

REPORT

DATE ISSUED: April 28, 2016

REPORT NO: HCR16-042

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of May 6, 2016

SUBJECT: Bella Vista Apartments - Preliminary Bond Items

COUNCIL DISTRICT: 4

REQUESTED ACTION

Take the initial steps to issue Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds, which are administered by the State, to facilitate the acquisition, rehabilitation, and preservation of 170 multifamily affordable housing rental units at Bella Vista Apartments, located at 4742 Solola Avenue, San Diego, in the Encanto Community, which will remain affordable for 55 years.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) recommend the Housing Authority of the City of San Diego (Housing Authority) take the following actions, as described in this report:

- 1) Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds, which are administered by the State, for Bella Vista Apartments (Bella Vista), including:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$23,300,000 in tax-exempt Multifamily Housing Revenue Bonds for acquisition and rehabilitation of Bella Vista by Bella Vista Affordable Communities L.P., (BVAC) a California limited partnership;
 - b. 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 Multifamily Housing Revenue Bonds, administered by the State, in an amount of up to \$23,300,000 for Bella Vista;
 - c. Approve a bond financing team of Stradling, Yocca, Carlson & Rauth as bond counsel, and CSG Advisors as bond financial advisor;
 - d. Request that the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt a resolution approving the Housing Authority's issuance of tax-exempt bonds for Bella Vista;
 - e. Final issuance of the tax-exempt Multifamily Housing Revenue Bonds will require Housing Commission and Housing Authority final approval at a later date;
- 2) Authorize the Housing Commission's President & Chief Executive Officer (President & CEO), or his designee:
 - a. To execute any and all documents and instruments, as approved by the President & CEO, General Counsel, and bond counsel, and to authorize the President & CEO to perform such acts as are necessary, convenient and/or appropriate to implement the approvals upon advice of the General Counsel; and

- b. To adjust terms/conditions as necessary for consistency with requirements of third-party funding sources or to accommodate market changes that may occur after this report but before close of escrow.

SUMMARY

A development summary is included as Attachment 1.

Table 1 - Development Details

Address	4742 Solola Avenue
Council District	4
Community Plan Area	Southeastern San Diego Community Planning Group
Development Type	Acquisition with Rehabilitation
Construction Type	Type V (wood frame, stucco exterior)
Parking Type	Surface Parking (230 parking spaces)
Housing Type	Multifamily
Lot Size	8.58 acres, 373,745 square feet
Units	170
Density	19.81 dwelling units per acre (170 units÷8.58 acres=19.81 du)
Unit Mix	52 One-Bedroom Units, 94 Two-Bedroom Units, and 24 Three-Bedroom Units
Gross Building Area	137,756 Square Feet
Net Rentable Area	135,506 Square Feet

Bella Vista is a proposed acquisition and rehabilitation of 170 existing apartment units. It is located at 4742 Solola Avenue, San Diego (Attachment 2 Site Maps).

Project History

On October 12, 2001, the Housing Commission approved HCR01-110 (Attachment 3), a \$1,000,000 residual receipts loan to Logan Square Housing Partners L.P., and authorized issuance of \$10,500,000 of tax-exempt Multifamily Housing Revenue Bonds for the acquisition and rehabilitation of Bella Vista (formerly known as Logan Square Apartments). On October 9, 2002, the California Tax Credit Allocation Committee (CTCAC) recorded affordability restrictions on the property. The developer also obtained from the U.S. Department of Housing and Urban Development (HUD) a Project-Based Section 8 Housing Assistance Payments Contract (HUD/HAP Contract) for 144 of the 170 units. The HUD/HAP Contract was renewed in 2009 and will run until 2027. The property is owned by Logan Square Housing Partners L.P. The property was previously rehabilitated in 2002; however, some property features are nearing the end of their useful life and will be addressed as part of the proposed new rehabilitation.

Developer's Request

The developer is requesting Housing Authority issuance of up to \$23,300,000 of tax-exempt Multifamily Housing Revenue Bonds, which are administered by the State, for the proposed acquisition and rehabilitation. The proposed new financing includes a deferred developer fee as well as payoff of the existing Housing Commission loan. No additional Housing Commission loan funds are requested.

The Development

Constructed in 1971, Bella Vista consists of 34 two-story buildings, four utility structures, three laundry rooms, and one rental office/community room on approximately 8.58 acres (373,745 square feet). Bella Vista has 52 one-bedroom/one-bathroom units (629 square feet), 94 two-bedroom/one-bathroom units, (825 square feet), and 24 three-bedroom/two-bathroom units, (1,007 to 1,115 square feet), including one manager's unit. There are 230 surface parking spaces. Site amenities include a tot-lot/playground, clubhouse/meeting room, on-site laundry, security perimeter fencing, security cameras near management office and laundry rooms, walk-in closets for some two-bedroom units, and tenant services (including adult computer lab and children's after school program). Unit amenities include a refrigerator, range, garbage disposal, window coverings, and patios for some units.

Bella Vista is located immediately east of Interstate 805 (I-805) and south of Logan Avenue. To the north and south are single-family residences, to the east are single-family residences and Knox Middle School, and to the west is 47th Street and I805. Public transportation includes buses on 47th Street and Logan Avenue. The Orange Line trolley 47th Street station is approximately one mile to the north. Nearby are major highway access points, a sports park complex, and the Educational Cultural Complex, which provides job training. Bella Vista's April 2016 rent roll shows two vacant units out of 170 (approximately 1 percent vacancy).

Prevailing Wages

Prevailing wages are not applicable to the proposed rehabilitation because no Federal or State funds will be used.

Project Sustainability

Bella Vista will be rehabilitated to comply with TCAC guidelines for construction standards. Energy saving features will include: Energy Star rated appliances, cool roofs, Title 24 compliant dual pane windows, Title 24 compliant fixtures such as energy efficient lighting, improved Seasonal Energy Efficiency Ratio HVAC, and high efficiency water heaters. Water conservation will be promoted with low-flow water fixtures, and modification of existing irrigation system with weather sensor controllers.

Relocation

The developer does not anticipate any permanent relocation of tenants. However, rehabilitation work may require temporary relocation. The developer has budgeted \$200,000 for possible temporary relocation. The developer has extensive experience in implementing temporary relocation.

Property Management

The project will be managed by Logan Property Management Inc. (Logan Property). Logan Property is the current manager of Bella Vista. Founded in 2004, Logan Property manages more than 2,551 units in California, Colorado, and New Mexico, (including 704 units in San Diego County). Logan Property's corporate headquarters is in San Diego.

Development Team

Logan Square Housing Partners L.P. is the seller. BVAC is the proposed buyer/owner. Attachment 4 provides the proposed buyer's organization chart. Bella Vista Communities LLC (BVC) is the Administrative General Partner. The BVC ownership team includes Islas Development LLC, a California limited liability company; Finco Development Inc., a Nevada corporation; and Suffolk

Development LLC, a California limited liability company. The nonprofit Casa Familiar will be the Managing General Partner of BVAC. WNC & Associates will be the tax credit investor. Islas Development LLC has developed more than 3,400 low-income multifamily housing units in California, New Mexico and Colorado. Islas Development LLC also is a partner in Logan Property Management Inc., which manages and asset manages low-income multifamily units utilizing HUD and tax credit programs. There is previous satisfactory experience with this developer utilizing Housing Commission loans for affordable housing developments.

Based upon the developer's past experience and past performance, staff has determined that the developer has the requisite capacity to successfully complete the proposed Bella Vista project.

Table 2 - Development Team Summary

<u>ROLE/FIRM</u>
Proposed new owner - Bella Vista Affordable Communities L.P.
Developer - Islas Development LLC.
Construction Manager - Jeremy Turner
General Contractor – Phase 3 Construction Inc. (an affiliated entity owned by Ruben Islas [40% owner], Jules Arthur [40% owner], and Jeremy Turner [20% owner]).
Property Manager – Logan Property Management Inc. (an affiliated entity)
Tenant Services Provider – Casa Familiar.
Construction Lender (Multifamily Housing Revenue Bonds issue) - Hunt Capital utilizing a Fannie Mae private placement.
Tax Credit Investor - WNC Inc.

FINANCING STRUCTURE

The acquisition and rehabilitation of Bella Vista has an estimated total development cost of \$46,003,150 (\$270,607 per unit for 170 units). The developer proposes to finance the project through the use of tax-exempt Multifamily Housing Revenue Bonds issued by the Housing Authority and which are administered by the State, 4 percent tax credits, a seller carryback loan, and deferral of the developer fee.

Payoff of Housing Commission's Existing Loan

The proposal includes payoff of Logan Square Housing Partners LP's existing Housing Commission residual receipts loan currently estimated at \$968,318, plus accrued interest to the payoff date.

Proposed Bond Financing

The 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 CDLAC application submittal, and a City Council TEFRA resolution must be secured no later than five calendar days prior to the first public posting of the CDLAC Committee recommendations. These actions do not obligate the Housing Authority to issue bonds.

The developer plans to submit a bond application to CDLAC on May 20, 2016, and to receive a bond allocation at CDLAC's July 20, 2016 meeting. If necessary, staff will submit additional applications to

CDLAC to secure a bond allocation for the project. A general description of the Multifamily Housing Revenue Bond and a summary of the actions that must be taken by the Housing Authority and City Council to initiate and finalize proposed financings are described in Attachment 5.

Bella Vista will be seeking a \$23,300,000 CDLAC allocation, which is approximately five percent higher than the amount for which the project is currently being underwritten (\$22,150,000). This increased amount represents a cushion to account for possible increases in the bond amount due to increases in construction costs, decreases in the assumed interest rate, or the loss of other planned funding sources. The bond amount that is ultimately issued will be based upon project costs, revenues, and interest rates at the time of bond issuance. Housing Commission staff will return to the Housing Authority for approval of the final bond amount.

The proposed bonds will meet all the requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy. Housing Commission staff will also work with the City to ensure that the bond issuance fully complies with the City's ordinance on bond disclosure. There are no fiscal impacts, associated with the requested bond actions, to the Housing Commission, the City of San Diego, or the Housing Authority. Approval of the bond inducement and TEFRA resolutions do not commit the Housing Authority to issue bonds. The bonds will 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 nor 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, nor the faith and credit of the Housing Authority will 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 0.0025 bond amount issuer fee (estimated at \$58,250 with a \$23,300,000 bond issue) and the Housing Commission's annual bond administrative fee (estimated at \$58,250) with an estimated \$23,300,000 outstanding bonds amount at permanent financing conversion.

Staff recommends assigning Stradling, Yocca, Carlson & Rauth as bond counsel, and CSG Advisors as bond financial advisor. The proposed financing team members have been selected in accordance with the existing Housing Commission 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 Proposals process.

Development Cost

The estimated total development cost (TDC), estimated sources, and estimated uses of funds are detailed in the pro forma attached to this report (Attachment 6) and are summarized in Tables 3A and 3B below.

Table 3A – Bella Vista Estimated Sources of Financing (Permanent)

Permanent Financing Sources	Amounts	Per Unit
Permanent Loan (tax exempt Multifamily Housing Revenue Bonds)	\$22,150,000	\$130,294
Seller Carryback Loan	776,200	4,566
Deferred Developer Fee	5,632,217	33,131
4 Percent Tax Credits	17,444,733	102,616
Total Development Cost	\$46,003,150	\$270,607

Table 3B – Bella Vista Estimated Uses (Permanent)

Estimated Financing Uses	Amounts	Per Unit
Acquisition Cost	\$28,600,000	\$168,235
Hard Costs (including Hard Costs Contingency)	8,770,116	51,589
Financing Costs	1,619,679	9,528
Soft Costs	823,500	4,844
Operating Reserves (3 months stabilized)	557,638	3,280
Developer Fee	5,632,217	33,131
Estimated Total Development Cost (TDC) 170 Units	\$46,003,150	\$270,607

Development Cost Key Performance Indicators

Housing Commission staff has identified development cost performance indicators, which were used to evaluate the proposed development. The key performance indicators listed in Table 4 are commonly used by real estate industry professionals and affordable housing developers.

Table 4 - Key Performance Indicators

Development Cost Per Unit	$\$46,003,150 \div 170 \text{ units} =$	\$270,607
Housing Commission Subsidy Per Unit	$\$0 \div 170 \text{ units} =$	0
Acquisition Cost Per Unit	$\$28,600,000 \div 170 \text{ units} =$	\$168,235
Gross Building Square Foot Hard Cost	$\$8,770,116 \div 137,756 \text{ sq. ft.} =$	\$64
Net Rentable Square Foot Hard Cost	$\$8,770,116 \div 135,506 \text{ sq. ft.} =$	\$65

Project Comparison Chart

There are multiple factors and variables that influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City fees, developer experience and capacity, and the mission and goals of the organization developing the project. Various similar developments (completed or approved) over the previous four years) are listed in Table 5 and are provided to compare against this development.

Table 5 - Comparable Rehabilitation Projects with Tax-Exempt Bonds

Project Name	Year	Construction Type	Units	Total Development Cost	Cost Per Unit	* SDHC Subsidy Per Unit	Rehab Cost	Rehab Cost Per Unit
Subject: Bella Vista	2016	V	170	\$46,003,150	\$270,607	\$0	\$8,770,116	\$51,589
Vista La Rosa	2016	V	240	\$78,954,250	\$328,976	\$0	\$11,384,928	\$47,437
Mayberry Townhomes	2015	V	70	\$16,088,677	\$229,838	\$12,965	\$2,800,000	\$40,000
City Heights 10	2013	V	132	\$16,693,873	\$126,469	\$47,561	\$3,669,268	\$27,797
Knox Glen	2012	V	54	\$10,193,542	\$188,769	\$48,491	\$2,618,500	\$48,491

* The Housing Commission “subsidy per unit” amount is the extended loan; it does not include the project’s bonds amount.

Developer Fee

The Housing Commission does not currently impose developer fee limits on projects with no Housing Commission financing. The CTCAC changed their developer fee structure on October 21, 2015. Previous regulations capped developer fee to a maximum of \$2,500,000. Current regulations allow acquisition with rehabilitation projects to use the following developer fees calculation:

- 1) 15 percent of the unadjusted eligible construction-related basis, and
- 2) 5 percent of the unadjusted eligible acquisition basis.
- 3) For developer fees in excess of \$2,500,000, \$10,000 for each tax credit unit over 100 must be deferred or contributed as equity to the project.

CTCAC defines eligible basis as the total amount of development costs that generate Internal Revenue Code Section 42 tax credits and may include most construction hard costs and some depreciable soft costs attributable to residential costs of acquiring and developing the project.

Bella Vista is eligible for a CTCAC maximum developer fee equivalent to \$5,632,217. The Bella Vista developer is proposing a \$5,632,217 developer fee with the entire amount deferred.

Purchase Price and Appraisal

The developer is in the process of obtaining an appraisal, but it is not currently available. The owner, Logan Square Housing Partners L.P., is proposing to sell the property to BVAC, for \$28,600,000.

Building Conditions/Proposed Rehabilitation Work

Bella Vista is proposing to spend \$8,770,116 (\$51,589 per unit) on the proposed rehabilitation. The developer's proposed rehabilitation scope of work is described in Attachment 7.

Estimated Timeline

In order to preserve certain financing benefits from expiring 2015 Difficult Development Area (DDA) and Qualified Census Tract (QCT), CDLAC is requiring applications be submitted by June 14, 2016.

The estimated development timeline is as follows:

Milestones	Estimated Dates
• Applications: TCAC tax credit & CDLAC bonds allocation	• May 20, 2016
• Housing Authority for proposed preliminary consideration	• May 24, 2016
• City Council IRS-required TEFRA hearing	• May 24, 2016
• TCAC and CDLAC allocation meetings	• July 20, 2016
• Housing Commission proposed final bond/note authorization	• September 9, 2016
• Housing Authority proposed final bond/note authorization	• September 27, 2016
• Estimated bond/note issuance and escrow closing	• Late 2016
• Estimated start of construction work	• Late 2016
• Estimated completion of construction work	• Late 2017

AFFORDABLE HOUSING IMPACT

The proposed actions will preserve and extend affordability for 170 units and improve the living conditions for the tenants. The CTCAC tax credit rent and occupancy restrictions will be recorded against the property for 55 years from rehabilitation completion, which is an additional 15 years beyond the current restrictions period. The units will be affordable to tenants with incomes at Area Median Income (AMI) levels ranging from 50 percent of AMI (\$40,500 per year for a family of four) to 60 percent of AMI (\$48,600 annually for a family of four).

Table 6 –Bella Vista Affordability & Monthly Estimated Rent Table *

Affordability Mix	One Bdrm/1 Ba Units (629 sq. feet)		Two Bdrm/1Ba Units (825 sq. feet)		Three Bdm/1 Ba (Flats) (1007 sq. ft.)		Three Bdrm/2 Ba (Townhomes) (1,115 sq. feet)		Total
	Units	Estimated Net Rent	Units	Estimated Net Rent	Units	Estimated Net Rent	Units	Estimated Net Rent	
HUD HAP Section 8 units:									
50% AMI units (Section 8)	5	\$1,017	10	\$1,246	1	\$1,526	1	\$1,551	17
60% AMI units (Section 8)	42	\$1,017	66	\$1,246	10	\$1,526	8	\$1,551	126
Subtotal Section 8 units **	47	--	76	--	11	--	9	--	143
Non Section 8 units:									
50% AMI units	0	--	0	--	0	--	0	--	0
60% AMI units	5	\$857	18	\$1,029	3	\$1,142	0	--	26
Subtotal Non Section 8 units	5	--	18	--	3	--	0	--	26
Manager's unit	--	--	--	--	--	--	1	--	1
Combined Total Units	52		94		14		10	--	170

* Estimated net rents after utilities allowance deduction.

** Project-based Section 8 tenants' rent portion is 30 percent of gross income minus allowances.

FISCAL CONSIDERATIONS

No Housing Commission financing is proposed with this report's actions. The funding sources and uses proposed for approval are included in the Housing Commission's Fiscal Year (FY) 2016 Budget.

Approving these proposed actions will not change the FY 2016 total budget.

Funding sources approved by this action will be as follows:

Estimated bonds issuance fees - \$58,250.

