



SAN DIEGO
HOUSING
COMMISSION

REPORT TO THE CITY COUNCIL & HOUSING AUTHORITY

DATE ISSUED: June 4, 2012

REPORT NO: HAR12-032

ATTENTION: Members of the City Council and Housing Authority of the City of San Diego
For the Agenda of July 10, 2012

SUBJECT: Fairbanks Commons Preliminary Bond Items

COUNCIL DISTRICT: 1

REQUESTED ACTION:

Take the initial steps to issue Housing Authority of the City of San Diego ("Housing Authority") multifamily housing revenue bonds to fund the land acquisition and construction of a 165-unit multifamily apartment project located in Black Mountain Ranch. Final issuance of bonds would require Housing Authority approval at a later date.

STAFF RECOMMENDATION:

1. That the Housing Authority of the City of San Diego ("Housing Authority") :
 - a. Approve a Bond Inducement Resolution (a "Declaration of Official Intent") for up to \$46.8 million in multifamily housing revenue bonds for the acquisition and development of the Fairbanks Commons project by a limited partnership comprised of Chelsea Investment Corporation, Pacific Southwest Community Development Corporation and the tax credit investor;
 - b. Approve an application (and subsequent applications for up to one year, if necessary) to the California Debt Limit Allocation Committee ("CDLAC") for an allocation of authority to issue tax-exempt "private activity bonds" in an amount up to \$46.8 million for Fairbanks Commons;
 - c. Approve the financing team of Orrick Herrington & Sutcliffe LLP as bond counsel and The PFM Group as financial advisor to begin work on the project; and,
2. That the City Council hold a Tax Equity and Fiscal Responsibility Act ("TEFRA") public hearing, and adopt a resolution approving the issuance of tax-exempt bonds in an amount up to \$46.8 million by the Housing Authority for Fairbanks Commons.
3. Authorize the President & Chief Executive Officer ("President & CEO") of the Housing Commission, or designee, to execute all necessary documents, in a form approved by General Counsel and/or Bond Counsel, and to perform such acts as are necessary to implement these approvals.

SUMMARY:

The Project

Fairbanks Commons is a new construction project to be located on Nighthawk Lane between Zaslavsky Place and Camino San Bernardo in Subarea I of the North City Future Urbanizing Area ("NCFUA"), also known as Black Mountain Ranch. Black Mountain Ranch encompasses 5,100 acres and is located west of Rancho Peñasquitos and north of Torrey Highlands. The project is located within close proximity to an

elementary and high school, public park, library, grocery store, and 4S Commons Town Center. See Attachment 1 for a vicinity map.

The project would create a total of 163 affordable multifamily rental units and 2 manager's units. The project will include 23 one-bedroom units, 76 two-bedroom units and 66 three-bedroom units. Chelsea Investment Corporation's development of the apartment complex will partially fulfill the affordable housing requirements for market rate developments by the master developer, Black Mountain Ranch LLC.

Housing Affordability

Under the proposed bond financing, Fairbanks Commons would restrict 10 percent of its units at 50 percent Area Median Income ("AMI") and 90 percent of the units at 60 percent AMI. The minimum term of affordability under the bond program is 15 years; the 4 percent tax credit program requires affordable rents for a period of 30 years. Chelsea Investment Corporation has elected to restrict the project for a 55-year affordability period.

The following are the proposed rents:

Unit Type	AMI	Number of Units	Proposed Restricted Rents (no tenant paid utilities)	Market Rents	Rent Savings per Unit
1 Bedroom	50% AMI	3	\$753	\$1,286	\$533
1 Bedroom	60% AMI	20	\$904	\$1,286	\$382
2 Bedroom	50% AMI	8	\$903	\$1,606	\$703
2 Bedroom	60% AMI	67	\$1,084	\$1,606	\$522
3 Bedroom	50% AMI	7	\$1,044	\$2,104	\$1,060
3 Bedroom	60% AMI	58	1,253	\$2,104	\$851
2 Bedroom	Manager	1	N/A		
3 Bedroom	Manager	1	N/A		
Total		165			

Development Team

During the 15-year tax credit compliance period, the project will be developed and owned by a California limited partnership (a single asset limited partnership) consisting of 1) an affiliate of Chelsea Investment Corporation ("CIC") as the Administrative General Partner; 2) Pacific Southwest Community Development Corporation ("PSCDC") as the Managing General Partner; and 3) Tax Credit Investor Limited Partner.

