp; Structures</b>			
Site (Square Feet / Acres)	43,350	1.00	
Site 1		1.00	
Site 2		0.00	
Assessor's P. Number(s)		TBD	
	<b>SF</b>	<b>Per Unit</b>	<b>Total</b>
Total Land Cost	\$119		\$5,168,061
Residential Land Cost	\$62,266		\$5,168,061
Commercial Land Cost			\$0
Land Cost/Acre			\$0
Number of Buildings	2 Story	Type V	1
Number of Units			83
Density/Acre			83
Restricted Units			0
<b>Residential/Commercial Space</b>			
Residential - Net Rentable			70,970
Residential - Corridor Space	13%		10,646
Residential - Community Space			2,928
Residential - Other			7,097
Commercial			0
Allocated Cost of Commercial Construction			0.00%
Total Residential SF			91,641
<b>Construction Cost</b>			
Prevailing Wages	n	15%	
	w/o PW	w/ PW	
Hard Cost/GSF	\$184.18		\$211.80
Hard Cost/NRSF	\$237.82		\$273.49
Hard Cost/Parking Spc.	\$31,540		\$36,271
Total Cost per Unit	\$	356,946	

OPERATING ASSUMPTIONS	
Income Inflation	2.50%
Expenses Inflation	3.50%
Property Tax Inflation	2.00%
Vacancy - Housing	5%
Vacancy - Special Needs Housing	10%
<b>Asset Management Fee</b>	
	\$12,500
<b>Resident Services Annual Allocation</b>	
	\$38,500
<b>Partnership Fee</b>	
	5,000
<b>Discount Rate</b>	
	0%
<b>Investor Cash Flow Participation</b>	
	10%
<b>Sponsor Cash Flow Participation</b>	
	90%

Local Public Subsidy	RDA	SDHC	TOTAL
Per Unit	\$67,470	\$97,434	\$164,904
Per Bedroom	\$33,333	\$43,970	\$77,304

PERMANENT FINANCING SOURCES		PER UNIT	% OF TOTAL
Perm. Loan	\$5,170,000	\$62,289	17.43%
			0.00%
SDHC	\$7,387,000	\$89,000	24.90%
SDHC - Additional Soft Loan	\$700,000	\$8,434	2.36%
Redevelopment Agency	\$5,600,000	\$67,470	18.88%
		\$0	0.00%
AHP	\$820,000	\$9,880	2.76%
			0.00%
GP Contribution	\$1,100,000	\$13,253	3.71%
Accrued Interest on Soft Debt			0.00%
Refunds	\$200,000	\$2,410	0.67%
Tax Credit Equity @ 0.89	\$8,691,150	\$104,713	29.29%
<b>TOTAL SOURCES</b>	<b>\$29,668,150</b>	<b>\$357,448</b>	<b>100.00%</b>
<b>Surplus (Gap)</b>		<b>\$41,594</b>	

CONSTRUCTION FINANCING SOURCES AND USES		PER UNIT	% OF TOTAL
Construction Loan	\$15,642,682	\$188,466	46.47%
SDHC	\$7,387,000	\$89,000	21.94%
SDHC - Additional Soft Loan	\$700,000	\$8,434	2.08%
Redevelopment Agency	\$5,600,000	\$67,470	16.64%
			0.00%
AHP	\$820,000	\$9,880	2.44%
Deferred Costs	\$2,644,678	\$31,864	7.86%
Tax Credit Equity 10%	\$869,115	\$10,471	2.58%
<b>TOTAL SOURCES</b>	<b>\$33,663,475</b>	<b>\$405,584</b>	<b>100.00%</b>
<b>Excess (Deficit)</b>		<b>\$4,036,919</b>	

PERMANENT FINANCING USES		PER UNIT	% OF TOTAL
Land Costs	5,168,061	\$62,266	17.44%
Commercial Const Cost 0%	-	\$0	0.00%
Residential Const Cost 100%	16,878,153	\$203,351	56.97%
Financing Costs	1,341,559	\$16,163	4.53%
Accrued Interest on Soft Debt	0	\$0	0.00%
Reserves	390,332	\$4,703	1.32%
Local Permits and Fees	899,743	\$10,840	3.04%
Other Development Costs	\$4,948,709	\$59,623	16.70%
<b>TOTAL USES</b>	<b>\$29,626,556</b>	<b>\$356,946</b>	<b>100.00%</b>
<b>Excess (Deficit)</b>		<b>\$41,594</b>	

PARKING CALCULATION				
Residential	Studio	1 BR	2 BR	3 BR
Transit Oriented Pking Ratio	0.75	0.75	1.75	1.75
Parking Spaces	0.00	18.00	57.75	45.50
Reduction for <=50%AMI	0.00	(4.25)	(5.75)	(4.50)
<b>Total Parking Spaces</b>	<b>0.00</b>	<b>13.75</b>	<b>52.00</b>	<b>41.00</b>
<b>Total Residential Spaces Required</b>				<b>107</b>
<b>Total Extra Spaces</b>				<b>1</b>
<b>Total Parking</b>				<b>108</b>
<b>Total Parking SQFT</b>				<b>34,877</b>

DEVELOPER FEE	
Total Developer Fee	\$2,500,000
	\$0
GP Contribution	\$1,100,000
Net Developer Fee @ Completion	\$1,400,000
Earned @ Const Close 40%	\$560,000
Developer Fee During Const & Close out	\$840,000

Notes	
Modifications: (1) Revised for greater affordability to qualify for AHP. (2) Assumed AHP award of \$10,000/unit. Assumes \$1.8 million additional RDA funding; \$700,000 additional SDHC funding.	
Average Affordability = 52.93%	