Funding uses approved by this action will be as follows:

Estimated Rental Housing Finance Program administration costs - \$58,250.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

On March 21, 2016, the Encanto Neighborhoods Community Planning Group voted in support of the project: 10 in favor with one abstention.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders for this project include the residents of Bella Vista, Logan Square Housing Partners, L.P. as the development's current owner/seller, the proposed buyer BVAC, the neighborhood of Encanto, and the Housing Authority as the proposed bonds issuer. The property rehabilitation is expected to have a positive impact on the community because it will preserve and improve existing affordable housing.

ENVIRONMENTAL REVIEW

The proposed rehabilitation is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15301 of the State CEQA Guidelines because Bella Vista is an existing facility and the proposed actions do not involve expansion of the existing use. The project meets the criteria set forth in CEQA Section 15301(a), which allows for exterior and interior alterations of existing facilities. Processing under the National Environmental Policy Act is not required as there are no federal funds involved in this action.

STATEMENT for PUBLIC DISCLOSURE

Statements for Public Disclosure is Attachment 8.

Respectfully submitted,

J. P. Correia

J.P. Correia
Real Estate Manager
Real Estate Division

Approved by,

Deborah N. Ruane

Deborah N. Ruane
Senior Vice President
Real Estate Division

Attachments:

- 1) Development Summary
- 2) Site Maps
- 3) HCR01-110
- 4) Organization Chart
- 5) Multifamily Housing Revenue Bond Program Summary
- 6) Project Proforma
- 7) Rehabilitation Scope of Work
- 8) Developer Disclosure Statements
 - a) BVAC
 - b) Islas Development LLC
 - c) Bella Vista Communities LLC
 - d) Casa Familiar Inc.

Hard copies are available for review during business hours at the security information desk 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

ATTACHMENT 1 – DEVELOPMENT SUMMARY

Table 1 - Development Details

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Estimated Total Development Cost (TDC) 28 Units	\$46,003,150	\$270,607

Table 4 - Key Performance Indicators

Development Cost Per Unit	$\$46,003,150 \div 170 \text{ units} =$	\$270,607
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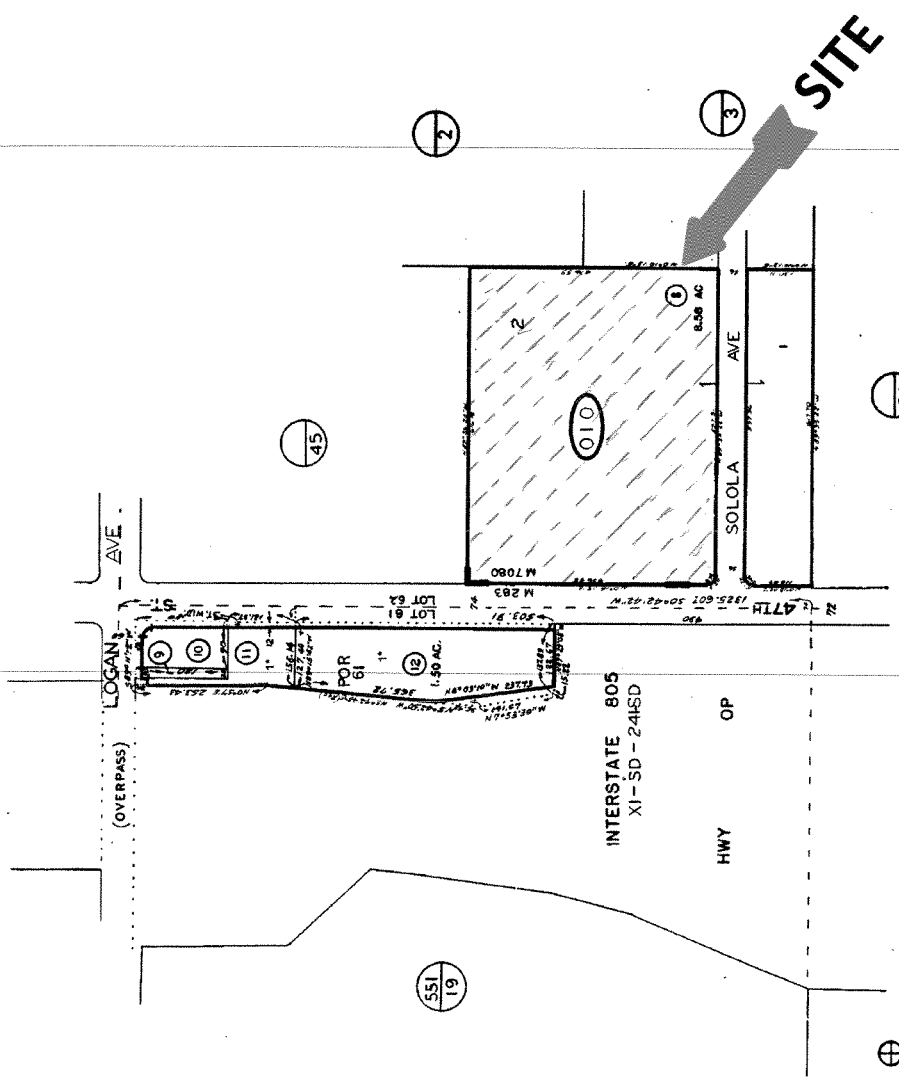
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Table 6 -Bella Vista Affordability & Monthly Estimated Rent Table *

Affordability Mix	One Bdrm/1 Ba Units (629 sq. feet)		Two Bdrm/1Ba Units (825 sq. feet)		Three Bdrm/1 Ba (Flats) (1007 sq. ft.)		Three Bdrm/2 Ba (Townhomes) (1,115 sq. feet)		
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Subtotal Section 8 units **	47	--	76	--	11	--	9	--	143
Non Section 8 units:									
50% AMI units	0	--	0	--	0	--	0	--	0
60% AMI units	5	\$857	18	\$1,029	3	\$1,142	0	--	26
Subtotal Non Section 8 units	5	--	18	--	3	--	0	--	26
Manager's unit	--	--	--	--	--	--	1	--	1
Combined Total Units	52		94		14		10	--	170

* Estimated net rents after utilities allowance deduction.

** Project-based Section 8 tenants' rent portion is 30 percent of gross income minus allowances.



THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.

SAN DIEGO COUNTY
ASSESSOR'S MAP
BOOK 282 PAGE 01... MAPPED FOR ASSESSMENT PURPOSES ONLY

ATTACHMENT 2 - SITE MAP

CHANGES		BLK OLD NEW/CUT	
44.5	8	73	44.55
53.00	9-12	76	18.651
3	7.10	77	44.012
9.10	5.00	78	44.000
3	14.4	80	7.0
6.17	1.13	97	92

1" CTRL #6888
TBM
PTS 79068

MAP 7080-LOGAN SQUARE GARDENS NO 1
MAP 283-HORTONS PURCHASE

This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

This is a detailed street map of the area around 4742 Solola Ave in National City, CA. The map shows major highways like I-805, I-15, and I-5, as well as local streets such as Imperial Ave, Market St, and Division St. A red pin marks the location of 4742 Solola Ave. Surrounding areas include Chollas View, Mountain View, Shelltown, and Valencia Park.

ATTACHMENT 3 – HCR 01-110



Good Neighbors

San Diego
Housing Commission

- 1625 Newton Avenue
- San Diego, California 92113-1038
- 619/231 9400
- FAX: 619/544 9193

REPORT

DATE: For the Agenda of October 12, 2001

ITEM 105

REPORT NO: HCR01-110

SUBJECT: Loan and Final Authorization to Issue Multifamily Housing Revenue Bonds for Logan Square Apartments (Council District 4)

SUMMARY

Issue: Should the Housing Commission recommend that the Housing Authority approve a loan and take the final steps to issue tax-exempt housing revenue Bonds to Logan Square Housing Partners, LP for the acquisition and rehabilitation of a 170-unit property located at 4742 Solola Avenue in Council District 4?

Recommendation: That the Housing Commission recommend that the Housing Authority:

- (a) approve a Housing Commission 31-year, 3% residual receipts loan of up to \$1,000,000 amortized over 55 years and secured by a second trust deed, subject to the Housing Commission's Chief Executive Officer's approval; and,
- (b) authorize the issuance of up to \$10,500,000 in tax-exempt housing revenue Bonds; and,
- (c) enter into an "Interest Reduction Payments" contract with the project owner, the Department of Housing and Urban Development, and the first position lender to secure additional project income by serving as the "Public Agency" and undertaking administrative duties required by that contract with respect to this project, subject to the Executive Director's approval; and,
- (d) authorize the Executive Director of the Housing Authority or the Chief of Staff of the Housing Commission, or their designee, to execute all documents necessary to facilitate the project's financing, subject to the approvals of General Council for the Housing Authority and Housing Commission.



A state agency authorized by the City of San Diego

Fiscal Impact: Approval of the loan would result in the expenditure of up to \$1,000,000 in HOME Program and Housing Trust Funds. Issuance and sale of the Bonds would not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the Bonds would be limited to specific private revenue sources. All costs of the financing, including compensation for staff efforts in preparing the Bonds would be borne by the developer. The Housing Commission's origination fee as well as the annual administrative fee under the financing would be up to \$24,150 (0.23 percent of the total bond amount).

Logan Square Housing Partners, LP will be required to cover the Authority's costs for administering the IRP contract. Additionally, the IRP will enhance the project's cash flow, which, in turn, will accelerate the borrower's repayment of the Commission's loan.

Home Program Compliance: An acquisition and rehabilitation loan is an eligible activity under HOME rules. Of the 170 units, 11 would be HOME funded and subject to HOME rent restrictions. The designated HOME units would consist of (6) two-bedroom units and (5) three-bedroom units. The lower of the HOME "Low Income" or the Housing Commission's "Very Low Income" rents would apply to these units. Housing Commission rent restrictions would apply to the remaining units.

Affordable Housing Impact: Approval of the recommendation will provide 170 units affordable to families earning no more than 60 per cent of the area median income. Seventeen (10%) of the apartments will be restricted for occupancy by families earning no greater than 50% MAI.

Environmental Review: An Environmental Review Request has been submitted to the City's Environmental Analysis Section. It is typically determined that such a proposed project is exempt from review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, and under the National Environmental Policy Act (NEPA) pursuant to 24CFR58, Section 58.34(a).

Community Planning Group Review: The project was presented to the Encanto Neighborhoods Community Planning Group on May 21, 2001, and at their Special Meeting of June 18, 2001 where it was approved.

Previous Related Actions: On May 11, 2001, the Housing Commission recommended Housing Authority approval of the Bond inducement Resolution and the City Council's approval of the tax-exempt financing through a public hearing -- known as a TEFRA hearing -Tax Equity and Fiscal Responsibility Act -- (Report No. HCR99-061). The Housing Authority and City Council convened on May 29, 2001, and approved the Housing Commission's recommendations (Housing Authority Resolution Number R-1098 and City Council Resolution Number R-294945).

Future Related Action(s): Final approval to issue the Bonds and provide the loan will be sought at the Housing Authority meeting of October 30, 2001.

BACKGROUND

On May 11, 2001, the Housing Commission recommended that the Housing Authority take the initial steps to issue Bonds for Logan Square Apartments. At the Housing Authority's meeting on May 29, 2001, the Housing Commission's recommendation was approved.

On May 31, 2001, the Housing Authority, on behalf of the developer, submitted an application to the California Debt Limit Allocation Committee (CDLAC) for a Bond allocation in the amount of \$10,500,000. On August 22, 2001, CDLAC awarded the requested allocation to the project. The project's Bond allocation will automatically revert to CDLAC unless the Bonds are issued by November 20, 2001.

Logan Square Housing Partners, LP subsequently submitted an application for a \$1,000,000 loan under the Housing Commission's Notice of Funding Availability For The Construction, Acquisition And Operation of Affordable Rental Housing. On October 2, 2001, The San Diego Housing Commission Loan Committee recommended that the Housing Commission recommend approval of this loan.

A general description of the Housing Commission's Multifamily Bond Program and actions that must be taken by the Housing Authority and by the City Council to initiate and finalize the proposed financings are described in Attachment 1.

DISCUSSION

The Borrower

Avalon Communities, LLC is a development company that seeks to provide affordable housing throughout the western United States. Leo Puig, a co-founder of the firm, heads Avalon. Since its inception in 1997, Avalon has developed six properties totaling 511 units. This includes two properties in San Diego County – 122 units in San Diego (Island Gardens Apartments, acquired in September 2000) and 120 units in El Cajon – that received similar financing as proposed for the subject development. All of Avalon's properties have been acquired and rehabilitated with public agency low-interest loans and grants, private institution loans, tax credits and bonds. The Developer's Statement for Public Disclosure is included as Attachment 2. The developer, Avalon, and its nonprofit partner, Historic San Diego Community Development Corporation, will act as co-managing general partners of Logan Square Housing Partners, LP. (A profile of the non-profit managing general partner is included at Attachment 3). Alliant Capital, the tax credit investor will comprise the limited partner.

It is the developer's intention to hire a still-to-be identified general contractor for the performance of the rehabilitation work. A private management company will perform property management with oversight provided by the local non-profit partner. These entities would be subject to Housing Commission approval.

Preservation of an At-Risk Assisted Housing Project

The current property owner had entered into a Section 236 Program Contract with HUD. Under the terms of the original contract, the owner agreed to complete the original construction of the property in accordance HUD standards. Additionally, the owner agreed to rent 144 units to eligible lower income families whose rent payments would be subsidized by the Section 8 program. The project is now at point where the owner has the option of terminating its participation in this rental assistance contract. If the owner elects to exercise this option, the subsidy to the project and accompanying use restrictions will be terminated. Units may be converted to market-rate units; this would reduce the local affordable housing inventory. For this reason, this project is listed in Group 1 of the City of San Diego Housing Element's List of At-Risk Assisted Housing Projects.

The Section 236 Program provided private developers with loans that were subsidized by interest reduction payments (IRPs). While the nominal interest rate on these loans would reflect the market rate (e.g., 7%), the sponsors of projects financed by these loans paid a reduced rate of interest (e.g., 1%). HUD subsidized the interest through the IRPs.

Although the proposed financing would pay off the Section 236 debt, the developer may be able to maintain the IRPs through its expiration date (January, 2013) in exchange for adhering to the existing Section 8 Housing Assistance Payment (HAP) contract by continuing to allow for 144 of the current families, earning less than 50% MAI, to pay not more than 30% of their income for rent with HUD subsidizing the difference in rental payments to the owner. The project is being underwritten without consideration of the IRP income, which, if acquired, would be retained as cashflow to the project.

The developer has requested that the Housing Authority participate in the IRP contract with the project owner, the Department of Housing and Urban Development, and the first position lender, and serve as the "Public Agency" to administer the contract. The administrative services entail supervision of the performance of the parties to the IRP contract and notification to HUD of any violations to the contract. The Authority would require the developer to cover its costs for providing these services.

Maintaining the IRP may allow the project to accelerate the payoff of the Commission's loan. Prior to release of the Commission's loan, Commission staff will conduct an analysis to determine whether a reduction in the Commission's loan is warranted due to this additional source of project income. At a minimum, 50% of the enhanced cashflow

will be used to accelerate repayment of the Commission's loan. The Chief Executive Officer of the Housing Commission will approve the Commission's final loan amount prior to the release of those funds.

Also, if, and, to the extent that, HUD will pay, and require the developer to collect, HAP contract rents that are in excess of the lowest rents allowed by other participating programs (Housing Commission, Home, and Tax Credits), the developer will use this additional source of project income to provide enhanced social services to the project. However, under no circumstances will tenants in restricted units be required to pay more than 30% of their income for rent. Should this enhanced project cashflow materialize, repayment of the Commission's loan will be accelerated.

The Property

The 170-unit Logan Square Apartment complex was built in 1971. In recent years, the property has been marred by criminal activity, deferred maintenance, and a strong need for rehabilitation and updating. This property is located in the Lincoln Park area of San Diego. It is situated within a residential area with close proximity to I-805 to the west. The area is best described as "in transition" as much effort has taken place to improve the area. The rehabilitation of this project will play a pivotal role in the improvement of the neighborhood. A project location map is included as Attachment 4.

The property offers plenty of open space, recreation facilities, laundry facilities, and ample parking. Working closely with its co-managing general partner (Historic San Diego Community Development Corporation), Avalon would provide after-school programs, computer labs, and job placement assistance for the tenants. The non-profit partner would also work closely with tenants to further ensure that their needs are being met.

Rent and Income Restrictions

The composition of the 170 units is: 52 one bedroom/one bathroom units; 94 two bedroom/two bathroom units; and 24 three bedroom/two bathroom units. Affordability will range from 50% (\$28,450 for a family of four) to 60% (\$34,140 for a family of four) of area median income per the distribution in the chart below. The affordability restrictions will remain in place for 55 years.

Type	Sq. Ft.	Number of Units	Restricted Rent (net of utility allowance)	Market Rate	Savings
1br@50%	600	5	\$569	\$625	\$56
1br@60%	600	47	\$625*	\$625	-
2br@50%	795	10	\$640	\$765	\$125

2br@60%	795	84	\$765*	\$765	-
3br@50%	990	5	\$711	\$910	\$199
3br@60%	990	9	\$854	\$910	\$56
3br@60%	1,000	10	\$854	\$910	\$56
Total Units		170			

* In the event that the 50% or 60% restricted rents (for any unit type) exceed the market rate, the developer will be required to charge an amount equal to or lower than the market rate.

Currently, there exists a HAP contract between HUD and the owner. Upon purchase of the property, Logan Square Housing Partners, LP will assume the HAP contract. Also, if, and to the extent that, HUD will pay, and require the developer to collect, HAP contract rents that are in excess of the lowest rents allowed by other participating programs (Housing Commission, Home, and Tax Credits), the developer will use this additional source of project income to provide enhanced social services to the project. However, under no circumstances will tenants in restricted units be required to pay more than 30% of their income for rent.

Rehabilitation Needs

The complex has three laundry and four water heater room locations and two separate playgrounds. Some areas of the site are exhibiting slope erosion and drainage problems. There are 14 mature trees that have been planted in close proximity to building foundations and/or sidewalks that will require removal in order to abate uplifting and cracked concrete sidewalks and possible damage to building foundations.