Since formed in 1984, CIC has financed and developed over 6,500 affordable housing units and has also developed over 2,100 inclusionary housing units in San Diego, Chula Vista, and Carlsbad. CIC provides financial engineering, development, asset management and property management services. CIC will be responsible for development of the project. Emmerson Construction, an affiliate of CIC, will construct the project. CIC Management, Inc. will provide property management of the project.

The Managing General Partner, Pacific Southwest Community Development Corporation, is a non-profit organization that has developed 37 affordable apartments in California and Arizona since 1993. They currently are the managing general partner of over 3,600 units of affordable housing.

Statements for public disclosure for CIC and PSCDC are included as Attachments 2a and 2b.

Selection of the Financing Team Members

Staff recommends assigning The PFM Group as financial advisor and Orrick Herrington & Sutcliffe LLP as bond counsel to work on the project. The proposed financing team members were selected in accordance with the existing policy for the issuance of bonds. Financial advisors and bond counsel are designated on a rotating basis from the firms selected under the program through a competitive Request for Proposal (“RFP”) process.

Proposed Housing Bonds

The San Diego Housing Commission (“Housing Commission”) utilizes the Housing Authority’s tax-exempt borrowing status to pass on lower interest rate financing (and make federal 4 percent 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.

It is anticipated that the project will receive a bond allocation at CDLAC’s November 2012 meeting; however, if necessary, the developer 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 3.

The total development cost of the project is estimated to be approximately \$53 million. Preliminary permanent sources of funding are summarized in the following table:

Proposed Permanent Financing Sources	
Housing Revenue Bonds	\$18,674,000
LIHTC	\$23,187,641
Solar Equity	\$2,496
Black Mountain Ranch Contribution	4,106,655
Master Developer Contribution	\$6,915,096
Deferred Developer Fee	\$3,215
Total	\$52,889,103

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

FISCAL CONSIDERATIONS:

There are no fiscal impacts to the Housing Commission, City, or Housing Authority associated with the requested actions.

Approval of Bond Issuance

Approval of the bond inducement and TEFRA resolutions does not commit the Housing Authority to issue bonds. The bonds would not constitute a debt of the City of San Diego. If bonds are ultimately issued for the project, the bonds will not financially obligate the City, the Housing Authority, or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources. Neither the faith and credit nor the taxing power of the City or the Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission's annual administrative fee, as well as Housing Commission bond counsel and financial advisor fees.

PREVIOUS COUNCIL and/or COMMITTEE ACTIONS:

This item was unanimously approved at the regular Housing Commission meeting of June 8, 2012.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS:

The project is located within the Del Sur Master Planned Community and is subject to administrative review through the Substantial Conformance Review Process. There is no requirement to present Fairbanks Commons to the Rancho Peñasquitos Planning Group. William Dumke, Senior Vice President of Black Mountain Ranch, is a member of the Planning Group and will make an informational presentation at a future date to the Planning Group.

KEY STAKEHOLDERS and PROJECTED IMPACTS:

Stakeholders include Chelsea Investment Corporation, Pacific Southwest Community Development Corporation, Black Mountain Ranch, LLC, and the Black Mountain Ranch community. Development of the property is expected to have a positive impact on the community because it will provide much-needed high quality rental units affordable to low-income families.