**ATTACHMENT 3**

**Florida Street; North Park, San Diego (4% LIHTC | with AHP)**  
**Financing Summary**

FINANCING ASSUMPTIONS	
<b>Predevelopment Loan</b>	<b>\$2,216,210</b>
Assumed Balance	50%
Interest Rate	6.00%
Term (months)	24
<b>Construction Loan/LTV</b>	<b>\$15,642,682</b>
Interest Rate	4.50%
Term (months)	20
Assumed Balance	50%
Lease-up and Conversion Term	6
Interest During Construction	410,620
Interest During Lease-up	351,960
<b>Total Constr. Interest</b>	<b>762,581</b>
<b>Perm. Loan</b>	<b>\$5,170,000</b>
Interest Rate	6.40%
Amortization	30
Debt C. Ratio	1.15
Term (years)	15
Annual Debt Svc. - Housing	\$388,064
Amount Due at end of Term	\$3,735,898
<b>Perm. Loan - Comm'l Allocation</b>	<b>\$0</b>
Interest Rate	6.40%
Amortization	30
Debt Coverage Ratio	1.15
Term (years)	15
Annual Payment	\$0
Amount Due at end of Term	\$0
<b>Residual Loan Funding Sources</b>	
<b>SDHC</b>	<b>\$7,387,000</b>
Interest	3.00%
Term (years)	55
Minimum Annual Payment	\$0
Residual Annual Payment	Y
Accrued Interest - During Const	\$258,545
<b>SDHC - Additional Soft Lr GAP</b>	<b>\$658,406</b>
A. Housing Portion	\$700,000
of which HOME	
Amount per Assisted Unit	\$8,434
B. Commercial	\$0
Amount per SF	
Interest Rate	3.00%
Term (years)	55
Accrued Interest - During Const	\$23,044
Residual Payment	Y
HOME Assisted Units	0.0
<b>Redevelopment Agency</b>	<b>5,600,000</b>
Interest Rate	3.00%
Term (years)	55
Accrued Interest - During Const	196,000
Residual Payment	Y
<b>Other Funding Sources</b>	
N	\$0
Amount per Assisted Unit	
Interest Rate	0.42%
Term (years)	55
Minimum Annual Payment	
Residual Annual Payment	N
Total Annual Payment	
<b>AHP</b>	<b>820,000</b>

<b>50% BASIS TEST</b>	<b>Y</b>
Eligible Basis	22,765,301
Land Cost	5,168,061
Total Aggregate Basis	27,933,361
<b>Required Bond Amount</b>	<b>56% 15,642,682</b>
Addtl Amount as Constr. Loan	10,472,682

RESIDUAL LOAN CALCULATION			50%
SDHC	27.0%		7,387,000
SDHC - Additional Soft Loan	2.6%		700,000
Redevelopment Agency	20.5%		5,600,000
	0.00	0.0%	-
TOTAL			13,687,000

TAX CREDIT EQUITY			
2010 THRESHOLD BASIS LIMITS - 4%			
# UNITS	Bedroom Count	LIMIT	TOTAL
0	Studio	\$174,861	\$0
24	1	\$201,163	\$4,827,912
33	2	\$243,200	\$8,025,600
26	3	\$311,296	\$8,093,696
			\$0
83	<b>T. TH. BASIS LIMIT</b>		<b>\$20,947,208</b>
<b>ADJUSTMENTS:</b>			
Prevailing Wages (1)	20.0%		0
Parking Beneath Units(1)	7.0%		1,466,305
Day Care Center (1)	2.0%		0
100% Special Needs (1)	2.0%		0
Energy Title 24	4.0%		837,888
Seismic/Environmental	at cost		0
Elevator	10.0%		2,094,721
Energy Technologies	at cost		0
Impact Fees	at cost		733,743
50% - 36% AMI (4% only)	70%		14,663,046
< 35% AMI (4% only)	0%		0
<b>ADJUSTED TH. BASIS LIMIT</b>			<b>\$40,742,910</b>
Total Eligible Basis			\$22,765,301
Energy ITC adjustment			-
Adjusted, Eligible Basis			\$22,765,301
Amount (Over)/Under Basis Limit			\$17,977,609
Voluntary Eligible Basis Reduction			0.00%
Unadjusted Eligible Basis			\$22,765,301
Difficult to Develop Area Adjustment			30%
<b>ADJUSTED ELIGIBLE BASIS</b>			<b>\$29,594,891</b>
Percentage of Affordable Units			100%
Qualified Basis			\$29,594,891
Qualified Basis Reduction			0.00%
Reduction Amount			\$0
<b>ADJUSTED QUALIFIED BASIS</b>			<b>\$29,594,891</b>
Tax Credit Construction Rate			9.00%
Tax Credit Acquisition/Subsidy Rate			3.30%
<b>SELECT 4% or 9% CREDIT OPTION</b>			<b>4.00%</b>
Annual Federal Credit Amount (CALCULATED)			976,631
Annual Federal Credit Amount (MAX ALLOWED)			\$2,500,000
<b>FEDERAL CREDIT AMOUNT</b>			<b>\$9,766,314</b>
Total State Credit Amount			\$0
Percentage of Credits Sold			100.0%
Price Per Tax Credit Dollar			0.89
Equity from Federal Credit			\$8,691,150
Equity from State Credit			\$0
Total Gross Proceeds			\$8,691,150
Cost of Syndication			
<b>TOTAL TAX CREDIT EQUITY</b>			<b>\$8,691,150</b>
Tax Credit Equity at Constructic	10.00%		\$869,115
Tax Credit Equity at Takeout			\$7,822,035

n/a

MORTGAGE RATE STRUCTURE	
Bond Cap Rate	4.700%
Bond Rate	2.750%
Letter of Credit	1.000%
Issuer	0.125%
Trustee	0.600%
Remarketing	0.100%
Cap escrow	0.000%
<b>Mortgage Rate</b>	<b>4.005%</b>
Underwriting Spread	1.950%
<b>Underwriting Rate</b>	<b>5.955%</b>
Swap (Y/N)	Y