In addition to all needed health and safety rehabilitation requirements, the proposed improvements will include added security features as recommended by the San Diego Police Department's Neighborhood Policing program, new flooring, appliances, window coverings, new paint, updated electrical systems, plumbing, heating system repairs and cabinetry as needed, any necessary noise attenuation measures to meet federal requirements, and a modernized community recreation room. It is also proposed to retrofit each building lacking a water heater with an independent water heating system, enclosure and circulating pump. Most of the buildings share hot water that is provided by eight 100-gallon water heaters situated at four separate locations.

The cost to rehabilitate this complex has been budgeted by the developer to be \$2,380,000, or \$14,000 per unit. This budget value is appropriate based on review by staff and the developer's proposed improvements. It includes a contingency budget that has been developed to fund the requirements of the funding sources and lending agencies.

The operating budget includes funds to pay for repairs and replacements anticipated to be needed within the next five, ten, and fifteen years.

Property Value

The acquisition price is \$9.5 million. The seller of the property is Logan Square Gardens Company, a Limited Partnership represented by Michael D. Colt of Roar Company, the General Partner based in Dallas, Texas.

According to the MAI Appraisal, the "as-is" value is \$9,050,000 and the "after rehab" value is \$10,510,000. Although the acquisition price is higher than the "as-is" value, no Commission funds will be used towards acquisition. Commission funds will only be utilized at rehabilitation completion. Nevertheless, the Commission will require that the deferred developer's fee be subordinate to the Commission loan.

Relocation

The applicant is discussing the project with a relocation consultant to determine if a relocation plan is appropriate. The plan would include relocation of any affected and eligible residents within the existing project. At the time of this report distribution, the actual number of households that may require permanent relocation assistance was not known. However, the developer understands that it is its responsibility to use proceeds from its development fees to pay for any additional relocation costs not currently budgeted. Commission funds will only be utilized at rehabilitation completion. This will be at a point when all relocation expenses will have been paid.

The Funding Request

The total development costs for the project is estimated to be \$15,769,214. The first position funding will be tax-exempt permanent bond financing in the amount of \$9,800,000 utilizing Federal National Mortgage Association ("Fannie Mae") credit enhancement. Total loans against the property would be \$10,800,000. It additionally assumes a 4% tax credit issued by the California Tax Credit Allocation Committee (CTCAC) in the approximate amount of \$4,141,166. The developer will provide \$828,048 in deferred fees.

The 3% interest, \$1,000,000 Commission loan will be amortized over 55 years and secured by a second trust deed against the property. The Commission loan will be due one year following the payoff of the first position loan (a 30-year loan). Until year 2016, the payment of the Housing Commission's debt will be the lesser of the amortized payment or 50 percent of the cash flow following payment of the first position note debt payments and operating expenses of the property. The minimum annual payment will be \$49,043, which is equal to half of the estimated residual receipts at year one (subject to the acceptance by the primary lender and its lending requirements.) Beginning in the year 2016, in the event that there have been any shortfalls in payments not made up in

the preceding years, the Housing Commission loan would be re-amortized over the remaining term of the loan to ensure the payoff.

In the event that the Fannie Mae bond amount experiences an increase, there will be a commensurate reduction in the Commission loan amount to the borrower.

The Financial Plan

Total Development Cost	The total development cost is \$15,769,214, which includes the purchase price, and other development costs.
Appraised Value:	The "as-is" value is \$9,050,000 and the "after rehab" value is \$10,510,000.
Security:	The Housing Commission loan will be secured by a second trust deed against the property.
Loan-to-Value:	The after-rehab loan to value is 103%.
Debt Service Ratio:	The debt service ratio on the first trust deed in the first year is 1.13.
First Trust Deed:	A fully amortized tax-exempt permanent loan of at least \$9,800,000 will be in first position with a term of 30 years and a 6.35% interest rate.
Second Trust Deed:	Housing Commission funds; 3% simple interest.
Payments on the Second Trust Deed:	The payment of the Housing Commission's debt will be the lesser of the of the amortized payment or 50% of the cash flow following payment of the first position note debt payments and operating expenses of the property. The minimum annual payment will be \$49,043, which is equal to half of the estimated residual receipts at year one (subject to the acceptance by the primary lender and its lending requirements.) Beginning in the year 2016, in the event that there have been any funding shortfalls in payments not made up in the preceding years, the Commission loan

would be re-amortized over the remaining term of the loan to insure the payoff.

In the event revenue sources such as Interest Reduction Payments or other forms of governmental subsidies contribute to the cash flow of the project, the Housing Commission's loan payments will be accelerated accordingly.

Rent Restrictions:

A Declaration of Covenants and Restrictions with a 55-year term will be recorded against the property. 10% or 17 of the units will be affordable to households earning 50% of area median income (AMI) or less. 153 of the units will be restricted to households earning 60% of AMI or less.

Occupancy Restrictions:

Occupancy of 170 units will be restricted to families earning no more than 60% of AMI. 10% (17 units) will be restricted to families earning no more than 50% MAI, with remaining units restricted for families earning nor more than 60% MAI. One unit will be designated for an on-site manager.

Recourse:

The loan will be a recourse loan during the construction period. Once the tax credit financing is in place, the loan will be non-recourse as provided for in the Housing Commission lending policy.

Term:

Thirty-one years (amortized over 55 years).

Management Plan:

A Management Plan has been submitted for approval.

Operating Expense:

Average operating expense of \$287 per unit per month includes a replacement reserve.

Pro Forma Assumptions:

Income increases are projected at 2.5 percent per year; expense increases are projected at 3.5 percent per year; vacancy is projected at 5.0 percent per year.

Risks and Mitigations

Initially, the amount of the loan that exceeds "After-Rehab" value will be uncollateralized. However, the risk level is considered to be low as it is mitigated by conservative proforma assumptions, rents below market, and a 1.13 debt service ratio that is higher than the Commission minimum ratio of 1.05. The operating proforma includes replacement reserves to help protect the project's condition and performance in future years.

The Bonds, which are expected to be credit enhanced by Federal National Mortgage Association ("Fannie Mae"), are expected to receive the highest possible rating of AAA. The Bonds will not constitute a debt or liability of the Housing Authority or the City of San Diego. Neither the faith and credit nor the taxing power of the City or the Authority will be pledged to the payment of the Bonds because the security for the bond repayments is limited to the value of the subject property and project revenue sources.

Staff has been working with CSG Advisors, Inc., the Housing Commission's Financial Advisor on this project, to perform due diligence under the proposed financing and in formulating the resulting recommendation for the Housing Authority. After evaluating the project's financial circumstances, the terms of the proposed financings and public benefits to be achieved, it is the Financial Advisor's recommendation that the bond issuance for the project be authorized. The Financial Advisor's analysis and recommendation to proceed is included as Attachment 5.

To date, neither the equity investor, the credit enhancer, nor the construction lender have issued their final commitment to the project. The Bonds will not be issued, and the Housing Commission loan will not close, without these funding commitments.

Finally, this potential property acquisition is strengthened by the applicant's real estate experience and portfolio record with similar types of projects.

ALTERNATIVE

The Housing Commission could decline to recommend this gap loan and Bond financing. The project's bond allocation will automatically revert to the State unless the Bonds are issued by November 20, 2001. Without the benefit of the loan and tax-exempt Bonds, the developer would not have the requisite financing to acquire and preserve 170 affordable units for low-income renters. If the project is not funded, the owner may sell the property to another private party who most likely would eliminate the HAP contract rent requirements in order to charge the market rate on the units. The City of San Diego would lose an opportunity to accomplish a portion of its objective to preserve "At-Risk" units converting to market rate rents.

For the Agenda of October 30, 2001

Loan and Final Authorization to Issue Housing Revenue Bonds for Logan Square Apts.

Page 11

Respectfully submitted,

Approved by,

**Signature on File
With Original Document**

Pat Duplechan
Director, Housing Programs

Elizabeth C. Morris
Chief Executive Officer

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- Attachments:
1. Housing Commission's Multifamily Bond Program
 2. Developer's Disclosure Statement*
 3. Information on the Non-Profit Managing General Partner
 4. Project Location Map
 5. Financial Advisor's Letter
 6. Project Development Summary
 7. SDHC Development Forms
 8. Financial Statements*
 9. Rehabilitation Cost Estimate*
 10. Appraisal*

*Distribution of this attachment is limited. A copy is available for review at the Housing Commission's 1625 Newton Avenue office and at the Office of the City Clerk, 2nd floor, 200 "C" Street.

ATTACHMENT 1

HOUSING COMMISSION'S MULTIFAMILY BOND PROGRAM

General Description

The Housing Commission's Multifamily Bond Program provides below market financing (based on tax exemption of Bond interest) for developers willing to set aside a portion of the units in their projects as affordable housing. The actual issuer of the Bonds is the Housing Authority. At the present time, nearly \$480 million in outstanding Bonds provide permanent financing for over 8,000 multifamily rental units in the City, of which more than 3,400 units are restricted at various levels of affordability.

The Housing Commission's policy for the issuance of Bonds requires a minimum "A" rating, which is typically achieved through the provision of an outside credit enhancement by participating financial institutions that underwrite the project loans and guarantee the repayment of Bonds.

There are two primary ways the Housing Commission provides financial assistance for development of affordable housing: 1) direct lending of Housing Commission HOME and Housing Trust Fund monies; and 2) issuance of tax-exempt multifamily revenue Bonds through the Housing Commission's Multifamily Bond Program. The Housing Commission utilizes the Housing Authority's tax-exempt borrowing status to pass on lower interest rate financing to developers of affordable housing. Some projects require both forms of assistance.

The authority to issue Bonds is limited under the US Internal Revenue Code. The California Debt Limit Allocation Committee (CDLAC) accepts applications generally twice a year (funding "rounds"). The state's bonding capacity is \$62.50 per capita this year and will increase to \$75 per capita in 2002.

The following actions must be taken by the Housing Authority and by the City Council to initiate a Bond financing:

1. Bond Inducement

The adoption of an "inducement resolution" is an initial step required by the Internal Revenue Service to initiate a possible new-money Bond issuance. It does not represent any commitment by the Housing Commission, Housing Authority or the applicant to proceed with the financing. Rather, it establishes, through public record, the date from which project costs incurred may be determined to be reimbursable from bond proceeds. Generally, the bond inducement amount is higher than the estimated Bond amount to reflect a 10-15 percent contingency. The adoption also authorizes staff to work with the selected financing team to perform a due diligence process to determine the feasibility of the financing, the level of affordability of the set-aside units, and to structure a resulting proposal for the issuance of Bonds.

2. TEFRA Hearing and Approval

In order for interest on the Bonds to be tax-exempt and in accordance with the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982, Section 147(f) of the Internal Revenue Code of 1986, the issuance of Bonds must be approved by representatives of the governmental unit with jurisdiction over the area in which the project is located after a public hearing for which a reasonable public notice was given. Therefore, federal regulations require that the issuance of Bonds by the Housing Authority be approved by the City Council, as the elected legislative body of the City. A notice of public hearing to be held by the City Council with respect to the proposed issuance of Bonds is published in the San Diego Daily Transcript at least fourteen days prior to the scheduled meeting. The purpose of such public hearing is to provide an opportunity for interested persons to provide their views on the proposed Bond issuance and on the nature and location of the project.

3. Bond Allocation

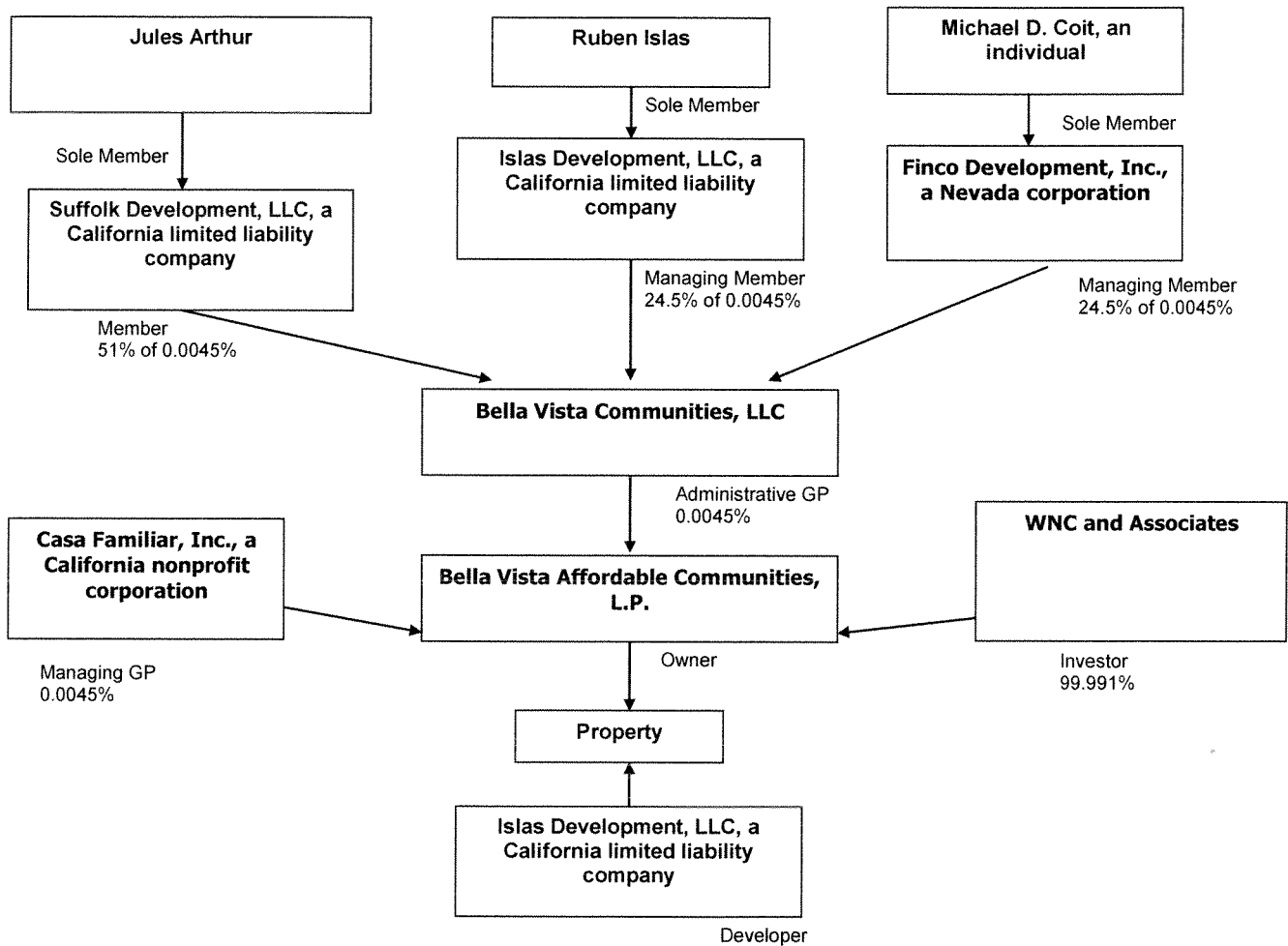
The issuance of Bonds for projects owned by private developers (i.e., projects owned by for-profit developers or nonprofit sponsors with for-profit investor participation - "private activity Bonds") requires an allocation of a Bond issuing authority from the State of California. In order to apply for the Bond 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.

4. Final Bond Approval

The Housing Authority retains absolute discretion over the issuance of Bonds through adoption of a final resolution authorizing the issuance. Initially, information about the proposed tax-exempt financing of the project is preliminary. After the inducement resolution is approved, a due diligence process conducted by staff and financing team members generates additional information and analysis. Prior to final consideration of the proposed Bond issuance by the Housing Authority, the project will have to comply with all the program's financing and affordability requirements, and undergo all required planning procedures/reviews by local planning groups.

ATTACHMENT 4 – ORGANIZATION CHART

BELLA VISTA ORGANIZATIONAL CHART



ATTACHMENT 5
HOUSING COMMISSION MULTIFAMILY
HOUSING REVENUE BOND PROGRAM
SUMMARY

General Description: The multifamily housing bond program provides below-market financing (based on bond interest being exempt from income tax) for developers willing to set aside a percentage of project units as affordable housing. Multifamily housing revenue bonds are also known as “private activity bonds” 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 faith, credit or taxing power nor of the Housing Authority’s faith and credit. 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 the 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, the 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 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.