ENVIRONMENTAL REVIEW:

Pursuant to provisions of the California Environmental Quality Act "(CEQA)", on May 19, 2009, the City of San Diego City Council approved an Addendum to the previously certified Environmental Impact Report (EIR 97-7902) for this project and determined the project will not have a significant impact on the environment. Processing under the National Environmental Policy Act is not required as no federal funds are involved.

Respectfully submitted,



Ted Miyahara
Real Estate Manager
Real Estate Department

Approved by,

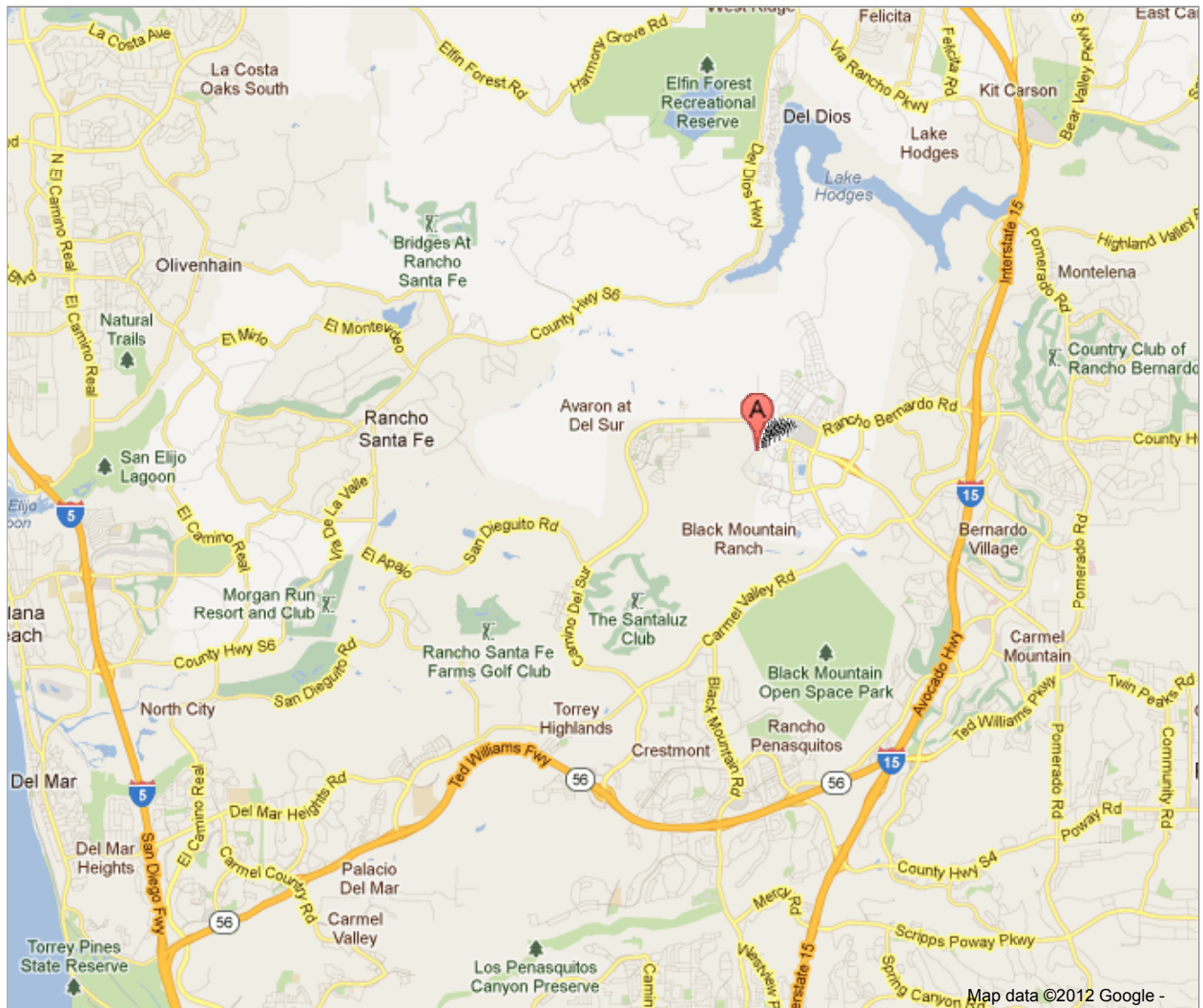


Deborah N. Ruane
Senior Vice President
Real Estate Department

- Attachments:
1. Site Map
 2. Developer Disclosure Statement*

3. Multifamily Bond Program Summary
4. Site Plan
5. Anticipated Schedule of Dates

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



DISCLOSURE STATEMENT: PAGE 1



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

1. Name of developer: **Chelsea Investment Corporation**
2. Address, phone number and ZIP Code: **5993 Avenida Encinas, Suite 101
Carlsbad, CA 92008
Telephone: (760) 456-6000**
3. IRS Number of Developer: **EIN No. 90-0151442**
4. If the developer is not an individual doing business under his own name, the developer has the status indicated below and is organized or operating under the laws of California as:
 - ☒ A corporation
 - ☐ A nonprofit or charitable institution or corporation
 - ☐ S partnership known as: _____
 - ☐ A business association or a joint venture known as _____
 - ☐ A Federal, State or local government or instrumentality thereof.
 - ☐ Other (explain)
5. If the developer is not an individual or a government agency or instrumentality, give date of organization: **Original formation date: July 30, 1986
Restructured: February 23, 2004**
6. Names, addresses, phone numbers, title of position (if any) and nature and extent of the interest of the officers and principal members, shareholders, and investors of the developer, other than a government agency or instrumentality, are set forth as follows:

DISCLOSURE STATEMENT: PAGE 2

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

<u>Name, Address & Zip Code</u>	<u>Phone Number</u>	<u>Title and Percentage of Interest</u>
The Schmid Family Trust dated as of July 22, 1996		100% interest
James J. Schmid 5993 Avenida Encinas, Suite 101 Carlsbad, CA 92008	(760) 456-6000 x104	Co-Trustee
Lynn Harrington Schmid 5993 Avenida Encinas, Suite 101 Carlsbad, CA 92008	(760) 456-6000 x133	Co-Trustee

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