**Florida Street; North Park, San Diego (4% LIHTC | with AHP)**  
Income Assumptions

PROPOSED UNIT MIX AT MARKET				Market					
# Units	Type	Sq. Ft	Rent	At Close	PSF	Market Units	Aff. Units		
ENTER HERE									
0	0 Bedrm 1 Bath	0	\$0	\$0	0.00	0	0		
24	1 Bedrm 1 Bath	560	\$0	\$0	0.00	0	24		
33	2 Bedrm 1 Bath	880	\$0	\$0	0.00	0	33		
26	3 Bedrm 2 Bath	1,106	\$0	\$0	0.00	0	26		
0	4 Bedrm 2 Bath	0	\$0	\$0		0	0		
83		858	\$0	\$0	0.00	0	83		
Total NRSF		71,236							

PROPOSED AFFORDABILITY MIX				Actual Allocation
Guidelines				
Total Affordable Units:	MHP	9% TCAC		100%
% of Units @ 60% of Median:	0%	30%		30%
% of Units @ 50% of Median:	0%	40%		70%
% of Units @ 40% of Median:	11%	20%		0%
% of Units @ 30% of Median:	13%	10%		0%
% of Units @ 25% of Median:	10%	0%		0%
% of Units @ 20% of Median:	10%	0%		0%
% of Units	36% - 50% AMI			70%
% of Units	<35% AMI			0%

INFLATION FACTOR FOR RENTS	
Assumed increase in tax credit rents at close:	0.0%
Assumed increase in market rents at close:	0.0%

PROPOSED RENTS									
AMI	# Units	Beds	Baths	Sq. Ft.	2010 RDA Rent	2010 TCAC Rent	Utility Allow.	Net Rent PSF	Monthly Income
30% @ 60% of Median:	0	0	1	1	\$793	\$824	\$8	\$785	\$0
70% @ 50% of Median:	0	0	1	1	\$681	\$687	\$8	\$653	\$0
0% @ 40% of Median:	0	0	1	1	\$661	\$550	\$8	\$542	\$0
0% @ 30% of Median:	0	0	1	1	\$661	\$412	\$8	\$404	\$0
0% @ 25% of Median:	0	0	1	1	\$661	\$344	\$8	\$336	\$0
0% @ 20% of Median:	0	0	1	1	\$661	\$275	\$8	\$267	\$0
Subtotal	0								
30% @ 60% of Median:	7	1	1	1	\$883	\$883	\$10	\$873	1.56
70% @ 50% of Median:	17	1	1	1	\$600	\$736	\$10	\$726	1.30
0% @ 40% of Median:	0	1	1	1	\$600	\$589	\$10	\$579	1.03
0% @ 30% of Median:	0	1	1	1	\$600	\$442	\$10	\$432	0.77
0% @ 25% of Median:	0	1	1	1	\$600	\$736	\$10	\$358	0.64
0% @ 20% of Median:	0	1	1	1	\$600	\$736	\$10	\$284	0.51
Subtotal	24								
30% @ 60% of Median:	9	2	1	1	\$880	\$1,019	\$14	\$1,005	1.14
70% @ 50% of Median:	23	2	1	1	\$880	\$849	\$14	\$835	0.95
0% @ 40% of Median:	0	2	1	1	\$880	\$706	\$14	\$692	0.79
0% @ 30% of Median:	0	2	1	1	\$880	\$530	\$14	\$516	0.59
0% @ 25% of Median:	0	2	1	1	\$880	\$849	\$14	\$428	0.49
0% @ 20% of Median:	0	2	1	1	\$880	\$849	\$14	\$339	0.39
Mgr.	1	2	1	1	\$880	\$0	\$0	\$1,006	1.14
Subtotal	33								
30% @ 60% of Median:	8	3	1	2	\$1,133	\$1,224	\$16	\$1,117	1.01
70% @ 50% of Median:	18	3	1	2	\$944	\$944	\$16	\$928	0.84
0% @ 40% of Median:	0	3	1	2	\$944	\$816	\$16	\$800	0.72
0% @ 30% of Median:	0	3	1	2	\$944	\$612	\$16	\$596	0.54
0% @ 25% of Median:	0	3	1	2	\$944	\$516	\$16	\$494	0.45
0% @ 20% of Median:	0	3	1	2	\$944	\$408	\$16	\$392	0.35
Mgr.	0	3	1	2	\$944	\$0	\$0	\$0	0.00
Subtotal	26								
30% @ 60% of Median:	0	4	1	2	\$1,223	\$1,366	\$21	\$1,202	\$0
70% @ 50% of Median:	0	4	1	2	\$1,019	\$1,136	\$21	\$998	\$0
0% @ 40% of Median:	0	4	1	2	\$1,019	\$910	\$21	\$889	\$0
0% @ 30% of Median:	0	4	1	2	\$1,019	\$683	\$21	\$662	\$0
0% @ 25% of Median:	0	4	1	2	\$1,019	\$569	\$21	\$548	\$0
0% @ 20% of Median:	0	4	1	2	\$1,019	\$455	\$21	\$434	\$0
Subtotal	0								
Total Units	83			858				\$884	1.03
Restricted	82							Monthly	\$73,340
Gross Scheduled Rents:								Annual	\$880,188

Prop 1C Affordability Points (30 Max) 9.08

STABILIZED OTHER INCOME	
Monthly Laundry Income:	\$10
Monthly Deposit Forfeitures:	\$0
Monthly Late Fees:	\$3
Monthly Pet Rent:	\$0
Monthly Misc. Charges:	\$0
Total Monthly Other Income Per Unit:	\$13
Total Monthly Other Income:	\$1,079