ATTACHMENT 6 – DEVELOPER’S PROFORMA

Sources and Uses

Perm Phase

Loan	22,150,000.00
TC Equity	17,444,733.00
Seller Loan	776,200.00
Developer Fee	5,632,217.00
	<hr/>
	46,003,150.00

Acquisition	28,600,000.00
Rehab	8,770,116.00
Financing	1,619,679.00
Soft Costs	823,500.00
Reserves	557,638.00
Developer Fee	5,632,217.00
	<hr/>
	46,003,150.00

Bella Vista San Diego, CA 92113
FINANCIAL PROJECTION
INPUT

TIME FRAMES

	Month	Day	Year
Partnership Start Date	1	1	2016
Construction Start Date	1	1	2017
Placed In Service Date	1	1	2017
Rehabilitation Placed in Service Date	1	1	2018
Hypothetical Sale Date	1	1	2033

PROJECT SIZE

Total Residential Units (including 1 manager unit)	170
Total Low-Income Units	169
Total Market Units	1
Total Square Feet	0

LOW-INCOME HOUSING TAX CREDITS

Type	4% PV Credit: Acq/Rehab
Difficult to develop area? (Y/N)	Y
Tax Credit Factor - Acquisition	3.19%
Tax Credit Factor	3.19%
Credit price	1.1500
Total Equity Paid by Limited Partner	17,444,733
% Equity paid in first year	60%
% Equity paid in second year	40%
% Equity paid in third year	0%
% Equity paid in fourth year	0%

NET OPERATING INCOME

Annual Income Escalator	2.00%
Other Income	2.00%
Vacancy	3.00%
Operating expenses per unit	5,700
Annual Expense Escalator	3.00%
Property Taxes	3.00%
Replacement Reserve (Per Unit) Yrs. 1-5	300
Replacement Reserve (Per Unit) Yrs. 6-10	300
Replacement Reserve (Per Unit) Yrs. 11-15	300
Asset Management Fee escalator	3.00%
Incentive Management Fee % of gross revenue	35.00%

DEPRECIATION AND AMORTIZATION

Residential Depreciation Method	27.5 Yr. SL, Mid-Month Convention
Non-Residential Depreciation Method	39.0 SL
Land Improvements Depreciation Method	15 Yr. 150 DDB, Mid-Year Convention
Personal Property Depreciation Method	5 Yr. 200 DDB, Mid-Year Convention
Permanent Loan Fees Amortization	35 Yr. SL
Tax Credit Fees Amortization	15Yr. SL
Organization Costs Amortization	15Yr. SL

DISTRIBUTION OF CASH FLOW

Cash Flow Cash Distribution--GP	100.00%
Cash Flow Cash Distribution--LP - First	0.00%
Cash Flow Cash Distribution--LP - Second	0.00%

HYPOTHETICAL SALE

Sales Price	Outstanding Debt
Reserves on date of sale	Reduce Outstanding Debt
Capitalization Rate Used For Sale	8.00%
Selling Expenses As a % Of Sales Price	2.50%

MARGINAL TAX BRACKET

35.00%

PROFITS, LOSSES AND CREDITS

General Partners	0.01%
Limited Partners-Tax Credit Equity Investor	99.99%

Bella Vista San Diego, CA 92113
PROJECTED SOURCES AND USES OF CASH
FOR THE PERIOD FROM JANUARY 1, 2017 THROUGH DECEMBER 31, 2032

SOURCES:	Rehabilitation Yr.							
	1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024
Net Operating Rental Income	\$1,435,586	\$1,454,608	\$1,473,719	\$1,492,913	\$1,512,183	\$1,531,521	\$1,550,918	\$1,570,366
Investor Ltd Pr (LP) Contributions	10,466,840	6,977,893	0	0	0	0	0	0
General Partner Contributions	0	0	0	0	0	0	0	0
Permanent Loan - HUD	22,150,000	0	0	0	0	0	0	0
Subordinate Loan	0	0	0	0	0	0	0	0
Residual Cash Loan	0	0	0	0	0	0	0	0
Seller Carryback Financing	2,860,000	0	0	0	0	0	0	0
Seller Credit	0	0	0	0	0	0	0	0
Deferred Developer Fee	5,632,217	0	0	0	0	0	0	0
Reserve Refunds	0	0	0	0	0	0	0	0
GLC Interest Income	0	0	0	0	0	0	0	0
Carryover Cash Reserve	0	1,105,907	0	0	0	0	0	0
TOTAL SOURCES	\$42,544,643	\$9,538,407	\$1,473,719	\$1,492,913	\$1,512,183	\$1,531,521	\$1,550,918	\$1,570,366
USES:								
Development Costs - Production Costs	\$38,283,471	\$6,000,000	\$0	\$0	\$0	\$0	\$0	\$0
Development Costs - Financing Costs	1,719,679	0	0	0	0	0	0	0
Replacement Reserve	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000
MIP	0	0	0	0	0	0	0	0
HUD Required Deposits	0	0	0	0	0	0	0	0
Debt Service--Seller Carryback Financing	0	2,274,868	210,180	229,374	248,644	267,981	287,378	126,686
Debt Service--Permanent Loan	1,202,540	1,202,540	1,202,540	1,202,540	1,202,540	1,202,540	1,202,540	1,202,540
Debt Service--Subordinate Loan	0	0	0	0	0	0	0	0
Asset Management Fee	0	0	0	0	0	0	0	0
Nonprofit Fee	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Incentive Lease-up Fee	172,047	0	0	0	0	0	0	0
Payment - Deferred Developer Fee	0	0	0	0	0	0	0	0
Partnership Management Fee	0	0	0	0	0	0	0	0
Debt Service--Residual Cash Loan	0	0	0	0	0	0	0	0
Cash Distribution - LP	0	0	0	0	0	0	0	0
Incentive Management Fee	0	0	0	0	0	0	0	0
Cash Distributions - GP	0	0	0	0	0	0	0	0
Cash Distributions - LP	0	0	0	0	0	0	0	0
Cash Reserve at End of Year	1,105,907	0	0	0	0	0	0	0
TOTAL USES	\$42,544,643	\$9,538,407	\$1,473,719	\$1,492,913	\$1,512,183	\$1,531,521	\$1,550,918	\$1,570,366

Bella Vista San Diego, CA 92113
PROJECTED SOURCES AND USES OF CASH
FOR THE PERIOD FROM JANUARY 1, 2017 THROUGH DECEMBER 31, 2032

Building Placed In Service												
Period -> Year ->	9 2025	10 2026	11 2027	12 2028	13 2029	14 2030	15 2031	16 2032	17 2033			
SOURCES:												
Net Operating Rental Income	\$1,589,856	\$1,609,378	\$1,628,922	\$1,648,478	\$1,668,034	\$1,687,579	\$1,707,101	\$1,726,586	\$1,746,021			
Investor Ltd Prr (LP) Contributions	0	0	0	0	0	0	0	0	0			
General Partner Contributions	0	0	0	0	9,075,409	0	0	0	0			
Permanent Loan - HUD	0	0	0	0	0	0	0	0	0			
Subordinate Loan	0	0	0	0	0	0	0	0	0			
Residual Cash Loan	0	0	0	0	0	0	0	0	0			
Seller Carryback Financing	0	0	0	0	0	0	0	0	0			
Seller Credit	0	0	0	0	0	0	0	0	0			
Deferred Developer Fee	0	0	0	0	0	0	0	0	0			
Reserve Refunds	0	0	0	0	0	0	0	0	0			
GIC Interest Income	0	0	0	0	0	0	0	0	0			
Carryover Cash Reserve	0	0	0	0	0	0	0	0	0			
TOTAL SOURCES	\$1,589,856	\$1,609,378	\$1,628,922	\$1,648,478	\$10,743,443	\$1,687,579	\$1,707,101	\$1,726,586	\$1,746,021			
USES:												
Development Costs - Production Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Development Costs - Financing Costs	0	0	0	0	0	0	0	0	0			
Replacement Reserve	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000			
MIP	0	0	0	0	0	0	0	0	0			
HUD Required Deposits	0	0	0	0	0	0	0	0	0			
Debt Service--Seller Carryback Financing	0	0	0	0	0	0	0	0	0			
Debt Service--Permanent Loan	1,202,540	1,202,540	1,202,540	1,202,540	1,202,540	1,202,540	1,202,540	1,202,540	1,202,540			
Debt Service--Subordinate Loan	0	0	0	0	0	0	0	0	0			
Asset Management Fee	0	0	0	0	0	0	0	0	0			
Nonprofit Fee	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000			
Incentive Lease-up Fee	0	0	0	0	0	0	0	0	0			
Payment - Deferred Developer Fee	326,316	345,838	365,382	384,938	9,075,409	0	0	0	0			
Partnership Management Fee	0	0	0	0	0	0	0	0	0			
Debt Service--Residual Cash Loan	0	0	0	0	0	0	0	0	0			
Cash Distribution - LP	0	0	0	0	0	0	0	0	0			
Incentive Management Fee	0	0	0	0	0	0	0	0	0			
Cash Distributions - GP	0	0	0	0	404,495	424,040	443,561	463,046	482,481			
Cash Distributions - LP	0	0	0	0	0	0	0	0	0			
Cash Reserve at End of Year	0	0	0	0	0	0	0	0	0			
TOTAL USES	\$1,589,856	\$1,609,378	\$1,628,922	\$1,648,478	\$10,743,443	\$1,687,579	\$1,707,101	\$1,726,586	\$1,746,021			

Period -> Year ->	18 2034	19 2035	20 2036	21 2037	22 2038	23 2039	24 2040	25 2041	26 2042
SOURCES:									
Net Operating Rental Income	\$1,765,392	\$1,784,683	\$1,803,880	\$1,822,967	\$1,841,925	\$1,860,737	\$1,879,385	\$1,897,848	\$1,916,107
Investor Ltd Prr (LP) Contributions	0	0	0	0	0	0	0	0	0
General Partner Contributions	0	0	0	0	0	0	0	0	0
Permanent Loan - HUD	0	0	0	0	0	0	0	0	0
Subordinate Loan	0	0	0	0	0	0	0	0	0
Residual Cash Loan	0	0	0	0	0	0	0	0	0
Seller Carryback Financing	0	0	0	0	0	0	0	0	0
Seller Credit	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0	0
Reserve Refunds	0	0	0	0	0	0	0	0	0
GIC Interest Income	0	0	0	0	0	0	0	0	0
Carryover Cash Reserve	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	\$1,765,392	\$1,784,683	\$1,803,880	\$1,822,967	\$1,841,925	\$1,860,737	\$1,879,385	\$1,897,848	\$1,916,107

USES:									
Development Costs - Production Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Development Costs - Financing Costs	0	0	0	0	0	0	0	0	0
Replacement Reserve	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000
MIP	0	0	0	0	0	0	0	0	0
HUD Required Deposits	0	0	0	0	0	0	0	0	0
Debt Service--Seller Carryback Financing	0	0	0	0	0	0	0	0	0
Debt Service--Permanent Loan	1,202,540	1,202,540	1,202,540	1,202,540	1,202,540	1,202,540	1,202,540	1,202,540	1,202,540
Debt Service--Subordinate Loan	0	0	0	0	0	0	0	0	0
Asset Management Fee	0	0	0	0	0	0	0	0	0
Nonprofit Fee	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Incentive Lease-up Fee	0	0	0	0	0	0	0	0	0
Payment - Deferred Developer Fee	0	0	0	0	0	0	0	0	0
Partnership Management Fee	0	0	0	0	0	0	0	0	0
Debt Service--Residual Cash Loan	0	0	0	0	0	0	0	0	0
Cash Distribution - LP	0	0	0	0	0	0	0	0	0
Incentive Management Fee	501,852	521,144	540,341	559,427	578,385	597,197	615,845	634,309	652,568
Cash Distributions - GP	0	0	0	0	0	0	0	0	0
Cash Distributions - LP	0	0	0	0	0	0	0	0	0
Cash Reserve at End of Year	0	0	0	0	0	0	0	0	0
TOTAL USES	\$1,765,392	\$1,784,683	\$1,803,880	\$1,822,967	\$1,841,925	\$1,860,737	\$1,879,385	\$1,897,848	\$1,916,107

Period -> Year ->	27 2043	28 2044	29 2045	30 2046
SOURCES:				
Net Operating Rental Income	\$1,934,141	\$1,951,926	\$1,969,441	\$1,986,659
Investor Ltd Prr (LP) Contributions	0	0	0	0
General Partner Contributions	0	0	0	0
Permanent Loan - HUD	0	0	0	0
Subordinate Loan	0	0	0	0
Residual Cash Loan	0	0	0	0
Seller Carryback Financing	0	0	0	0
Seller Credit	0	0	0	0
Deferred Developer Fee	0	0	0	0
Reserve Refunds	0	0	0	0
GIC Interest Income	0	0	0	0
Carryover Cash Reserve	0	0	0	0
TOTAL SOURCES	\$1,934,141	\$1,951,926	\$1,969,441	\$1,986,659
USES:				
Development Costs - Production Costs	\$0	\$0	\$0	\$0
Development Costs - Financing Costs	0	0	0	0
Replacement Reserve	51,000	51,000	51,000	51,000
MIP	0	0	0	0
HUD Required Deposits	0	0	0	0
Debt Service--Seller Carryback Financing	0	0	0	0
Debt Service--Permanent Loan	1,202,540	1,202,540	1,202,540	1,202,540
Debt Service--Subordinate Loan	0	0	0	0
Asset Management Fee	0	0	0	0
Nonprofit Fee	10,000	10,000	10,000	10,000
Incentive Lease-up Fee	0	0	0	0
Payment - Deferred Developer Fee	0	0	0	0
Partnership Management Fee	0	0	0	0
Debt Service--Residual Cash Loan	0	0	0	0
Cash Distribution - LP	0	0	0	0
Incentive Management Fee	670,601	688,387	705,901	723,120
Cash Distributions - GP	0	0	0	0
Cash Distributions - LP	0	0	0	0
Cash Reserve at End of Year	0	0	0	0
TOTAL USES	\$1,934,141	\$1,951,926	\$1,969,441	\$1,986,659

Bella Vista San Diego, CA 92113
 PROJECTED NET OPERATING RENTAL INCOME
 FOR THE PERIOD FROM JANUARY 1, 2017 THROUGH DECEMBER 31, 2032

	Rehabilitation Yr.	Building Placed In Service						
Period -> Year ->	1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024
Gross Potential Revenue:								
Rental Income	\$2,412,288	\$2,460,534	\$2,509,744	\$2,559,939	\$2,611,138	\$2,663,361	\$2,716,628	\$2,770,961
Other Revenue	66,667	68,000	69,360	70,747	72,162	73,605	75,077	76,579
Total Gross Potential Revenue	2,478,955	2,528,534	2,579,104	2,630,687	2,683,300	2,736,966	2,791,706	2,847,540
Vacancy & Bad Debt Expense	(74,369)	(75,856)	(77,373)	(78,921)	(80,499)	(82,109)	(83,751)	(85,426)
Net Rental Revenue	2,404,586	2,452,678	2,501,731	2,551,766	2,602,801	2,654,857	2,707,954	2,762,114
Operating Expenses	(969,000)	(998,070)	(1,028,012)	(1,058,852)	(1,090,618)	(1,123,337)	(1,157,037)	(1,191,748)
Net Operating Rental Income (w/o Replacement Reserves)	1,435,586	1,454,608	1,473,719	1,492,913	1,512,183	1,531,521	1,550,918	1,570,366
Mortgage Insurance Premium	0	0	0	0	0	0	0	0
Replacement Reserve	(51,000)	(51,000)	(51,000)	(51,000)	(51,000)	(51,000)	(51,000)	(51,000)
Net Operating Rental Income	1,384,586	1,403,608	1,422,719	1,441,913	1,461,183	1,480,521	1,499,918	1,519,366
Annual Senior Debt Service	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)
Forecasted Cash Available/(Shortfall)	\$182,047	\$201,068	\$220,180	\$239,374	\$258,644	\$277,981	\$297,378	\$316,826
Total Debt Service Ratio	1.151	1.167	1.183	1.199	1.215	1.231	1.247	1.263

Bella Vista San Diego, CA 92113
 PROJECTED NET OPERATING RENTAL INCOME
 FOR THE PERIOD FROM JANUARY 1, 2017 THROUGH DECEMBER 31, 2032

	Building Placed In Service										
Period -> Year ->	9 2025	10 2026	11 2027	12 2028	13 2029	14 2030	15 2031	16 2032			
Gross Potential Revenue:											
Rental Income	\$2,826,380	\$2,882,907	\$2,940,566	\$2,999,377	\$3,059,364	\$3,120,552	\$3,182,963	\$3,246,622			
Other Revenue	78,111	79,673	81,266	82,892	84,549	86,240	87,965	89,725			
Total Gross Potential Revenue	2,904,490	2,962,580	3,021,832	3,082,269	3,143,914	3,206,792	3,270,928	3,336,347			
Vacancy & Bad Debt Expense	(87,135)	(88,877)	(90,655)	(92,468)	(94,317)	(96,204)	(98,128)	(100,090)			
Net Rental Revenue	2,817,356	2,873,703	2,931,177	2,989,800	3,049,596	3,110,588	3,172,800	3,236,256			
Operating Expenses											
Net Operating Rental Income (w/o Replacement Reserves)	(1,227,500)	(1,264,325)	(1,302,255)	(1,341,323)	(1,381,562)	(1,423,009)	(1,465,699)	(1,509,670)			
Mortgage Insurance Premium	1,589,856	1,609,378	1,628,922	1,648,478	1,668,034	1,687,579	1,707,101	1,726,586			
Replacement Reserve	0	0	0	0	0	0	0	0			
	(51,000)	(51,000)	(51,000)	(51,000)	(51,000)	(51,000)	(51,000)	(51,000)			
Net Operating Rental Income	1,538,856	1,558,378	1,577,922	1,597,478	1,617,034	1,636,579	1,656,101	1,675,586			
Annual Senior Debt Service	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)			
Forecasted Cash Available/(Shortfall)	\$336,316	\$355,838	\$375,382	\$394,938	\$414,495	\$434,040	\$453,561	\$473,046			
Total Debt Service Ratio	1.280	1.296	1.312	1.328	1.345	1.361	1.377	1.393			

PROJECTED NET OPERATING RENTAL INCOME
FOR THE PERIOD FROM JANUARY 1, 2017 THROUGH DECEMBER 31, 2040

	Building Placed in Service									
Period -> Year ->	17 2033	18 2034	19 2035	20 2036	21 2037	22 2038	23 2039	24 2040		
Gross Potential Revenue:										
Rental Income	\$3,311,554	\$3,377,786	\$3,445,341	\$3,514,248	\$3,584,533	\$3,656,224	\$3,729,348	\$3,803,935		
Other Revenue	91,519	93,349	95,216	97,121	99,063	101,044	103,065	105,127		
Total Gross Potential Revenue	3,403,074	3,471,135	3,540,558	3,611,369	3,683,596	3,757,268	3,832,414	3,909,062		
Vacancy & Bad Debt Expense	(102,092)	(104,134)	(106,217)	(108,341)	(110,508)	(112,718)	(114,972)	(117,272)		
Net Rental Revenue	3,300,981	3,367,001	3,434,341	3,503,028	3,573,088	3,644,550	3,717,441	3,791,790		
Operating Expenses	(1,554,961)	(1,601,609)	(1,649,658)	(1,699,147)	(1,750,122)	(1,802,625)	(1,856,704)	(1,912,405)		
Net Operating Rental Income (w/o Replacement Reserves)	1,746,021	1,765,392	1,784,683	1,803,880	1,822,967	1,841,925	1,860,737	1,879,385		
Mortgage Insurance Premium Replacement Reserve	(51,000)	(51,000)	(51,000)	(51,000)	(51,000)	(51,000)	(51,000)	(51,000)		
Net Operating Rental Income	1,695,021	1,714,392	1,733,683	1,752,880	1,771,967	1,790,925	1,809,737	1,828,385		
Annual Senior Debt Service	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)		
Forecasted Cash Available/(Shortfall)	\$492,481	\$511,852	\$531,144	\$550,341	\$569,428	\$588,387	\$607,200	\$625,849		
Total Debt Service Ratio	1.410	1.426	1.442	1.458	1.474	1.489	1.505	1.520		