N/A

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

N/A

- d. If the developer is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.

N/A

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

N/A

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

Name, Address & Zip Code Phone Number

DISCLOSURE STATEMENT: PAGE 3

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

N/A

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

N/A

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

None by exclusion of affiliations of less than 1%

10. The financial condition of the developer, as of **December 31, 2011** is reflected in the attached financial statement.
11. If funds for the development are to be obtained from sources other than the developer's own funds, a statement of the developer's plan for financing the development:

BMR II Apartments will be financed from the following sources:

Permanent Loan – “A” Bond	\$16,259,000
LIHTC and Solar Equity	\$16,035,000
Cash Flow Loan – “C” Bond	\$ 3,250,000
Master Developer Contribution	
(FBA Fee Credits)	\$ 5,445,000
Deferred Developer Fee	<u>\$ 1,238,000</u>
	<u>\$42,227,000</u>

DISCLOSURE STATEMENT: PAGE 4

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

a. In banks: **Equity will be funded by tax credit investor**

<u>Name, Address and ZIP Code of Bank</u>	<u>\$ Amount</u>
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b. By loans from affiliated or associated corporations or firms:

N/A

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

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
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None proposed

13. Name and addresses of bank references:

Mr. Paul Shipstead
Vice President
U.S. Bank
4330 La Jolla Village Drive
Suite 200
San Diego, California 92122
Phone: (858) 642-4632
Fax: (619) 515-5948
E-Mail: paul.shipstead@usbank.com

Ms. Catherine M. Niemann
Senior Vice President
Security Business Bank
2701 Loker Avenue West, Suite 150
Carlsbad, California 92008
Phone: (760) 448-8307
Fax: (760) 929-9864
E-Mail: cniemann@securitybusinessbank.com

14. Has the developer or any of the developer'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.

15. Has the developer or anyone referred to above as "principals of the developer" been indicted for or convicted of any felony within the past 20 years? ☐ Yes ☒ No

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

DISCLOSURE STATEMENT: PAGE 5

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

Please refer to Project Sponsor Experience report.