UTILITIES					
BEDROOMS:	0	1	2	3	4
Heating(G)					
Cooking(E)	\$2	\$2	\$3	\$3	\$4
Water Heat(G)					
Other Elec	\$8	\$8	\$11	\$13	\$17
Water & Sewer					
Trash					
Range/Micro					
Refrigerator					
TOTAL	\$8	\$10	\$14	\$16	\$21

UTILITY ASSUMPTIONS	
(1) Assumes Central Boilers for Hot Water - Owner Paid	
(2) Assumes Hydronic Heat (Central Boilers for Heating	

SECTION 8 VOUCHER ANALYSIS									
Vouchers	60% AMI	# Units	Beds	Baths	Unit Type	NET RENT	Rent @ 60%	Rent @ 80%	Rent @ 100%
30% @ 60% of Median:	0	0	1	1		\$785	\$16	\$16	\$16
70% @ 50% of Median:	0	0	1	1		\$653	\$16	\$16	\$16
0% @ 40% of Median:	0	0	1	1		\$542	\$16	\$16	\$16
0% @ 30% of Median:	0	0	1	1		\$404	\$16	\$16	\$16
0% @ 25% of Median:	0	0	1	1		\$336	\$16	\$16	\$16
0% @ 20% of Median:	0	0	1	1		\$267	\$16	\$16	\$16
Subtotal	0								
30% @ 60% of Median:	7	1	1	1		\$873	\$73	\$73	\$73
70% @ 50% of Median:	17	1	1	1		\$726	\$73	\$73	\$73
0% @ 40% of Median:	0	1	1	1		\$579	\$73	\$73	\$73
0% @ 30% of Median:	0	1	1	1		\$432	\$73	\$73	\$73
0% @ 25% of Median:	0	1	1	1		\$358	\$73	\$73	\$73
0% @ 20% of Median:	0	1	1	1		\$284	\$73	\$73	\$73
Subtotal	24								
30% @ 60% of Median:	9	2	1	1		\$1,005	\$1,046	\$1,046	\$1,046
70% @ 50% of Median:	23	2	1	1		\$835	\$1,046	\$1,046	\$1,046
0% @ 40% of Median:	0	2	1	1		\$692	\$1,046	\$1,046	\$1,046
0% @ 30% of Median:	0	2	1	1		\$516	\$1,046	\$1,046	\$1,046
0% @ 25% of Median:	0	2	1	1		\$428	\$1,046	\$1,046	\$1,046
0% @ 20% of Median:	0	2	1	1		\$339	\$1,046	\$1,046	\$1,046
Mgr.	0	1	2	1		\$1,006			
Subtotal	33								
30% @ 60% of Median:	8	3	1	2		\$1,117	\$1,208	\$1,208	\$1,208
70% @ 50% of Median:	18	3	1	2		\$928	\$1,208	\$1,208	\$1,208
0% @ 40% of Median:	0	3	1	2		\$800	\$1,208	\$1,208	\$1,208
0% @ 30% of Median:	0	3	1	2		\$596	\$1,208	\$1,208	\$1,208
0% @ 25% of Median:	0	3	1	2		\$494	\$1,208	\$1,208	\$1,208
0% @ 20% of Median:	0	3	1	2		\$392	\$1,208	\$1,208	\$1,208
Mgr.	0	0	3	1		\$0			
Subtotal	26								
30% @ 60% of Median:	0	4	1	2		\$1,202	\$1,345	\$1,345	\$1,345
70% @ 50% of Median:	0	4	1	2		\$998	\$1,345	\$1,345	\$1,345
0% @ 40% of Median:	0	4	1	2		\$889	\$1,345	\$1,345	\$1,345
0% @ 30% of Median:	0	4	1	2		\$662	\$1,345	\$1,345	\$1,345
0% @ 25% of Median:	0	4	1	2		\$548	\$1,345	\$1,345	\$1,345
0% @ 20% of Median:	0	4	1	2		\$434	\$1,345	\$1,345	\$1,345
Subtotal	0								
TOTALS		0							