3ER 20, 2021

	25	26	27	28	29	30
Period ->	2041	2042	2043	2044	2045	2046
Year ->						
Gross Potential Revenue:						
Rental Income	\$3,880,014	\$3,957,614	\$4,036,766	\$4,117,502	\$4,199,852	\$4,283,849
Other Revenue	107,229	109,374	111,561	113,792	116,068	118,390
Total Gross Potential Revenue	3,987,243	4,066,988	4,148,328	4,231,294	4,315,920	4,402,238
Vacancy & Bad Debt Expense	(119,617)	(122,010)	(124,450)	(126,939)	(129,478)	(132,067)
Net Rental Revenue	3,867,626	3,944,978	4,023,878	4,104,355	4,186,442	4,270,171
Operating Expenses	(1,969,777)	(2,028,871)	(2,089,737)	(2,152,429)	(2,217,002)	(2,283,512)
Net Operating Rental Income (w/o Replacement Reserves)	1,897,848	1,916,107	1,934,141	1,951,926	1,969,441	1,986,659
Mortgage Insurance Premium Replacement Reserve	(51,000)	(51,000)	(51,000)	(51,000)	(51,000)	(51,000)
Net Operating Rental Income	1,846,848	1,865,107	1,883,141	1,900,926	1,918,441	1,935,659
Annual Senior Debt Service	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)	(1,202,540)
Forecasted Cash Available/(Shortfall)	\$644,314	\$662,574	\$680,608	\$698,395	\$715,910	\$733,130
Total Debt Service Ratio	1.536	1.551	1.566	1.581	1.595	1.610

Bella Vista San Diego, CA 92113
FINANCIAL PROJECTION
PROJECT COSTS

	Total Costs	Land and Non- Amort./Depr. Costs	Amortizable Costs	Expensed Costs	Reserves	Depreciable Costs	Eligible Basis
LAND AND OTHER ACQUISITION							
Land and closing costs	1,700,000	1,700,000				0	0
Other Acquisition Costs	26,900,000					26,900,000	26,900,000
<i>Subtotal</i>	28,600,000	1,700,000	0	0	0	26,900,000	26,900,000
NEW CONSTRUCTION AND/OR REHAB							
Structures	6,800,000					6,800,000	6,800,000
General Conditions	408,000					408,000	408,000
Contractor Overhead	136,000					136,000	136,000
Contractor Profit	408,000					408,000	408,000
Construction Contingency	755,556					755,556	755,556
Contractor Bond	116,280					116,280	116,280
Contractor Permits	30,000					30,000	30,000
Contractor Insurance	116,280					116,280	116,280
<i>Subtotal</i>	8,770,116	0	0	0	0	8,770,116	8,770,116
FINANCING COSTS							
Predevelopment Loan Interest and Fees	739,500					739,500	739,500
GIC Income	0					0	0
Due Diligence	45,000					45,000	45,000
Initial MIP Fee	0		0			0	0
FHA Application Fee	0		0			0	0
FHA Inspection Fee	0		0			0	0
FHA Perm Loan Fees	0		0			0	0
Permanent Loan Costs	166,125		166,125			0	0
Tax Credit Fees	147,554		147,554			0	0
Lender Legal	150,000		0			150,000	150,000
FHA Processing Fee	0		0			0	0
FHA Legal	0		0			0	0
Legal and Organizational	150,000		20,000			130,000	130,000
Bond Issuance	221,500		221,500			0	0
<i>Subtotal</i>	1,619,679	0	555,179	0	0	1,064,500	1,064,500
SOFT COSTS							
Architectural	0					0	0
Engineering/Surveying/Environmental	0					0	0
Taxes During Construction	15,000					15,000	15,000
Insurance	50,000					50,000	50,000
Title & Recording	45,000					45,000	45,000
Borrower Attorney	100,000		0			100,000	100,000
Appraisal	10,000					10,000	10,000
Third Party Reports	50,000					50,000	50,000
Marketing	0			0		0	0
Construction Relocation Costs	200,000					200,000	200,000
Relocation	0					0	0
Furnishings	40,000					40,000	40,000
Accounting	65,000					65,000	65,000
Market Study	8,500					8,500	8,500
Negative Construction Risk Fee	0					0	0
Nonprofit Fee	20,000					20,000	20,000
Community Room	10,000					10,000	10,000
Property Management Set-Up	10,000			10,000		0	0
Other	200,000					200,000	200,000
<i>Subtotal</i>	823,500	0	0	10,000	0	813,500	813,500
RESERVES							
Working Deposit (4%)	0				0	0	0
Operating Reserves (3 mo. Stabilized)	557,638				557,638	0	0
Operating Reserve (3%)	0				0	0	0
<i>Subtotal</i>	557,638	0	0	0	557,638	0	0
DEVELOPER FEE							
Developer fee	5,632,217					5,632,217	5,632,217
	46,003,151	1,700,000	555,179	10,000	557,638	43,180,333	43,180,333

Bella Vista San Diego, CA 92113
 FINANCIAL PROJECTION
 RENT

ANNUAL RENTAL INCOME

Unit Mix	Number of Units	Average Floor Area (Sq. Ft.)	Total Square Footage	Median Income Limit %	Max. Monthly Rent	Utilities	Max. Annual Rent	Max. Mo. Rent
HUD Additional subsidy	0	0	0	0%	0	0	0	0
1 BR	0	0	0	30%	0	12	0	0
1 BR	47	0	0	HUD	1,037	20	573,588	47,799
1 BR	5	0	0	60%	911	54	51,420	4,285
2 BR	0	0	0	30%	0	15	0	0
2 BR	76	0	0	HUD	1,272	26	1,136,352	94,696
2 BR	18	0	0	60%	1,093	64	222,264	18,522
3 BR	0	0	0	30%	0	22	0	0
3 BR	11	0	0	HUD	1,554	28	201,432	16,786
3 BR	10	0	0	HUD	1,579	28	186,120	15,510
3 BR	3	0	0	60%	1,215	73	41,112	3,426
	<u>170</u>		<u>0</u>				<u>2,412,288</u>	<u>201,024</u>

FIRST YEAR RENT CALCULATION

Year	2015
Units	169
Rental Income	\$2,412,288
Other Income	66,667
Vacancy	(72,369)
Effective Gross Income	<u>2,406,586</u>
Operating Expenses	(969,000)
Reserves	<u>(51,000)</u>
Gross Rental Income	<u>\$1,386,586</u>

Bella Vista San Diego, CA 92113
 FINANCIAL PROJECTION
 TAX CREDIT CALCULATION

TAX CREDIT CALCULATION

	9% PV Credit: New Construction	4% PV Credit: Acquisition	9% PV Credit: Rehabilitation
Total Eligible Basis (attributable to affordable units)	\$0	\$28,589,665	\$14,590,668
Difficult To Develop Area Adjustment (DDA)	100.00%	100.00%	130.00%
Adjusted Eligible Basis	\$0	\$28,589,665	\$18,967,869
Low-Income Occupancy Percentage	100.00%	100.00%	100.00%
Qualified Basis	0	28,589,665	18,967,869
Estimated Tax Credit Percentage	0.00%	3.19%	3.19%
Estimated Annual Credit	0	912,010	605,075
Estimated Total Credits	\$0	\$9,120,100	\$6,050,750
Estimated Total Credits Limited Partner's Interest	\$15,170,850 99.99%		
Total credits to LP interest	\$15,169,333		
Credit price	\$1.150		
Total Equity paid by Limited Partner	\$17,444,733		

DRAFT FOR DISCUSSION PURPOSES ONLY

4/25/2016 10:10 AM

8 - Credit

Property of Avalon Communities, LLC

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SDHC Proforma

Seller Carryback Financing

Interest Rate	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
8.00%																	
Beginning Balance	0	3,088,800	1,061,036	935,739	781,224	595,079	374,704	117,302	0	0	0	0	0	0	0	0	6,953,885
Advances	2,860,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,860,000
Interest Accrued	228,800	247,104	84,883	74,859	62,498	47,606	29,976	9,384	0	0	0	0	0	0	0	0	785,111
Payments	0	(2,274,868)	(210,180)	(229,374)	(248,644)	(267,981)	(287,378)	(126,686)	0	0	0	0	0	0	0	0	(3,645,111)
Ending Balance	3,088,800	1,061,036	935,739	781,224	595,079	374,704	117,302	0	0	0	0	0	0	0	0	0	6,953,885

Asset Management Fee

Amount of initial fee Escalator	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
\$0																	
2.50%																	
Beginning Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Year Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Paid	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Developer Fee Loan

Developer Fee Loan Interest Rate	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
5.632,217																	
6.00%																	
Beginning Balance	5,632,217	5,632,217	5,773,023	6,119,404	6,486,568	6,875,763	7,288,308	7,725,607	8,009,003	8,163,227	8,307,183	8,440,231	8,561,707	0	0	0	93,014,459
Interest Accrued	0	140,805	346,381	367,164	389,194	412,546	437,298	463,536	480,540	489,794	498,431	506,414	513,702	0	0	0	5,045,807
Payments from Capital Proceeds	0	0	0	0	0	0	0	(180,140)	(326,316)	(348,838)	(365,382)	(384,938)	(407,409)	0	0	0	(10,678,024)
Ending Balance	5,632,217	5,773,023	6,119,404	6,486,568	6,875,763	7,288,308	7,725,607	8,009,003	8,163,227	8,307,183	8,440,231	8,561,707	8,561,707	0	0	0	87,382,242
Capitalized developer fee	5,632,217	5,632,217	5,773,023	6,119,404	6,486,568	6,875,763	7,288,308	7,725,607	8,009,003	8,163,227	8,307,183	8,440,231	8,561,707	0	0	0	93,014,459
Depreciation %	0.00%	1.36%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%
Annual depreciation deferral	0	76,803	209,907	222,502	235,852	250,003	265,003	280,903	291,207	296,815	302,132	306,887	311,389	0	0	0	3,049,403
Depreciation expense	0	1,920	(66,129)	(209,151)	(221,701)	(235,003)	(249,103)	(270,599)	(285,600)	(291,581)	(297,210)	(302,554)	(306,693)	0	0	0	(3,049,403)
Cumulative depreciation deferral	0	78,723	222,502	235,852	250,003	265,003	280,903	291,207	296,815	302,132	306,971	311,304	313,702	0	0	0	2,841,331
Annual interest expense deferral	0	140,805	346,381	367,164	389,194	412,546	437,298	(180,140)	(326,316)	(348,838)	(365,382)	(384,938)	(407,409)	0	0	0	1,004,477
Interest expense	0	0	0	0	0	0	0	(191,349)	326,316	345,838	365,382	384,938	(513,702)	0	0	0	(1,004,477)
Cumulative interest deferral	0	140,805	487,187	854,351	1,243,545	1,656,091	2,093,389	0	0	0	0	0	0	0	0	0	6,475,369

Residual Cash Loan

Loan Interest Rate	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
0																	
4.735%																	
Beginning Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Accrued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments from Capital Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

ATTACHMENT 7 – PROPOSED REHABILITATION WORK

Phase 3 Construction

Construction Cost Breakdown

BELLA VISTA APARTMENTS

Part 1 Project Information and Site Data						
Project Information			Site Data			
Project Name:	BELLA VISTA APARTMENTS	Unit Type	Area (sf)	Number	Total (sf)	
Project Location:	San Diego, CA	1/1	629	52	32708	
Developer:	LCA	2/1	825	94	77550	
Contact Person:	Ruben Islas	3/1	1007	14	14098	
Contact Tel #:	619 260-5562	3/2	1115	10	11150	
Type of Project:	REHAB					135506 Total SF
Year Built:	1971					312
		Site Acres	3.75	Total Bedrooms	180	
				Total Bathrooms	180	
Part 2 Construction Cost Breakdown						
HUD #	Description	Quantity	unit price	extension	group total	notes
3	METALS					
	repair/replace perimeter fence	1	\$ 35,000.00	\$ 35,000.00	\$ 188,000.00	
	replace balcony railings	85	\$ 1,800.00	\$ 153,000.00		
6	WATERPROOFING					
	repair landings	40	\$ 1,200.00	\$ 48,000.00	\$ 48,000.00	
8	ROOFING					
	Replace Building Roofs	34	\$ 30,000.00	\$ 1,020,000.00	\$ 1,020,000.00	
10	DOORS					
	replace electrical service closet doors	34	\$ 1,200.00	\$ 40,800.00	\$ 40,800.00	
11	WINDOWS					
	replace unit windows	482	\$ 1,140.00	\$ 549,480.00	\$ 813,480.00	
	replace sliding glass doors	170	\$ 1,400.00	\$ 238,000.00		
	replace common area windows	1	\$ 26,000.00	\$ 26,000.00		
14	DRYWALL					
	general drywall repairs	170	\$ 500.00	\$ 85,000.00	\$ 85,000.00	
18	RESILIENT FLOORING					
	install vinyl flooring in units	170	\$ 1,850.00	\$ 314,500.00	\$ 314,500.00	
19	PAINTING AND DECORATING					
	exterior paint and caulk	1	\$ 275,000.00	\$ 275,000.00	\$ 394,000.00	
	paint unit interiors	85	\$ 1,400.00	\$ 119,000.00		
20	SPECIALTIES					
	new medicine cabinet	180	\$ 95.00	\$ 17,100.00		
	replace towel bars	180	\$ 35.00	\$ 6,300.00	\$ 55,800.00	
	replace tp holders	180	\$ 35.00	\$ 6,300.00		
	new mirrors - full width	180	\$ 145.00	\$ 26,100.00		
22	CABINETS					
	kitchen and bath cabinet demo	170	\$ 815.00	\$ 138,550.00		
	install new kitchen cabinets	170	\$ 3,600.00	\$ 612,000.00	\$ 1,232,550.00	
	solid surface countertops - kitchens	170	\$ 1,300.00	\$ 221,000.00		
	solid surface countertops - bathrooms	180	\$ 1,000.00	\$ 180,000.00		
	install new bath cabinets	180	\$ 450.00	\$ 81,000.00		
23	APPLIANCES					
	replace range	170	\$ 585.00	\$ 99,450.00	\$ 234,600.00	
	replace range hood	170	\$ 145.00	\$ 24,650.00		
	replace refrigerator	170	\$ 650.00	\$ 110,500.00		
24	BLINDS AND SHADES, ARTWORK				\$ 120,500.00	



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1 of 2

Part 2 Construction Cost Breakdown						
HUD #	Description	Quantity	unit price	extension	group total	notes
28	replace all window blinds	482	\$ 250.00	\$ 120,500.00		
	PLUMBING AND HOT WATER					
	1/4 turn angle stops all sinks/toilets	880	\$ 34.60	\$ 30,448.00		
	bath lav faucet	180	\$ 195.00	\$ 35,100.00		
	kitchen sink/faucet	170	\$ 360.00	\$ 61,200.00		
	provide and install disposal	170	\$ 115.00	\$ 19,550.00	\$ 861,798.00	
	new toilets	180	\$ 225.00	\$ 40,500.00		
	replace ground floor distribution piping	90	\$ 3,500.00	\$ 315,000.00		
	replace water heaters with UHE equipment (36)	36	\$ 10,000.00	\$ 360,000.00		
29	HEAT AND VENTILATION					
	replace FAU furnaces	170	\$ 2,650.00	\$ 450,500.00	\$ 450,500.00	
31	ELECTRICAL					
	replace bath fan motor & trim	180	\$ 165.30	\$ 29,754.00		
	kitchen light fixture	85	\$ 180.00	\$ 15,300.00		
	bath light fixture	90	\$ 135.00	\$ 12,150.00	\$ 172,889.00	
	unit ceiling lights	85	\$ 165.00	\$ 14,025.00		
	site lighting	1	\$ 75,000.00	\$ 75,000.00		
	porch lights	172	\$ 155.00	\$ 26,660.00		
37	ROADS AND WALKS					
	repair asphalt, reseal and stripe	1	\$ 299,983.00	\$ 299,983.00	\$ 384,983.00	
	repair flatwork	1	\$ 85,000.00	\$ 85,000.00		
38	SITE IMPROVEMENTS					
	laundry room upgrades	2	\$ 4,500.00	\$ 9,000.00		
	labor, clean up, move out, etc.	170	\$ 1,080.00	\$ 183,600.00	\$ 282,600.00	
	install playground equipment and surface	1	\$ 90,000.00	\$ 90,000.00		
39	LAWNS AND PLANTING					
	landscape upgrades	1	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	
Part 3 Total Construction Costs						
Cost Before General Requirements and Fees				\$ 6,800,000.00		
Hard cost/unit				\$ 40,000.00		
General Requirements				6.00%	\$ 408,000.00	
Contractors Overhead				2.00%	\$ 136,000.00	
Contractors Profit				6.00%	\$ 408,000.00	
Insurance					\$ 116,280.00	
Bond					\$ 116,280.00	
Contingency					\$ 755,556.00	
Permits					\$ 30,000.00	
Grand Total					\$ 8,770,116.00	
Grand Total cost/unit					\$ 51,588.92	
Grand Total cost/unit sf					\$ 64.72	



ATTACHMENT 8A – DEVELOPER DISCLOSURE STATEMENT

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

1. Name of CONTRACTOR: **Bella Vista Affordable Communities, L.P.**
2. Address and Zip Code: **1927 Adams Ave, Suite 200 San Diego, CA 92116**
3. Telephone Number: **619-260-5562**
4. Name of Principal Contact for CONTRACTOR: **Ruben Islas**
5. Federal Identification Number or Social Security Number of CONTRACTOR:
81-2291228
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: **March 9, 2016**

8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:

- a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
- b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
- c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
- d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

Name, Address and Zip Code _____	Position Title (if any) and percent of interest or description of character and extent of interest
-------------------------------------	--

(Attach extra sheet if necessary)

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
extent of interest _____

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:

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.