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

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

**Emmerson Construction, Inc.
5993 Avenida Encinas, Suite 101
Carlsbad, CA 92008**

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

- c. Total amount of construction or development work performed by such contractor or builder during the last three years: **\$85,372,441**

General description of such work:

Construction of affordable multifamily and seniors housing projects.

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

<u>Identification of Contract or Development</u>	<u>Location</u>	<u>Amount</u>	<u>Date to be Completed</u>
Estrella del Mercado	1985 National Ave. San Diego, CA 92113	\$13,550,000	11/01/2012
Las Brisas	2001 North 8th Street El Centro, CA 92243	\$10,123,000	10/01/2012

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

<u>Awarding Agency</u>	<u>Amount</u>	<u>Date Opened</u>
N/A		

18. Brief statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor: **Please see attached resume.**

Emmerson Construction, Inc. (ECI) is an affiliate of Chelsea Investment Corporation (CIC). ECI serves as general contractor and/or construction manager only on projects where CIC is an owner. ECI employs a full-time Construction Project Manager and an Office Manager/Contract Administrator, each of whom have several years and many millions of dollars worth of experience. All work is sub-contracted, enabling ECI staff to effectively manage multiple jobs. Depending on workload, some management and administrative functions are occasionally out-sourced to construction management firms.

ECI has served as construction manager on 4 rehabilitation projects and 26 new construction projects that were completed on time and under budget. ECI is currently constructing two new projects. Estrella del Mercado is approximately 23% complete and is on schedule and under budget. The contract value of this project is \$13,550,000. Las Brisas in El Centro, CA is approximately 13% complete and is on schedule and under budget. The contract value of this project is \$10,123,000. ECI also benefits from the experience of CIC, which has overseen the construction on most projects listed in the Project Sponsor Experience summary.

19. Does any member of the governing body of the San Diego Housing Commission, to which the accompanying proposal is being made, or any officer or employee of the San Diego Housing Commission who exercises any functions or responsibilities in connection with the carrying out of the project covered by the developer's proposal, have any direct or indirect personal financial interest in the developer or in the proposed contractor?

☐ Yes ☒ No

If yes, explain.

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

N/A

CERTIFICATION

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

Date: 3/13/2012
Cheri Hoffman
Signature

Title: President

Address & ZIP Code

5993 Avenida Encinas, Suite 101
Carlsbad, CA 92008

ACKNOWLEDGMENT

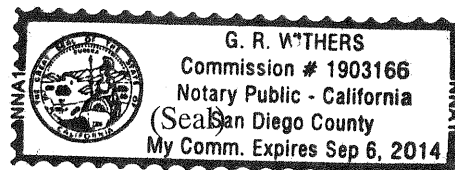
State of California)
)
County of San Diego)

On 3/13, 2012 before me, G. R. Withers, Notary public, personally appeared Cheri Hoffman, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

Witness my hand and official seal.

Signature G. R. Withers
Signature of Notary Public



ATTACHMENT E

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

1. Name of CONTRACTOR: Pacific Southwest Community Development Corporation

2. Address and Zip Code: 16935 W. Bernardo Drive, Ste. 238, San Diego, CA 92127

3. Telephone Number: (858) 675-0506

4. Name of Principal Contact for CONTRACTOR: Robert W. Laing

5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0673939

6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:
 - ☐ A corporation (Attach Articles of Incorporation)
 - ☒ A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status).
 - ☐ A partnership known as: _____
(Name)
Check one
 - ☐ General Partnership (Attach statement of General Partnership)
 - ☐ Limited Partnership (Attach Certificate of Limited Partnership)
 - ☐ A business association or a joint venture known as: _____
(Attach joint venture or business association agreement)
 - ☐ A Federal, State or local government or instrumentality thereof.
 - ☐ Other (explain)