**Florida Street; North Park, San Diego (4% LIHTC | with AHP)**  
**Operating Expenses**

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	ANNUAL TOTAL	Percentage of Total	ANNUAL PER UNIT	PER MONTH	PER UNIT PER MONTH
<b>ADMINISTRATIVE EXPENSES</b>					
Advertising	400	0.10%	4.82	33.33	0.40
Legal	3,500	0.87%	42.17	291.67	3.51
Accounting/Audit	6,500	1.61%	78.31	541.67	6.53
Security	0	0.00%	0.00	0.00	0.00
Credit Checks and Bank Fees	1,120	0.28%	13.49	93.33	1.12
Licenses/Fees	1,050	0.26%	12.65	87.50	1.05
SDHC Monitoring Fee	3,735	0.93%	45.00	311.25	3.75
Office Expense	9,100	2.26%	109.64	758.33	9.14
Other Expense	0	0.00%	0.00	0.00	0.00
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>25,405</b>	<b>6.31%</b>	<b>306.08</b>	<b>2,117</b>	<b>25.51</b>
<b>MANAGEMENT FEE</b> Per Unit/Month \$ 40	<b>39,840</b>	<b>9.90%</b>	<b>480.00</b>	<b>3,320</b>	<b>40.00</b>
<b>UTILITY EXPENSES (uses BL #'s)</b>					
Electricity Tenant Paid - Common Only	7,029	1.75%	84.69	586	7.06
Gas Central Boiler	22,500	5.59%	271.08	1,875	22.59
Water	17,500	4.35%	210.84	1,458	17.57
Sewer	17,500	4.35%	210.84	1,458	17.57
<b>TOTAL UTILITY EXPENSES</b>	<b>64,529</b>	<b>16.03%</b>	<b>777.46</b>	<b>5,377</b>	<b>64.79</b>
<b>PAYROLL EXPENSES</b>					
On-Site Manager 1.5 FTE	72,150	17.92%	869.28	6,013	72.44
Maintenance Personnel	35,000	8.69%	421.69	2,917	35.14
Payroll Taxes/Benefits 31%	32,681	8.12%	393.74	2,723	32.81
<b>TOTAL PAYROLL EXPENSES</b>	<b>139,831</b>	<b>34.73%</b>	<b>1,684.71</b>	<b>11,653</b>	<b>140.39</b>
<b>INSURANCE</b>	<b>25,000</b>	<b>6.21%</b>	<b>301.20</b>	<b>2,083</b>	<b>25.10</b>
<b>REPAIRS &amp; MAINTENANCE</b>					
Painting	6,225	1.55%	75.00	519	6.25
Repairs	20,750	5.15%	250.00	1,729	20.83
Trash Removal	18,924	4.70%	228.00	1,577	0.08
Pest Control	1,250	0.31%	15.06	104	1.26
Landscaping	8,525	2.12%	102.71	710	8.56
Supplies	3,500	0.87%	42.17	292	3.51
Elevator	5,115	1.27%	61.63	426	5.14
Parking deck ops & maint	1,705	0.42%	20.54	142	1.71
Fire Protection	3,978	0.99%	47.93	332	3.99
Lock & Keys	284	0.07%	3.42	24	0.29
Uniforms	120	0.03%	1.45	10	0.12
Telephone / Cable / Internet	0	0.00%	0.00	0	0.00
Other	219	0.05%	2.64	18	0.22
<b>TOTAL REPAIRS &amp; MAINTENANCE</b>	<b>70,595</b>	<b>17.53%</b>	<b>850.54</b>	<b>5,883</b>	<b>70.88</b>
<b>TOTAL RESIDENTIAL OPERATING EXPENSES</b>	<b>365,200</b>	<b>90.71%</b>	<b>4,400.00</b>	<b>30,433</b>	<b>366.67</b>
<b>RESIDENT SERVICES</b>	<b>10,000</b>	<b>2.48%</b>	<b>120.48</b>	<b>833</b>	<b>10.04</b>
<b>REPLACEMENT RESERVES</b> 300	<b>24,900</b>	<b>6.18%</b>	<b>300.00</b>	<b>2,075</b>	<b>25.00</b>
<b>REAL ESTATE TAXES &amp; ASSESSMENTS</b>	<b>2,500</b>	<b>0.62%</b>	<b>30.12</b>	<b>208</b>	<b>2.51</b>
<b>TOTAL ANNUAL OPERATING EXPENSES</b>	<b>402,600</b>	<b>100.00%</b>	<b>4,850.60</b>	<b>33,550</b>	<b>404.22</b>