Islas Development and its sole member, Ruben Islas, is a member in the following Multi-Family Limited Partnerships listed below, all of whose home office is located at 1927 Adams Ave, San Diego, CA 92116.

Suffolk Development, LLC and its sole member, Jules Arthur is a member in all the entities listed below with the exception of Lilly Housing Partners, LP, Logan Square Housing Partners, LP, Willowbrook Housing Partners, LP and Avalon-Logan, LLC.

Since 2002:	Lilly Housing Partners, L.P.	Gilroy, CA
Since 2002:	Logan Square Housing Partners, L.P.	San Diego, CA
Since 2002:	Willowbrook Housing Partners, L.P.	Baypoint, CA
Since 2003:	Campus Gardens Housing Partners, L.P.	Sacramento, CA
Since 2003:	Carlton Villas Housing Partners, L.P.	Santee, CA
Since 2004:	Hannon Seaview Housing Partners, L.P.	Seaside, CA
Since 2004:	Hawaiian Gardens Housing Partners, L.P.	Hawaiian Gardens, CA
Since 2004:	Lafayette Square Housing Partners, L.P.	Albuquerque, NM
Since 2004:	Plaza Seniors Housing Partners, L.P.	El Centro, CA
Since 2005:	Briarwood Housing Partners, L.P.	Montclair, CA
Since 2006:	Oakbrook I Manor Housing Partners, L.L.L.P.	Ft. Collins, CO
Since 2007:	Downtown Denver Housing Partners, L.L.L.P.	Denver, CO

Since 2007:	The Rosslyn Lofts Housing Partners, L.P.	Los Angeles, CA
Since 2008:	Bay Vista Housing Partners, L.P.	San Diego, CA
Since 2009:	Olivewood Housing Partners, L.P.	San Diego, CA
Since 2009:	Golden Age Garden Housing Partners, L.P.	San Diego, CA

Logan Capital Advisors, LLC
 Logan Capital, LLC
 Downtown Denver Commercial, LLC
 Rosslyn Commerical, LLC
 Avalon-Logan, LLC
 Amerland West, LLC
 Amerland/Briarwood, LLC
 Amerland Group, LLC
 Amerland/Hawaiian Gardens, LLC
 Amerland/Briarwood, LLC
 Amerland/Downtown Denver, LLC
 Grande Housing, LLC
 Grande/Seaview, LLC
 Amerland Communities, LLC
 Amerland/Carlton, LLC
 Amerland/Campus, LLC
 Amerland/Plaza Seniors, LLC
 Grande Housing II, LLC
 Grande II/Lafayette, LLC
 Golden Age Partners, LLC
 Amerland/Golden Age, LLC
 Amerland Development, LLC
 MRJ, LLC
 Amerland/Oakbrook, LLC
 The Amerland Group, LLC
 Amerland Downtown Denver, LLC
 Rosslyn Partners, LLC
 Amerland/Rosslyn Partners, LLC
 Bay Vista Partners, LLC
 Amerland/Bay Vista, LLC

Michael Coit, Sole Member of Finco Development, Inc is a member of the following entities from the above list:

Logan Square Housing Partners, L.P., Avalon-Logan, LLC, Briarwood Housing Partners, L.P., Amerland West, LLC, Amerland/Briarwood, LLC, Campus Gardens Housing Partners, L.P., Amerland Communities, LLC, Carlton Villas Housing Partners, L.P., Hannon Seaview Housing Partners, L.P. Grande Housing, LLC, Grande/Seaview, LLC, Hawaiian Gardens Housing Partners, L.P. , Amerland West, LLC, Amerland/Hawaiian Gardens, LLC, Lafayette Square Housing Partners, L.P., Grande Housing II, LLC, Grande II/Lafayette, LLC, Plaza Seniors Housing Partners, L.P., Amerland/Plaza Seniors, LLC

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. **This is a newly formed entity with no financials.**
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: **The project will be funded utilizing tax exempt bonds and 4% low income housing tax credits. Preliminarily the lender is going to be Hunt Mortgage utilizing a Fannie Mae private placement and the tax credit investor will be WNC. The loan will be approximately \$28.6 million and there will be approximately \$19 million of tax credit equity. The rehabilitation of the property will cost \$8.7 million (\$51,500/unit)**
16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking: **Please see sources and uses previously provided as part of application.**
- a. Name, Address & Zip Code of Bank/Savings & Loan:
- 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:
- | <u>Description</u> | <u>Market Value</u> | <u>Mortgages or Liens</u> |
|--------------------|---------------------|---------------------------|
| | \$ | \$ |
17. Names and addresses of bank references, and name of contact at each reference:
- Paul Weissman**
paul.weissman@huntcompanies.com **(303) 504-6239**
Hunt Mortgage

3033 East First Avenue, Suite 212
Denver, Colorado 80206

Jerry Wright
jwright@doughertymarkets.com (512) 708-1555
Dougherty & Company LLC
90 S 7th St Ste 4300
Minneapolis, MN 55402

Mike Hemmens
mike.hemmens@citi.com (805) 557-0933
Citi
325 E Hillcrest Dr. Suite 160
Thousand Oaks, CA 91360

Jason Shidler
jshidler@firstrepublic.com (619) 338-1551
First Republic Bank
12626 High Bluff Dr
San Diego, CA 92130-2074

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 X 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 X 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: **N/A. This is a newly formed entity.**

<u>Bond Type</u>	<u>Project Description</u>	<u>Date of Completion</u>	<u>Amount of Bond</u>	<u>Action on Bond</u>
------------------	----------------------------	---------------------------	-----------------------	-----------------------

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:

Phase 3 Construction, Inc./Ruben Islas
1927 Adams Ave, Suite 200 San Diego, CA 92116

Phase 3 Construction, Inc./Jules Arthur
1927 Adams Ave, Suite 200 San Diego, CA 92116

Phase 3 Construction, Inc./Jeremy Turner
1927 Adams Ave, Suite 200 San Diego, CA 92116

- 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 X 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: \$ 750,000.00

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: Olivewood Gardens (Project Commenced in January 2016 and will be complete in April 2016)

Project Owner: Olivewood Gardens Housing Partners, LP PO Box 880367 San Diego, CA 92168

Project Location: 2865 55th Street San Diego, CA 92105

Project Details: Moderate Rehab of 25 out of 61 total units including replacement of all interior fixtures & finishes. Site work including roof & asphalt repairs, water heater & window replacement. Gutter installation, termite treatment, & wood replacement.

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

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

<u>Awarding Agency</u>	<u>Amount</u>	<u>Date Opened</u>
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22. Provide a detailed and complete 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: **The Limited Partnership will hire Phase 3 Construction, Inc. to perform the necessary work.**

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: **This is a newly formed entity. See attached resume for Ruben Islas and Jules Arthur.**

25. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation?
___ Yes X 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: See Certificates Attached.
The Limited Partnership will comply with any necessary insurance requirements.

- 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.

Agreed.

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.

Agreed.

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.

Agreed.

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 so state: **None.**

Government Entity
Making Complaint

Date

Resolution

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 so state: **No.**

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: **N/A**

Governmental Agency	Description License	License Number	Date Issued (original)	Status (current)	Revocation (yes/no)
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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 anticipated.**

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. **The principals in the Limited Partnership have developed over 3000 units through the use of bonds and LIHTC. In addition, the vast majority of developed properties have either HAP or Project based Section 8 contracts. In addition, the principals of the Limited Partnership have completed the following acquisition rehabs in San Diego County:**

2002: Multi-Family Acquisition Rehab - Bella Vista Apts. San Diego - 170 units. Bond amount: \$10,215,000

2003: Multi-Family Acquisition Rehab - Carlton Country Club Villas - Santee - 130 units. Bond amount: \$7,670,000

2008: Multi-Family Acquisition Rehab - Bay Vista Methodist Heights - San Diego - 268 units. Bond amount: \$24,190,000

2010: Multi-Family Acquisition Rehab - Golden Age Garden - San Diego - 76 units. Bond amount: \$5,620,000

Also, Olivewood Gardens is currently undergoing a rehab under the direction and supervision of the principals and of Phase 3 Construction, Inc. (Project Commenced in January 2016 and will be complete in April 2016).

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: **This is a newly formed entity. N/A**

<u>Date</u>	<u>Entity Involved (i.e., CITY COMMISSION, etc.)</u>	<u>Status (Current, delinquent repaid, etc.)</u>	<u>Dollar Amount</u>
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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 X No

If yes, explain:

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 X No

If yes, explain:

38. List three local references who would be familiar with your previous construction project: **N/A. This is a newly formed entity.**

Name: Logan Property Management, Inc. - Martha Enriquez_____

Address: 1927 Adams Ave, Suite 200, San Diego, CA 92116

Phone: 619-260-5562_____

Project Name and Description: Sea Breeze Apartments (Bay Vista), Golden Age Garden Apts, Bella Vista Apts, Carlton Country Club Villas, Olivewood Gardens Apartments, All San Diego properties. _____

Name: Citi - Mike Hemmens _____

Address: 325 E Hillcrest Dr. Suite 160 Thousand Oaks, CA 91360 _____

Phone: (805) 557-0930 . 224 _____

Project Name and Description: Golden Age Garden - San Diego _____

Name: Wentwood Capital Advisors, L.P. - Sarah Hamm _____

Address: 515 South Capital of Texas Hwy Suite 103 Austin, TX 78746 _____

Phone: (512) 637-9292 _____

Project Name and Description: Sea Breeze (Bay Vista) - San Diego _____

- _____
39. Give a brief statement respecting 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.

Principals in the newly formed Limited Partnership have developed over 3000 units since 2001.

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

**Jeremy Turner
Phase 3 Construction, Inc.
619-846-6406**

See previously provided resume for Jeremy Turner.

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 21 day of April, 2016, at San Diego, California.

CONTRACTOR

By:


Signature
MANAGING MEMBER
Title

RUBEN IRAZAS, JR.

CERTIFICATION

The CONTRACTOR, Ruben Escobar, Jr., 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: Ruben Escobar, Jr. By: _____
Title: Managing Member Title: _____
Dated: 4/21/16 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.

ATTEST:

State of California

County of San Diego

Subscribed and sworn to before me this 21ST day of April, 2016.



SEAL

Cheryl Dagostaro, Notary Public
Signature of Notary

Cheryl Dagostaro
Name of Notary
See Attached Jurat /
Dagostaro, Notary Public

Ruben Islas – Resume

1927 Adams Avenue, Suite 200
San Diego 92116

Expertise

- Developed over 3,400 low-income multi-family housing units in Southern California, Northern California, New Mexico and Colorado.
- Partner in Logan Property Management, Inc., which manages & asset manages 2,800 low-income multi-family units that utilize HUD and Tax Credit programs.
- Sophisticated Real Estate Investor with intimate knowledge of HUD, Tax Credit and Bond programs.
- Specialist in the marketing, evaluation, and sale of apartment properties.

Work Experience

- 2010 to Present **Logan Capital Advisors, LLC – Partner**
Logan Capital Advisors is an affordable housing development firm that has expertise with HUD and utilizes Tax Exempt Bonds and Low Income Housing Tax Credits to acquire and rehabilitate existing affordable housing projects.
- 2004 to Present **Logan Property Management, Inc. – Partner**
Property and Asset Management company which specializes in Low Income Housing and properties financed with Tax Credit programs. Expertise in HUD programs including project based Section 8 properties.
- 2002 to 2010 Amerland Group, LLC. - Partner - Developer
- 1997 to 1999 Avalon Communities, LLC. - Vice President
- 1994 to 1997 H. W. WILSON – Development Specialist

Education

1995-1996 ST. JOHN’S UNIVERSITY
Concentration in finance

1994-1995 QUEENS COLLEGE
Business and Finance

1987-1991 UNIVERSITY OF CALIFORNIA, SAN DIEGO
Performance/Writing
Minor in Economics

AFFORDABLE HOUSING PROJECTS OWNER/DEVELOPED:

<u>Project</u>	<u>Location</u>	<u># of Units</u>
Bella Vista	San Diego, CA	170
Lilly Gardens	Gilroy, CA	84
Willowbrook	Bay Point, CA	72
Campus Gardens	Sacramento, CA	126
Carlton Country Club Villas	Santee, CA	130
Hawaiian Gardens	Hawaiian Gardens, C	264
Seaview Village	Seaside, CA	133
Dessert Villas	El Centro, CA	172
Villas Esperanza	Albuquerque, NM	188
Casa de Vallejo	Vallejo, CA	136
Briarwood Manor	Montclair, CA	100
Oakbrook I Manor	Ft. Collins, CO	107
The Rosslyn Lofts	Los Angeles, CA	297
Bay Vista Methodist Heights	San Diego, CA	268
Golden Age Garden	San Diego, CA	76
Olivewood Gardens	San Diego, CA	61
The Alexandria	Los Angeles, CA	463
The Argonaut/El Tovar	Denver, CO	108
Drehmoor	Denver, CO	74
Hudson Townhouse Manor	Antioch, CA	122

Jules Arthur – Resume

1927 Adams Avenue, Suite 200
San Diego 92116

Expertise

- Developed over 3,400 low-income multi-family housing units in Southern California, Northern California, New Mexico and Colorado.
- Partner in Logan Property Management, Inc., which manages & asset manages 2,800 low-income multi-family units that utilize HUD and Tax Credit programs.
- Sophisticated Real Estate Investor with intimate knowledge of HUD, Tax Credit and Bond programs.
- Specialist in the marketing, evaluation, and sale of apartment properties.

Work Experience

- 2010 to Present **Logan Capital Advisors, LLC – Partner**
Logan Capital Advisors is an affordable housing development firm that has expertise with HUD and utilizes Tax Exempt Bonds and Low Income Housing Tax Credits to acquire and rehabilitate existing affordable housing projects.
- 2004 to Present **Logan Property Management, Inc. – Partner**
Property and Asset Management company which specializes in Low Income Housing and properties financed with Tax Credit programs. Expertise in HUD programs including project based Section 8 properties.
- 2002 to 2010 Amerland Group, LLC. - Partner - Developer
- 1998 to 2002 Hendricks & Partners, San Diego Office – Investment Broker
- 1994 to 1998 Grubb & Ellis Company, San Diego, California – Investment Broker
- 1990 to 1994 R. C. Knight & Sons, Stowmarket, England
General Practice Chartered Surveyor

Education

City of Nottingham, England
Bachelors of Science (Hons), Urban Estate Surveying (1989)

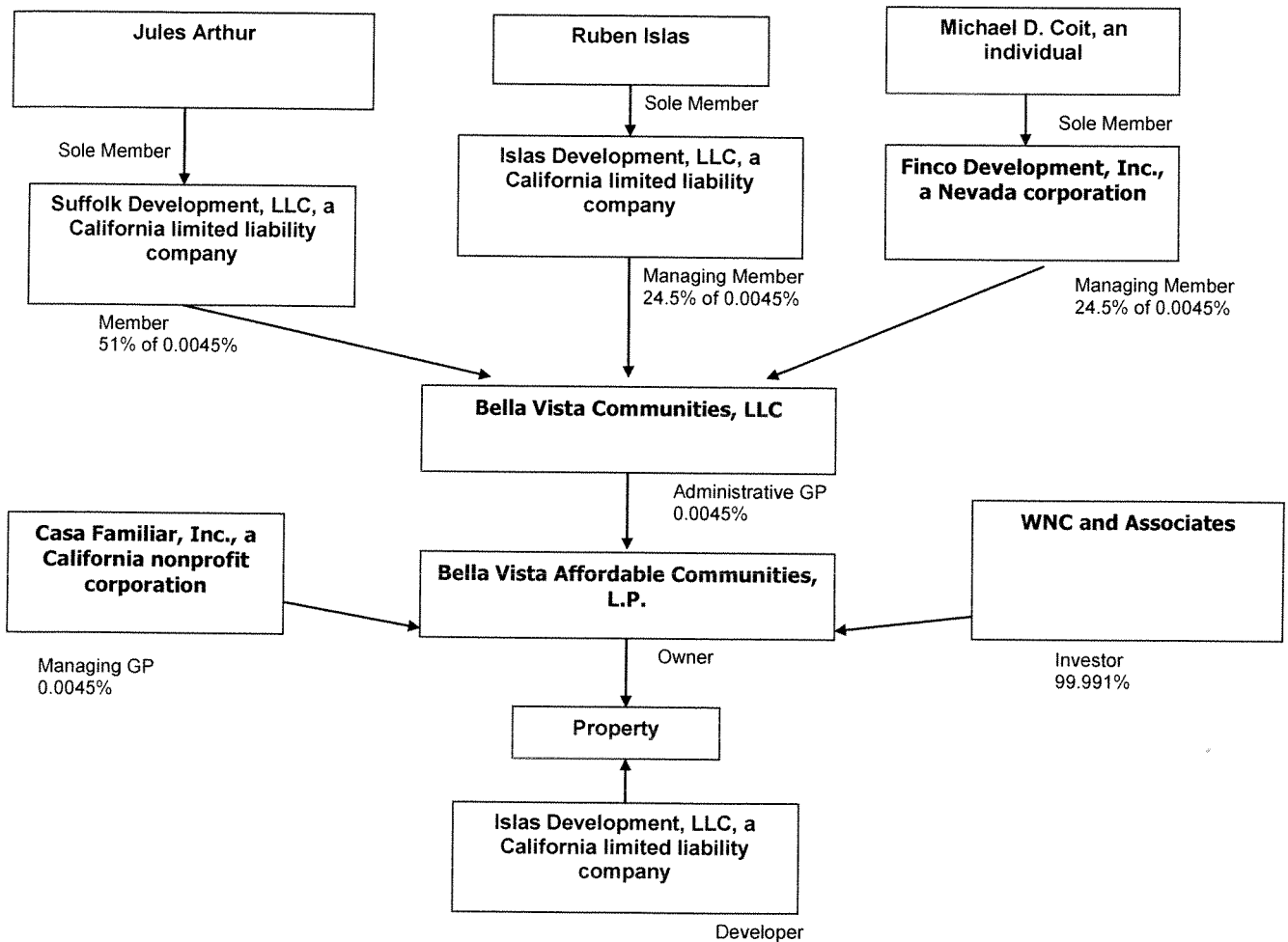
Accomplishments & Awards

- Grubb & Ellis Rookie of the Year for San Diego County
- Member of Royal Institute of Chartered Surveyors

AFFORDABLE HOUSING PROJECTS OWNER/DEVELOPED:

<u>Project</u>	<u>Location</u>	<u># of Units</u>
Bella Vista	San Diego, CA	170
Lilly Gardens	Gilroy, CA	84
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Carlton Country Club Villas	Santee, CA	130
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Dessert Villas	El Centro, CA	172
Villas Esperanza	Albuquerque, NM	188
Casa de Vallejo	Vallejo, CA	136
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The Alexandria	Los Angeles, CA	463
The Argonaut/El Tovar	Denver, CO	108
Drehmoor	Denver, CO	74
Hudson Townhouse Manor	Antioch, CA	122

BELLA VISTA ORGANIZATIONAL CHART



ATTACHMENT 8B – DEVELOPER DISCLOSURE STATEMENT

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

1. Name of CONTRACTOR: Islas Development, LLC
2. Address and Zip Code: 1927 Adams Ave, Suite 200
3. Telephone Number: 619-260-5562
4. Name of Principal Contact for CONTRACTOR: Ruben Islas
5. Federal Identification Number or Social Security Number of CONTRACTOR: 41-2027897
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 24th, 2001

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

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Ruben Islas	Sole Member, 100%
Address: 1005 Solymar Dr., La Jolla, CA 92037	
619-260-5562	
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: Logan Capital Advisors, LLC	Contractor has 50% interest in Logan Capital Advisors, LLC.
Address: 1927 Adams Ave, Suite 200	Jules Arthur is the sole member of Suffolk Development, LLC
San Diego, CA 92116	which has a 50% interest in Logan Capital Advisors, LLC
Name: S	
Address:	
Name:	
Address:	
Name: See Attached of other affiliations	
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:

The project will be funded utilizing tax exempt bonds and 4% low income housing tax credits.