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

December 2, 1993

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: Pls. see attached list of Board Members	
Address:	
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: N/A	
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: N/A	
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: N/A	
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:

Non-Profit Managing General Partner

No funding expected from Non-Profit

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:

Equity Requirements are solely the responsibility of the Administrative General Partner,

~~Chelsea Investment Corporation (or a to-be-formed affiliate).~~

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 (\$)

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

Name, Address and Zip Code	Contact Name
Name: U.S. Bank National Association	Paul Shipstead, Vice President
Address: 4747 Executive Drive, 3rd Floor	
San Diego, CA 92121	
Name: Security Business Bank of San Diego	Catherine M. Niemann, SVP Operations & Cash Mgmt
Address: 5901 Priestly Drive, Suite 160	
Carlsbad, CA 92008	
Name: Rabobank, N.A.	Debi Engelbrecht, Vice President / Relationship Manager
Address: 618 W. Main Street	
Visalia, CA 93291	
Name: Bank of America	Charmaine Atherton, Senior Vice President
Address: 523 West Sixth Street, Suite 826	
Los Angeles, CA 90014	

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.

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.

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
	Not the responsibility of the Non-Profit GP			

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: 21 - 32 Not Applicable (not a construction company)	
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:

- 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			
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

Project Name			
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

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

___ Yes ___ No

If yes, explain.

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

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:

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
None		

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:

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)

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

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
	PSCDC has no loans with the San Diego		
	Housing Commission, Authority and/or		
	City.		

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:

N/A

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:

N/A

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

1. Name: N/A

Address: _____

Phone: _____

Project Name and Description: _____

2. Name: _____

Address: _____

Phone: _____

Project Name and Description: _____

3. Name: _____

Address: _____

Phone: _____

Project Name and Description: _____

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

N/A

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

Name	Experience
N/A	

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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

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

Executed this 8 day of May, 20 12, at San Diego, California.

CONTRACTOR

By:


Signature

Executive Director/President

Title

CERTIFICATION

The CONTRACTOR, Pacific Southwest C D C, 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: *R. L. L...*

Title: Executive Director President

Dated: May 8, 2012

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 *San Diego*

Subscribed and sworn to (or affirmed) before me on this *8th* day of *May*, 20 *12*

by *Robert W. Loring* personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



G. R. Withers
Signature of Notary

DISCLOSE.PUB

ATTACHMENT 3
HOUSING COMMISSION MULTIFAMILY
HOUSING REVENUE BOND PROGRAM
Summary

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

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

Affordability: Minimum requirement is that at least 20 percent of the units are affordable at 50 percent of Area Median Income (AMI). Alternatively, a minimum of 10 percent of the units may be affordable at 50 percent AMI with an additional 30 percent of the units affordable at 60 percent 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.]

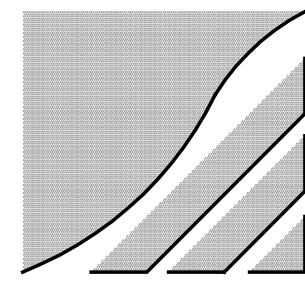
- **Application for Bond Allocation:** The issuance of these “private activity bonds” (bonds for projects owned by private developers, including projects with nonprofit sponsors and for-profit investors) requires an allocation of bond issuing authority from the State of California. To apply for an allocation, 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.



FAIRBANKS COMMONS
Chelsea Development



THE MCKINLEY ASSOC., INC.
05 . 03 . 2012

Fairbanks Commons Proposed Schedule of Dates

San Diego Housing Commission	June 8, 2012
Estimated TEFRA Publication Date	June 18, 2012
San Diego City Council & Housing Authority	July 10, 2012
CDLAC Application	September 14, 2012
San Diego Housing Commission	November 9, 2012
San Diego Housing Authority	December 4, 2012
Estimated Closing	December 14, 2012