**Florida Street; North Park, San Diego (4% LIHTC | with AHP)**  
**Development Budget**

ACCT CODE	Enter as Non-PW	Notes	Acquisition Loan	PREDEV	TOTAL COST Non-PW	ELIGIBLE BASIS	CONSTR	DEFER TO PERM.
1200		<b>LAND ACQUISITION</b>						
1210		Land Cost + Value of Arch & Engr.	4,900,000	22,030	4,922,030	0	4,922,030	0
1225	123,532	Demolition + Abatement		123,532	123,532	0	123,532	0
1240	10,500	Legal		10,500	10,500	0	10,500	0
1255	0	Existing Improvements Value			0	0	0	0
1270	13,999	Title Escrow and Recording		13,999	13,999	0	13,999	0
	98,000	Acquisition Consultant/Broker Fee		98,000	98,000	0	98,000	0
1285	0	Land Interest Cost			0	0	0	0
	0%	Land Cost Contingency			0	0	0	0
1200		<b>TOTAL ACQUISITION COST</b>	<b>4,900,000</b>	<b>268,061</b>	<b>5,168,061</b>		<b>5,168,061</b>	<b>0</b>
1300		<b>CONSTRUCTION WORK</b>						
1310		On Site Work		18,000	1,395,000	1,395,000	1,395,000	0
1315	599,350	Offsites allowance			599,350	599,350	599,350	0
	0	Abatement in on-site work			0	0	0	0
1316	0	Landscaping, tot lot in on-site work			0	0	0	0
1318	0	Off-Site Improvements cost share			0	0	0	0
1320		Direct Construction (cost per gba)			10,081,000	10,081,000	10,081,000	0
1322	0	Photovoltaic system			0	0	0	0
1323	0	"Green" upgrades - (\$ per gross SF) included above			0	0	0	0
1324		Structured Parking (price per sf)			\$2,990,000	2,990,000	2,990,000	0
	7.4%	<b>ASSUMED CONSTRUCTION COST SAVINGS</b>			<b>(\$1,117,500)</b>	<b>(\$1,117,500)</b>	<b>(\$1,117,500)</b>	<b>0</b>
1326	0	Structures-Elevator - (Enter as Lump Sum) included in const.			0	0	0	0
1330	3.00%	GC Contingency			418,436	418,436	418,436	0
1335	18	General Conditions (number of months) \$51,000			918,000	918,000	918,000	0
1340	4.00%	GC Fee			574,651	574,651	574,651	0
1350	0.00%	Contractor Bonds			0	0	0	0
1360	1.00%	General Contractor (GC) Liability Insurance			143,663	143,663	143,663	0
1365	0.50%	Builder's Risk			71,831	71,831	71,831	0
1370	0.00%	Prevailing Wage Monitoring			0	0	0	0
1300		<b>TOTAL CONSTRUCTION</b>		<b>18,000</b>	<b>16,074,431</b>	<b>16,074,431</b>	<b>16,074,431</b>	<b>0</b>
1670	5.0%	<b>CONSTRUCTION CONTINGENCY</b>			<b>803,722</b>	<b>803,722</b>	<b>803,722</b>	<b>0</b>
1400		<b>ARCHITECTURAL FEES -</b>						
1410		Design and Con Supervision		700,000	775,000	775,000	775,000	0
		Peer Review/Owner's Rep		12,020	15,000	15,000	15,000	0
		Design / Green Certification		21,981	39,312	39,312	39,312	0
1420		Expenses		28,000	35,000	35,000	35,000	0
1400		<b>TOTAL ARCHITECTURAL COSTS</b>		<b>762,001</b>	<b>864,312</b>	<b>864,312</b>	<b>864,312</b>	<b>0</b>
1450		<b>SURVEY &amp; ENGINEERING COSTS</b>		<b>225,000</b>	<b>278,111</b>	<b>278,111</b>	<b>278,111</b>	<b>0</b>
1501		<b>CONSTRUCTION FINANCING</b>						
1510		Construction Loan Interest			762,581	410,620	762,581	0
1520	1.00%	Construction Loan Fee			156,427	156,427	156,427	0
1502	90,000	Construction Management		20,000	90,000	90,000	90,000	0
1535	500	Bank Construction Monitoring			10,000	10,000	10,000	0
1540	N	Accrued Interest on Soft Debt			0	0	0	0
1545	75,000	Real Estate Taxes		75,000	75,000	75,000	75,000	0
1503	det. Below	Insurance		6,000	30,900	30,900	30,900	0
	30,000	Construction Loan - Other		20,000	30,000	30,000	30,000	0
1565	17,500	Title Escrow & Recording - Construction (LUMP SUM)			17,500	17,500	17,500	0
1500		<b>TOTAL CONSTRUCTION INTEREST &amp; FEES</b>		<b>121,000</b>	<b>1,172,408</b>	<b>820,447</b>	<b>1,172,408</b>	<b>0</b>
1570		<b>PERMANENT FINANCING</b>						
1572	1.00%	Permanent Loan Fee - Housing			51,700	0	0	51,700
1575	0.00%	Rate Lock Fee - Housing			0	0	0	0
1578	1.50%	Permanent Loan Fee - Commercial			0	0	0	0
1580	0.00%	Rate Lock Fee - Commercial			0	0	0	0
1582	det. Below	Cost of Issuance PRIVATE			203,446	0	0	203,446
1585		Low Floater Cap			0	0	0	0
1588	30,000	Title Escrow & Recording - Permanent			30,000	0	0	30,000
1570		<b>TOTAL PERMANENT FINANCING COSTS</b>			<b>285,146</b>	<b>0</b>	<b>0</b>	<b>285,146</b>
1590		<b>PREDEVELOPMENT FINANCING</b>						
1592	0.20%	Predevelopment Loan Fee		4,432	4,432	4,432	4,432	0
1595		Predevelopment Loan Interest		132,973	132,973	132,973	132,973	0
1590		<b>TOTAL PREDEVELOPMENT FINANCING</b>		<b>137,405</b>	<b>137,405</b>	<b>137,405</b>	<b>137,405</b>	<b>0</b>
1600		<b>LEGAL FEES - (ENTER AS LUMP SUM)</b>						
1610	40,000	Bank Legal - Construction		4,000	40,000	40,000	40,000	0
1620	40,000	Owner Legal - Construction		15,000	40,000	40,000	40,000	0
	26,000	Bank - Expenses & Fees		7,500	20,000	20,000	20,000	0
1630		Bank Legal - Permanent			0	0	0	0
1640	15,000	Owner Legal - Permanent		15,000	15,000	0	0	15,000
1600		<b>TOTAL LEGAL COSTS</b>		<b>41,500</b>	<b>115,000</b>	<b>100,000</b>	<b>100,000</b>	<b>15,000</b>
1650		<b>RESERVES</b>						
1652	0	Construction Defect Reserve			0	0	0	0
1655	0	Replacement Reserve - Initial Deposit (Enter per unit)			0	0	0	0
	0	Reserve for AM Fee			0	0	0	0
1658	6	Operating Reserve - ENTER # of MONTHS			390,332	0	0	390,332
1650		<b>TOTAL RESERVE COSTS</b>			<b>390,332</b>	<b>0</b>	<b>0</b>	<b>390,332</b>
1660	14,200	<b>APPRAISAL COSTS</b>		<b>14,200</b>	<b>14,200</b>	<b>14,200</b>	<b>0</b>	<b>14,200</b>
1700		<b>OTHER</b>						
1701	det. Below	Tax Credit Fees		116,766	150,386	0	150,386	0
1702	det. Below	Environmental Consultants		2,230	2,230	2,230	2,230	0
1732	25,500	Accounting/Audit			25,500	25,500	25,500	0
1735	2,000	Permit Processing Fees - (Enter PER UNIT)		123,000	166,000	166,000	166,000	0
1738	8,840	Development Impact Fees - (PER UNIT)			733,743	733,743	733,743	0
1740	15,000	Signage			15,000	15,000	15,000	0
1742	25,000	Marketing/Rent-Up		228	25,000	0	25,000	0
1745	16,200	Market Study		10,200	10,200	10,200	10,200	0
1748	40,000	FFE			40,000	40,000	40,000	0
1750	det. Below	Utility Deposits			25,000	0	25,000	0
1703	det. Below	Relocation		313,264	313,264	0	313,264	0
	1,106	Entitlement Consultant		1,106	1,106	0	1,106	0
1768	10%	Soft Cost Contingency		62,249	180,000	180,000	180,000	0
1700		<b>TOTAL OTHER COSTS</b>		<b>629,044</b>	<b>1,687,429</b>	<b>1,172,673</b>	<b>1,687,429</b>	<b>0</b>
1119		<b>SUBTOTAL DEVELOPMENT COST</b>	<b>4,900,000</b>	<b>2,216,210</b>	<b>26,990,556</b>	<b>20,265,301</b>	<b>26,285,878</b>	<b>704,678</b>
1801		<b>DEVELOPER COSTS</b>						
1810		Developer Fee			2,500,000	2,500,000	1,120,000	1,940,000
1802	det. Below	Syndication			136,000	0	136,000	0
		Development Consulting			0	0	0	0
1820	0	Project Administration/Other			0	0	0	0
1800		<b>TOTAL DEVELOPER COSTS</b>			<b>2,636,000</b>	<b>2,500,000</b>	<b>1,256,000</b>	<b>1,940,000</b>
		<b>TOTAL PROJECT COST</b>		<b>2,216,210</b>	<b>29,626,556</b>	<b>22,765,301</b>	<b>27,541,878</b>	<b>2,644,678</b>