Preliminarily the lender is going to be Hunt Mortgage utilizing a Fannie Mae private placement and the tax credit investor will be WNC. The loan will be approximately \$28.6 million and there will be approximately \$19 million of tax credit equity. The rehabilitation of the property will cost \$8.7 million (\$51,500/unit)

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

- a. In banks/savings and loans:

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

N/A

Amount: \$ _____

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

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

N/A

Amount: \$ _____

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

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

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

Name, Address and Zip Code	Contact Name
Name: Hunt Mortgage	Paul Weissman
Address: 3033 East First Avenue, Suite 212	(303) 504-6239
Denver, Colorado 80206	paul.weissman@huntcompanies.com
Name: Dougherty & Company LLC	Jerry Wright
Address: 90 S 7th St Ste 4300	(512) 708-1555
Minneapolis, MN 55402	jwright@doughertymarkets.com
Name: Citi	Mike Hemmens
Address: 325 E Hillcrest Dr. Suite 160	(805) 557-0933
Thousand Oaks, CA 91360	mike.hemmens@citi.com
Name: First Republic Bank	Jason Shidler
Address: 12626 High Bluff Dr	jshidler@firstrepublic.com
San Diego, CA 92130-2074	(619) 338-1551

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
Tax-Exempt	Multi-Family Acquisition Rehab - Bella Vista Apts. San Diego - 170 units	11/20/2002	\$10,215,000	N/A
Tax-Exempt	Multi-Family Acquisition Rehab - Carlton Country Club Villas - Santee - 130 units	12/16/03	\$7,670,000	N/A
Tax-Exempt	Multi-Family Acquisition Rehab - Bay Vista Methodist Heights - San Diego - 268 units	12/31/2008	\$24,190,000	N/A
Tax-Exempt	Multi-Family Acquisition Rehab - Golden Age Garden - San Diego - 76 units	09/15/2010	\$5,620,000	N/A

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


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

Name, Address and Zip Code	Affiliation
Name: Phase 3 Construction, Inc./Ruben Islas	Officer and 40% owner of Phase 3
Address: 1927 Adams Ave, Suite 200, San Diego CA 92116	Construction, Inc.
Name: Phase 3 Construction, Inc./Jules Arthur	Officer and 40% owner of Phase 3
Address: 1927 Adams Ave, Suite 200, San Diego CA 92116	Construction, Inc.
Name: Phase 3 Construction, Inc./Jeremy Turner	President and 20% owner of
Address: 1927 Adams Ave, Suite 200, San Diego CA 92116	Phase 3 Construction, Inc.
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: \$750,000.00 

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	Olivewood Gardens (Project Commenced in January 2016 and will be complete in April 2016)		
Project Owner Contact Information	Olivewood Gardens Housing Partners, LP	PO Box 880367 San Diego, CA 92168	
	Name		Address
Project Location	2865 55th Street San Diego, CA 92105		
Project Details	Moderate Rehab of 25 out of 61 total units including replacement of all interior fixtures & finishes. Site work including roof & asphalt repairs, water heater & window replacement. Gutter installation, termite treatment, & wood replacement.		
Bonding Company Involved	None		
	Name		Amount of Contract
Change Order Details	None		
Change Order Cost	\$0.00		
Litigation Details	N/A		N/A
	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 Complaint	Date	Resolution
N/A		

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

N/A

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

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

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

N/A

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

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

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

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

☐ Yes ☒ No

If yes, explain:

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:

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

1. Name: Logan Property Management, Inc. - Martha Enriquez

Address: 1927 Adams Ave, Suite 200, San Diego, CA 92116

Phone: 619-260-5562

Project Name and Description: Sea Breeze Apartments (Bay Vista),
Golden Age Garden Apts, Bella Vista Apts, Carlton Country Club
Villas, Olivewood Gardens Apartments, All San Diego properties. 

2. Name: Citi - Mike Hemmens

Address: 325 E Hillcrest Dr. Suite 160 Thousand Oaks, CA 91360

Phone: (805) 557-0930 . 224

Project Name and Description: Golden Age Garden - San Diego

3. Name: Wentwood Capital Advisors, L.P. - Sarah Hamm

Address: 515 South Capital of Texas Hwy Suite 103 Austin, TX 78746

Phone: (512) 637-9292

Project Name and Description: Sea Breeze (Bay Vista) - San Diego

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.

Islas Development has developed over 3000 units since 2001. Islas Development's primary focus is
in the acquisition and rehabilitation of multi-family, low income housing.

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

Name	Experience
Jeremy Turner Phase 3 Construction, Inc. 619-846-6406	Please see attached resume for Jeremy Turner

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 23rd day of MARCH, 20 16, at San Diego, California.

CONTRACTOR

By:


Signature


Title

CERTIFICATION

The CONTRACTOR, RUBEN ISLAS, JR. 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: [Signature]

By: _____

Title: RUBEN

Title: _____

Dated: 3/23/16

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 _____

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

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

PLEASE SEE ATTACHED
NOTARIZED FORM

Signature of Notary

SEAL

DISCLOSE.PUB

JURAT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

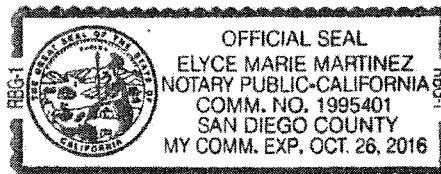
State of California
County of San Diego

Subscribed and sworn (or affirmed) before me on this

23rd day of March, 2016, by Ruben Islas Jr

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

Elyce Marie Martinez
Notary's Signature



OPTIONAL

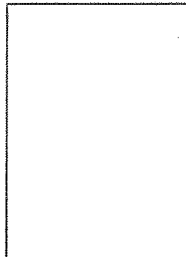
DESCRIPTION OF ATTACHED DOCUMENT

Title of Type of Document: Certification

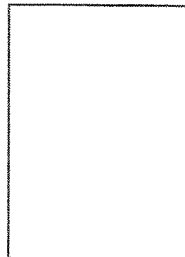
Document Date: _____ Number of Pages Including this One: _____

Additional Information: pg. 18

RIGHT THUMPRINT
OF SIGNER #1



RIGHT THUMPRINT
OF SIGNER #2



ATTACHMENT 8C – DEVELOPER DISCLOSURE STATEMENT

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

1. Name of CONTRACTOR: **Bella Vista Communities, L.L.C.**
2. Address and Zip Code: **1927 Adams Ave, Suite 200 San Diego, CA 92116**
3. Telephone Number: **619-260-5562**
4. Name of Principal Contact for CONTRACTOR: **Ruben Islas**
5. Federal Identification Number or Social Security Number of CONTRACTOR:
Entity and EIN currently being formed.
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:

☒ **X** 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: **Currently being formed.**

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

Name, Address and Zip Code _____	Position Title (if any) and percent of interest or description of character and extent of interest
-------------------------------------	--

(Attach extra sheet if necessary)

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

Since 2007:	The Rosslyn Lofts Housing Partners, L.P.	Los Angeles, CA
Since 2008:	Bay Vista Housing Partners, L.P.	San Diego, CA
Since 2009:	Olivewood Housing Partners, L.P.	San Diego, CA
Since 2009:	Golden Age Garden Housing Partners, L.P.	San Diego, CA

Logan Capital Advisors, LLC
 Logan Capital, LLC
 Downtown Denver Commercial, LLC
 Rosslyn Commerical, LLC
 Avalon-Logan, LLC
 Amerland West, LLC
 Amerland/Briarwood, LLC
 Amerland Group, LLC
 Amerland/Hawaiian Gardens, LLC
 Amerland/Briarwood, LLC
 Amerland/Downtown Denver, LLC
 Grande Housing, LLC
 Grande/Seaview, LLC
 Amerland Communities, LLC
 Amerland/Carlton, LLC
 Amerland/Campus, LLC
 Amerland/Plaza Seniors, LLC
 Grande Housing II, LLC
 Grande II/Lafayette, LLC
 Golden Age Partners, LLC
 Amerland/Golden Age, LLC
 Amerland Development, LLC
 MRJ, LLC
 Amerland/Oakbrook, LLC
 The Amerland Group, LLC
 Amerland Downtown Denver, LLC
 Rosslyn Partners, LLC
 Amerland/Rosslyn Partners, LLC
 Bay Vista Partners, LLC
 Amerland/Bay Vista, LLC

Michael Coit, Sole Member of Finco Development, Inc is a member of the following entities from the above list:

Logan Square Housing Partners, L.P., Avalon-Logan, LLC, Briarwood Housing Partners, L.P., Amerland West, LLC, Amerland/Briarwood, LLC, Campus Gardens Housing Partners, L.P., Amerland Communities, LLC, Carlton Villas Housing Partners, L.P., Hannon Seaview Housing Partners, L.P., Grande Housing, LLC, Grande/Seaview, LLC, Hawaiian Gardens Housing Partners, L.P., Amerland West, LLC, Amerland/Hawaiian Gardens, LLC, Lafayette Square Housing Partners, L.P., Grande Housing II, LLC, Grande II/Lafayette, LLC, Plaza Seniors Housing Partners, L.P., Amerland/Plaza Seniors, LLC

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. **This is a newly formed entity with no financials.**

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: **The project will be funded utilizing tax exempt bonds and 4% low income housing tax credits. Preliminarily the lender is going to be Hunt Mortgage utilizing a Fannie Mae private placement and the tax credit investor will be WNC. The loan will be approximately \$28.6 million and there will be approximately \$19 million of tax credit equity. The rehabilitation of the property will cost \$8.7 million (\$51,500/unit)**

16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking: **Please see sources and uses previously provided as part of application.**

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

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:

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
	\$	\$

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

Paul Weissman

paul.weissman@huntcompanies.com (303) 504-6239

Hunt Mortgage

3033 East First Avenue, Suite 212
Denver, Colorado 80206

Jerry Wright
jwright@doughertymarkets.com (512) 708-1555
Dougherty & Company LLC
90 S 7th St Ste 4300
Minneapolis, MN 55402

Mike Hemmens
mike.hemmens@citi.com (805) 557-0933
Citi
325 E Hillcrest Dr. Suite 160
Thousand Oaks, CA 91360

Jason Shidler
jshidler@firstrepublic.com (619) 338-1551
First Republic Bank
12626 High Bluff Dr
San Diego, CA 92130-2074

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 X 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 X 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: **N/A. This is a newly formed entity.**

<u>Bond</u> <u>Type</u>	<u>Project</u> <u>Description</u>	<u>Date of</u> <u>Completion</u>	<u>Amount</u> <u>of Bond</u>	<u>Action on</u> <u>Bond</u>
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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:

Phase 3 Construction, Inc./Ruben Islas
1927 Adams Ave, Suite 200 San Diego, CA 92116

Phase 3 Construction, Inc./Jules Arthur
1927 Adams Ave, Suite 200 San Diego, CA 92116

Phase 3 Construction, Inc./Jeremy Turner
1927 Adams Ave, Suite 200 San Diego, CA 92116

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: \$ 750,000.00

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: Olivewood Gardens (Project Commenced in January 2016 and will be complete in April 2016)

Project Owner: Olivewood Gardens Housing Partners, LP PO Box 880367 San Diego, CA 92168

Project Location: 2865 55th Street San Diego, CA 92105

Project Details: Moderate Rehab of 25 out of 61 total units including replacement of all interior fixtures & finishes. Site work including roof & asphalt repairs, water heater & window replacement. Gutter installation, termite treatment, & wood replacement.

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

<u>Identification of</u> <u>Contract or Development</u>	<u>Location</u>	<u>Amount</u>	<u>Date to be</u> <u>Completed</u>
--	-----------------	---------------	---------------------------------------

- e. Outstanding construction-contract bids of such contractor or builder: **N/A**

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

22. Provide a detailed and complete 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: **The Limited Partnership will hire Phase 3 Construction, Inc. to perform the necessary work.**

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 X 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: **This is a newly formed entity. See attached resume for Ruben Islas and Jules Arthur.**

25. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation?
___ Yes X 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: See Certificates Attached.

The Limited Partnership will comply with any necessary insurance requirements.

- 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.

Agreed.

-
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.

Agreed.

-
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.

Agreed.

-
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 so state: **None.**

Government Entity
Making Complaint

Date

Resolution

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 so state: **No.**

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: **N/A**

<u>Governmental Agency</u>	<u>Description License</u>	<u>License Number</u>	<u>Date Issued (original)</u>	<u>Status (current)</u>	<u>Revocation (yes/no)</u>
----------------------------	----------------------------	-----------------------	-------------------------------	-------------------------	----------------------------

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 anticipated.**

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. **The principals in the Limited Partnership have developed over 3000 units through the use of bonds and LIHTC. In addition, the vast majority of developed properties have either HAP or Project based Section 8 contracts. In addition, the principals of the Limited Partnership have completed the following acquisition rehabs in San Diego County:**

2002: Multi-Family Acquisition Rehab - Bella Vista Apts. San Diego - 170 units. Bond amount: \$10,215,000

2003: Multi-Family Acquisition Rehab - Carlton Country Club Villas - Santee - 130 units. Bond amount: \$7,670,000

2008: Multi-Family Acquisition Rehab - Bay Vista Methodist Heights - San Diego - 268 units. Bond amount: \$24,190,000

2010: Multi-Family Acquisition Rehab - Golden Age Garden - San Diego - 76 units. Bond amount: \$5,620,000

Also, Olivewood Gardens is currently undergoing a rehab under the direction and supervision of the principals and of Phase 3 Construction, Inc. (Project Commenced in January 2016 and will be complete in April 2016).

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: **This is a newly formed entity. N/A**

<u>Date</u>	<u>Entity Involved</u> (i.e., CITY COMMISSION, etc.)	<u>Status</u> (Current, delinquent repaid, etc.)	<u>Dollar</u> <u>Amount</u>
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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 X No

If yes, explain:

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 X No

If yes, explain:

38. List three local references who would be familiar with your previous construction project: **N/A. This is a newly formed entity.**

Name: Logan Property Management, Inc. - Martha Enriquez_____

Address: 1927 Adams Ave, Suite 200, San Diego, CA 92116

Phone: 619-260-5562

Project Name and Description: Sea Breeze Apartments (Bay Vista), Golden Age Garden Apts, Bella Vista Apts, Carlton Country Club Villas, Olivewood Gardens Apartments, All San Diego properties. _____

Name: Citi - Mike Hemmens _____

Address: 325 E Hillcrest Dr. Suite 160 Thousand Oaks, CA 91360 _____

Phone: (805) 557-0930 . 224 _____

Project Name and Description: Golden Age Garden - San Diego _____

Name: Wentwood Capital Advisors, L.P. - Sarah Hamm _____

Address: 515 South Capital of Texas Hwy Suite 103 Austin, TX 78746 _____

Phone: (512) 637-9292 _____

Project Name and Description: Sea Breeze (Bay Vista) - San Diego _____

- _____
39. Give a brief statement respecting 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.

Principals in the newly formed Limited Partnership have developed over 3000 units since 2001.

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

**Jeremy Turner
Phase 3 Construction, Inc.
619-846-6406**

See previously provided resume for Jeremy Turner.

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).

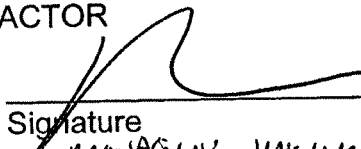
CONTRACTOR represents and warrants to the COMMISSION, the AUTHORITY and the CITY that by providing the information requested herein and waiving any and all privileges available under the Evidence Code of the State of California, State and Federal Law, (to the extent of this disclosure that the information 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 21 day of April, 2016, at San Diego, California.

CONTRACTOR

By:

 RUBEN ISLAS, JR.
Signature
MANAGING MEMBER
Title

CERTIFICATION

The CONTRACTOR, Ruben Islas, Jr., 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: [Signature]
RUBEN ISLAS, JR

Title: MANAGING MEMBER

Dated: 4/21/16

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.

ATTEST:

State of California

County of San Diego

Subscribed and sworn to before me this 21ST day of April, 2016.