Florida Street, North Park, San Diego (4% LIHTC   with AHP)			
Budget Details			
Survey and Engineering Costs			
Civil Engineer - Nasland			179,600
Soils Engineer			43,371
Survey	incl in civil		-
Traffic Engineer - LLG			9,750
Electrical Engineer - SDGE Design			3,000
Shoring - ESSi			11,290
Reimbursables			7,500
ALTA Survey			3,600
Materials Testing Eng.			20,000
Utility Consultant	incl in arch		-
<b>Total Survey and Eng.</b>			<b>278,111</b>
Insurance Cost			
Owner Liability	3 years	\$2,000	6,000
1st Year Operations		\$300	24,900
<b>Total Insurance</b>			<b>30,900</b>
Tax Credit Issuance Cost			
Application Fee	3.5	2,000	7,000
Reservation Fee	1.0%	\$976,631	\$9,766
CDLAC Performance Deposit	0.5%	\$15,642,682	100,000
Monitoring Fee	\$410	82	33,620
<b>Total Cost of Issuance</b>			<b>150,386</b>
Environmental Consultants			
Phase I			2,230
Misc. Environmental Reports			-
Traffic Study			-
Mitigation			-
Archeology/Paleontology			-
Phase II + Remediation	Lead / Asbestos Survey	in demo	-
<b>Total Environmental</b>			<b>2,230</b>
Relocation Costs			
Relocation Consultant Fee			58,500
Temporary Relocation			-
Relocation Payments			254,764
<b>Total Relocation</b>			<b>313,264</b>
Syndication Costs			
Consultant			46,000
Legal			70,000
Other - LP costs, Accounting			20,000
<b>Total Syndication</b>			<b>136,000</b>
Refundable Deposits			
Utility Deposit			25,000
Property Taxes			75,000
CDLAC Performance Deposit			100,000
<b>Total Refunds</b>			<b>200,000</b>
Bond Issuance Cost			
Private Placement			
<b>Total Amount of the Bond</b>			<b>\$15,642,682</b>
CDLAC Application Fee	one time	600	600
CDIAC Fee	one time		3,000
CDLAC Fee	one time	9,00035	5,475
Issue Origination Fee	one time		40,800
Issuer Expenses	one time	20,900	20,000
Issuer Fee - Assumed in bond rate	annual ongoing	0.00125	0
Issuer Const. Mgmt Fee	per year-const	0.001	26,071
Issuer Counsel	one time	20,000	20,000
Bond Trustee Fee (optional)	annual ongoing	7,500	7,500
Bond Counsel	one time	50,000	50,000
Contingency		30,000	30,000
<b>Total Cost of Issuance - Private</b>			<b>203,446</b>
Add for Public Placement			
Remarketing Fee (if floater/variable rate)	per year-const	0.0016	41,714
Underwriter	one time	0.0038	50,442
Underwriter Legal	one time	40,000	40,000
Rating Agency	one time	13,500	13,500
Bond Trustee	per year-const	0.0002	5,214
<b>Total Cost of Issuance - Public</b>			<b>363,316</b>
Fee Schedule			
SDUSD School Fees	\$2.97 /sf	62,296	\$185,019
Water Capacity Fees	\$3,047 /edu	34.8	\$106,036
Misc. Water Connection	\$2,716	1.0	\$2,716
Sewer Capacity Fees	\$4,124 /edu	34.8	\$143,515
County Water Authority	\$17,073		\$17,073
DIF Fee	\$4,080 /unit	68	\$277,440
RTCIP	\$1,944 /unit	68	\$132,192
RTCIP Credit for Affordable Units	(\$1,944) /unit	67	(\$130,248)
			\$733,743
Contingency	0%		\$0
			\$733,743
		per unit:	\$8,840.28

Florida Street North Park, San Diego (4% LHTC with AHP)																	
Cash Flow Projections																	
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
<b>Housing Portion</b>																	
Gross Scheduled Income - Rents	2.0%	880,188	902,192	922,748	947,866	971,563	995,532	1,020,748	1,046,267	1,072,424	1,099,234	1,126,715	1,154,883	1,183,795	1,213,349	1,243,653	
Gross Scheduled Income - Sec. 8																	
Other Income	2%	12,948	13,272	13,603	13,944	14,292	14,649	15,016	15,391	15,776	16,170	16,575	16,989	17,414	17,849	18,295	
Vacancy		(44,657)	(45,772)	(46,918)	(48,090)	(49,293)	(50,529)	(51,798)	(53,100)	(54,436)	(55,807)	(57,213)	(58,654)	(60,130)	(61,641)	(63,189)	
Effective Gross Income		248,478	259,692	270,433	281,718	293,562	305,924	318,964	332,658	346,994	361,970	377,583	393,842	410,759	428,359	446,668	
Operating Expenses	1.5%	(85,260)	(87,985)	(90,762)	(93,593)	(96,478)	(99,418)	(102,414)	(105,466)	(108,575)	(111,742)	(114,966)	(118,248)	(121,588)	(124,986)	(128,443)	
Service Annuities (AHP)		(10,000)	(10,350)	(10,712)	(11,087)	(11,475)	(11,877)	(12,293)	(12,723)	(13,168)	(13,629)	(14,106)	(14,600)	(15,111)	(15,640)	(16,187)	
Transit Pass Subsidy																	
Replacement Reserves	1.0%	(24,900)	(25,772)	(26,674)	(27,607)	(28,573)	(29,573)	(30,608)	(31,680)	(32,789)	(33,936)	(35,124)	(36,353)	(37,625)	(38,943)	(40,305)	
Real Estate Taxes		(12,500)	(12,850)	(13,201)	(13,553)	(13,908)	(14,265)	(14,625)	(14,988)	(15,354)	(15,723)	(16,095)	(16,470)	(16,848)	(17,229)	(17,613)	
Net Operating Income - Real		445,979	453,038	460,236	467,489	474,733	482,023	489,336	496,669	504,005	511,352	518,697	526,036	533,361	540,666	547,941	
<b>Total Net Operating Income</b>		445,979	453,038	460,236	467,489	474,733	482,023	489,336	496,669	504,005	511,352	518,697	526,036	533,361	540,666	547,941	
Debt Service - Housing Allocation		(388,064)	(388,064)	(388,064)	(388,064)	(388,064)	(388,064)	(388,064)	(388,064)	(388,064)	(388,064)	(388,064)	(388,064)	(388,064)	(388,064)	(388,064)	
After DS Cash Flow		57,915	64,974	72,172	79,405	86,669	93,959	101,272	108,601	115,942	123,288	130,634	137,972	145,296	152,602	159,877	
Debt Coverage		1.15	1.17	1.19	1.20	1.22	1.24	1.26	1.28	1.30	1.32	1.34	1.36	1.37	1.39	1.41	
<b>Cash Flow Distribution:</b>																	
Partnership Fee - Investor	3%				5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053	7,300	7,555	7,820	8,093	
Resident Services (I)	5.00%	5,000	5,175	5,356													
Asset Management Fee		12,500	12,850	13,201	13,553	13,908	14,265	14,625	14,988	15,354	15,723	16,095	16,470	16,848	17,229	17,613	
Available for Distribution:		40,316	46,862	53,425	60,002	66,587	73,175	79,760	86,336	92,897	99,437	105,948	112,423	118,854	125,232	131,550	
Available for Residual Split	(1) Assumes \$10,000 "above the line" and the balance below for AHP requirements.	40,316	46,862	53,425	60,002	66,587	73,175	79,760	86,336	92,897	99,437	105,948	112,423	118,854	125,232	131,550	
<b>Residual Loan Payments</b>																	
SDHC	27.5%	10,876	12,646	14,417	16,192	17,968	19,747	21,524	23,298	25,069	26,834	28,591	30,338	32,073	33,795	35,499	
SDHC - Additional Soft Loan	2.5%	1,031	1,198	1,366	1,534	1,703	1,871	2,040	2,208	2,376	2,543	2,709	2,875	3,039	3,202	3,364	
Redevelopment Agency	25.5%	8,248	9,557	10,929	12,276	13,622	14,970	16,317	17,662	19,004	20,342	21,674	22,999	24,314	25,619	26,912	
<b>Total - Residual Payments</b>	56%	20,156	23,431	26,713	30,001	33,294	36,587	39,880	43,168	46,449	49,719	52,974	56,211	59,427	62,616	65,775	
<b>Sponsor Residual</b>																	
Cash Flow to Investor	94%	20,156	23,431	26,713	30,001	33,294	36,587	39,880	43,168	46,449	49,719	52,974	56,211	59,427	62,616	65,775	
Cash Flow to Sponsor	9%	18,142	21,086	24,041	27,001	29,964	32,929	35,892	38,851	41,804	44,747	47,677	50,580	53,484	56,355	59,197	

**ATTACHMENT 4**  
**HOUSING COMMISSION MULTIFAMILY**  
**HOUSING REVENUE BOND PROGRAM**  
**Summary**

**General Description:** The multifamily housing bond program provides below-market financing (based on bond interest being exempt from income tax) for developers willing to set aside a percentage of project units as affordable housing. Multifamily housing revenue bonds are also known as “private activity bonds” bonds because the projects are owned by private entities, often including nonprofit sponsors and for-profit investors.

**Bond Issuer:** Housing Authority of the City of San Diego. There is no direct legal liability to the City, the Housing Authority or the Housing Commission in connection with the issuance or repayment of bonds; there is no pledge of the City’s or the Housing Authority’s faith, credit or taxing power. The bonds do not constitute a general obligation of the issuer because security for repayment of the bonds is limited to specific private revenue sources, such as project revenues. The developer is responsible for the payment of costs of issuance and all other costs under each financing.

**Affordability:** Minimum requirement is that at least 20% of the units are affordable at 50% of Area Median Income (AMI). Alternatively, a minimum of 10% of the units may be affordable at 50% AMI with an additional 30% of the units affordable at 60% AMI. The Housing Commission requires that the affordability restriction be in place for a minimum of 15 years. Due to the combined requirements of state, local, and federal funding sources, projects financed under the Bond Program are normally affordable for 30-55 years and often provide deeper affordability levels than the minimum levels required under the Bond Program.

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

**Approval Process:**

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

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

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

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

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

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