SEAL

[Signature], Notary Public
Signature of Notary

Cheryl Dagostaro
Name of Notary

See Attached Trust /
Dagostaro, Notary Public.

Ruben Islas – Resume

1927 Adams Avenue, Suite 200

San Diego 92116

Expertise

- Developed over 3,400 low-income multi-family housing units in Southern California, Northern California, New Mexico and Colorado.
- Partner in Logan Property Management, Inc., which manages & asset manages 2,800 low-income multi-family units that utilize HUD and Tax Credit programs.
- Sophisticated Real Estate Investor with intimate knowledge of HUD, Tax Credit and Bond programs.
- Specialist in the marketing, evaluation, and sale of apartment properties.

Work Experience

- 2010 to Present **Logan Capital Advisors, LLC – Partner**
Logan Capital Advisors is an affordable housing development firm that has expertise with HUD and utilizes Tax Exempt Bonds and Low Income Housing Tax Credits to acquire and rehabilitate existing affordable housing projects.
- 2004 to Present **Logan Property Management, Inc. – Partner**
Property and Asset Management company which specializes in Low Income Housing and properties financed with Tax Credit programs. Expertise in HUD programs including project based Section 8 properties.
- 2002 to 2010 Amerland Group, LLC. - Partner - Developer
- 1997 to 1999 Avalon Communities, LLC. - Vice President
- 1994 to 1997 H. W. WILSON – Development Specialist

Education

1995-1996 ST. JOHN’S UNIVERSITY
Concentration in finance

1994-1995 QUEENS COLLEGE
Business and Finance

1987-1991 UNIVERSITY OF CALIFORNIA, SAN DIEGO
Performance/Writing
Minor in Economics

AFFORDABLE HOUSING PROJECTS OWNER/DEVELOPED:

<u>Project</u>	<u>Location</u>	<u># of Units</u>
Bella Vista	San Diego, CA	170
Lilly Gardens	Gilroy, CA	84
Willowbrook	Bay Point, CA	72
Campus Gardens	Sacramento, CA	126
Carlton Country Club Villas	Santee, CA	130
Hawaiian Gardens	Hawaiian Gardens, C	264
Seaview Village	Seaside, CA	133
Dessert Villas	El Centro, CA	172
Villas Esperanza	Albuquerque, NM	188
Casa de Vallejo	Vallejo, CA	136
Briarwood Manor	Montclair, CA	100
Oakbrook I Manor	Ft. Collins, CO	107
The Rosslyn Lofts	Los Angeles, CA	297
Bay Vista Methodist Heights	San Diego, CA	268
Golden Age Garden	San Diego, CA	76
Olivewood Gardens	San Diego, CA	61
The Alexandria	Los Angeles, CA	463
The Argonaut/El Tovar	Denver, CO	108
Drehmoor	Denver, CO	74
Hudson Townhouse Manor	Antioch, CA	122

Jules Arthur – Resume

1927 Adams Avenue, Suite 200
San Diego 92116

Expertise

- Developed over 3,400 low-income multi-family housing units in Southern California, Northern California, New Mexico and Colorado.
- Partner in Logan Property Management, Inc., which manages & asset manages 2,800 low-income multi-family units that utilize HUD and Tax Credit programs.
- Sophisticated Real Estate Investor with intimate knowledge of HUD, Tax Credit and Bond programs.
- Specialist in the marketing, evaluation, and sale of apartment properties.

Work Experience

- 2010 to Present **Logan Capital Advisors, LLC – Partner**
Logan Capital Advisors is an affordable housing development firm that has expertise with HUD and utilizes Tax Exempt Bonds and Low Income Housing Tax Credits to acquire and rehabilitate existing affordable housing projects.
- 2004 to Present **Logan Property Management, Inc. – Partner**
Property and Asset Management company which specializes in Low Income Housing and properties financed with Tax Credit programs. Expertise in HUD programs including project based Section 8 properties.
- 2002 to 2010 Amerland Group, LLC. - Partner - Developer
- 1998 to 2002 Hendricks & Partners, San Diego Office – Investment Broker
- 1994 to 1998 Grubb & Ellis Company, San Diego, California – Investment Broker
- 1990 to 1994 R. C. Knight & Sons, Stowmarket, England
General Practice Chartered Surveyor

Education

City of Nottingham, England
Bachelors of Science (Hons), Urban Estate Surveying (1989)

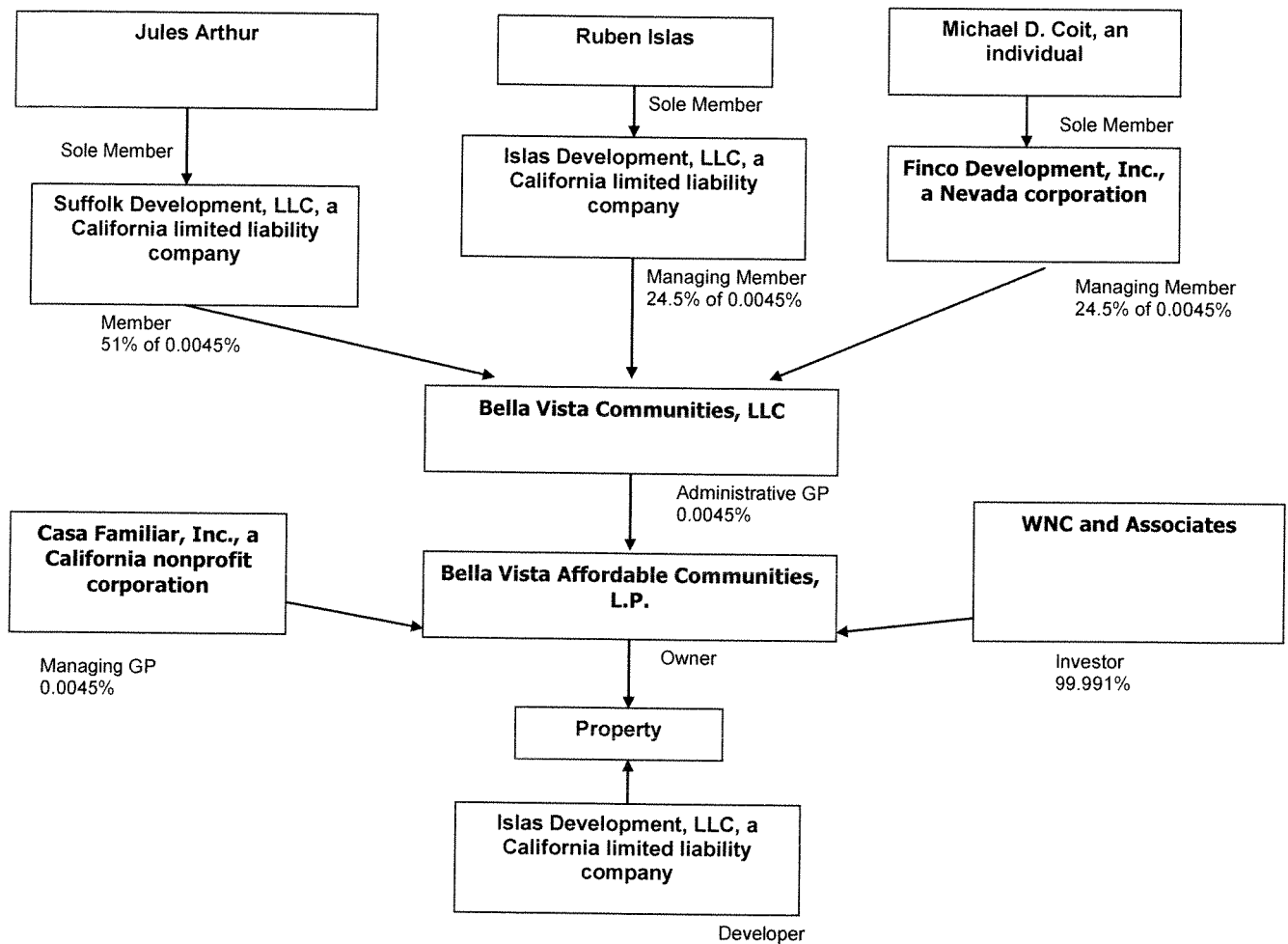
Accomplishments & Awards

- Grubb & Ellis Rookie of the Year for San Diego County
- Member of Royal Institute of Chartered Surveyors

AFFORDABLE HOUSING PROJECTS OWNER/DEVELOPED:

<u>Project</u>	<u>Location</u>	<u># of Units</u>
Bella Vista	San Diego, CA	170
Lilly Gardens	Gilroy, CA	84
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Dessert Villas	El Centro, CA	172
Villas Esperanza	Albuquerque, NM	188
Casa de Vallejo	Vallejo, CA	136
Briarwood Manor	Montclair, CA	100
Oakbrook I Manor	Ft. Collins, CO	107
The Rosslyn Lofts	Los Angeles, CA	297
Bay Vista Methodist Heights	San Diego, CA	268
Golden Age Garden	San Diego, CA	76
Olivewood Gardens	San Diego, CA	61
The Alexandria	Los Angeles, CA	463
The Argonaut/El Tovar	Denver, CO	108
Drehmoor	Denver, CO	74
Hudson Townhouse Manor	Antioch, CA	122

BELLA VISTA ORGANIZATIONAL CHART



ATTACHMENT 8D – DEVELOPER DISCLOSURE STATEMENT



HOUSING
COMMISSION

Real Estate Department

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

1. Name of CONTRACTOR: CASA FAMILIAR, INC.
2. Address and Zip Code: 119 W. HALL AVE.
SAN YSIDRO, CA 92173
3. Telephone Number: (619) 428-1115
4. Name of Principal Contact for CONTRACTOR:
ANDREA SKOREPA
5. Federal Identification Number or Social Security Number of CONTRACTOR:
23-7237898
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). SEE ATTACHMENT ①
 - ☐ 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: 02/06/1973

8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:

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

b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body. SEE ATTACHMENT ②

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

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

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

Name, Address and
Zip Code _____

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

(Attach extra sheet if necessary)

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
extent of interest _____

N/A

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:

SEE ATTACHED

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.

STEADFAST VILLA NUEVA L.P., CREEKSIDE HOLDINGS LTD.,
ALDER PARTNERS NO. 1 LTD., GARDEN VIEW APTS. NO. 1 LTD.,
LOGAN SQUARE HOUSING PARTNERS L.P., AND PARKHAVEN APTS. NO. 1 LTD.

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

SEE ATTACHMENTS (3) AND (4)

CASA FAMILIAR IS THE MANAGING GENERAL
PARTNER IN THESE LOW INCOME HOUSING
PARTNERSHIPS

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:

PROJECT FINANCING PLAN HAS NOT YET BEEN FINALIZED.

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

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

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:

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
	\$	\$

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

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:

<u>Bond</u> <u>Type</u>	<u>Project</u> <u>Description</u>	<u>Date of</u> <u>Completion</u>	<u>Amount</u> <u>of Bond</u>	<u>Action on</u> <u>Bond</u>
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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:

Not Applicable.

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

If yes, 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.

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

<u>Identification of Contract or Development</u>	<u>Location</u>	<u>Date to be Amount Completed</u>
--	-----------------	--

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

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

22. Provide a detailed and complete 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:

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: See Certificates Attached.

- 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

SEE ATTACHMENT (5)

- 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 so state:

Government Entity
Making Complaint

Date

Resolution

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 so 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:

<u>Governmental Agency</u>	<u>Description License</u>	<u>License Number</u>	<u>Date Issued (original)</u>	<u>Status (current)</u>	<u>Revocation (yes/no)</u>
----------------------------	----------------------------	-----------------------	-------------------------------	-------------------------	----------------------------

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.
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.
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:

<u>Date</u>	<u>Entity Involved (i.e., CITY COMMISSION, etc.)</u>	<u>Status (Current, delinquent repaid, etc.)</u>	<u>Dollar Amount</u>
-------------	--	--	----------------------

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:

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:

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

Name: _____

Address: _____

Phone: _____

Project Name and Description: _____

Name: _____

Address: _____

Phone: _____

Project Name and Description: _____

Name: _____

Address: _____

Phone: _____

Project Name and Description: _____

39. Give a brief statement respecting 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.

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

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 21st day of APRIL, 2016, at San Diego, California.

CONTRACTOR

By:

Andrea Skorepa
Signature
PRESIDENT & CEO
Title

CERTIFICATION

The CONTRACTOR, CASA FAMILIAR, INC., 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: Andrea Skorepa

By: _____

Title: PRESIDENT & CEO

Title: _____

Dated: 4/21/16

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.

ATTEST:

State of California

County of _____

Subscribed and sworn to before me this _____ day of _____, 20____.

Signature of Notary

Name of Notary

SEAL

*See attached 1001 certificate
M. Henderson 4/21/16*

CALIFORNIA JURAT WITH AFFIANT STATEMENT**GOVERNMENT CODE § 8202**

- ☒ See Attached Document (Notary to cross out lines 1-6 below)
☐ See Statement Below (Lines 1-6 to be completed only by document signer[s], not Notary)

Michael R. Freedman 4/21/16

Signature of Document Signer No. 1

NONE
Signature of Document Signer No. 2 (if any)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of SAN DIEGO

Subscribed and sworn to (or affirmed) before me

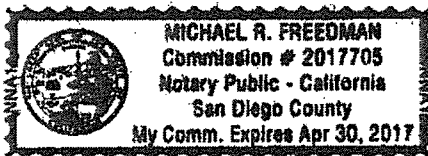
on this 21st day of APRIL, 2016
by Date Month Year

(1) _____

(and (2) NO OTHERS),
Name(s) of Signer(s)

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

Signature Michael R. Freedman
Signature of Notary Public



Seal
Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached DocumentTitle or Type of Document: STATEMENT FOR PUBLIC DISCLOSURE Document Date: N/ANumber of Pages: 14+ Signer(s) Other Than Named Above: NONE

State of California
Secretary of State

ATTACHMENT ①

**CERTIFICATE OF STATUS
DOMESTIC CORPORATION**

I, BRUCE McPHERSON, Secretary of State of the State of California, hereby
certify:

That on the 6th day of FEBRUARY 1973, GASA FAMILIAR, INC. became
incorporated under the laws of the State of California by filing its Articles of
Incorporation in this office; and

That said corporation's corporate powers, rights and privileges are not suspended
on the records of this office; and

That according to the records of this office, the said corporation is authorized to
exercise all its corporate powers, rights and privileges and is in good legal
standing in the State of California; and

That no information is available in this office on the financial condition, business
activity or practices of this corporation.

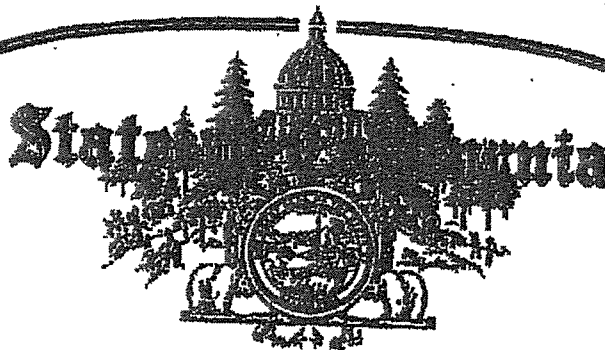
IN WITNESS WHEREOF, I execute
this certificate and affix the Great Seal
of the State of California this day of
October 19, 2008.



BRUCE McPHERSON
Secretary of State

A0533895

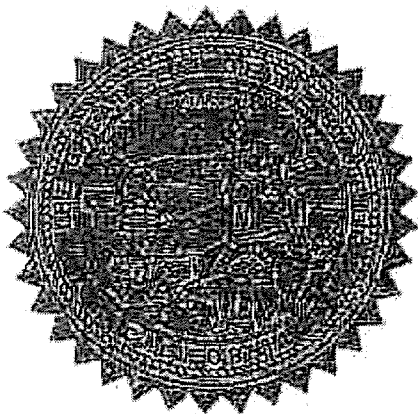
1



SECRETARY OF STATE

I, **BILL JONES**, Secretary of State of the State of California, hereby certify:

That the attached transcript of 4 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

NOV - 4 1999

Bill Jones

Secretary of State

A0533895

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

NOV - 1 1999

DILL JONES, Secretary of State

RESTATED
ARTICLES OF INCORPORATION

OF

CASA FAMILIAR, INC.

(1)

The undersigned certify that:

1. They are the president and secretary respectively of CASA FAMILIAR, INC., a California corporation.
2. The Articles of Incorporation of this corporation are amended and restated to read as follows:

I

The name of the corporation is CASA FAMILIAR, INC.

II

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

III

The primary purposes for this corporation are to promote the general welfare of the San Diego community by providing family, youth, housing, and other social services and assisting in the revitalization of the San Diego community by engaging in community development, economic development, and affordable housing activities.

IV

This corporation is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law.

V

This corporation shall exercise all powers conferred upon nonprofit corporations by the Nonprofit Public Benefit Corporation Law of the State of California. Such powers include, but are not limited to, the following powers:

- (a) Issue, purchase, redeem, receive, take or otherwise acquire, own, sell, lend, exchange, transfer, or otherwise dispose of, pledge, use and otherwise deal in and with its own bonds, debentures, notes and debt securities.
- (b) Assume obligations, enter into contracts, including contracts of guarantee or suretyship, incur liabilities, borrow or lend money or otherwise use its credit, and secure any of its obligations, contracts or liabilities by

mortgage, pledge or other encumbrance of all or any part of its property and income.

- (c) Participate with others in any partnership, joint venture or other association, transaction or arrangement of any kind whether or not such participation involves the sharing or delegation of control with or to others.
- (d) Purchase, own, develop, hold, improve, rehabilitate, use, manage, lease, sell, exchange, convey, mortgage, hypothecate, or encumber real and personal property, or any interest therein.

In all events, however, these powers will be used in furtherance of the corporation's exempt purposes as stated in these Articles of Incorporation. The corporation will not engage in activities which do not substantially further such purposes. Nothing contained in these Articles of Incorporation shall be construed to authorize this corporation to carry on any activity for the profit of, or to distribute any gains, profits or dividends to, officers, directors, or any other person or entity.

VI

(a) No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Internal Revenue Code of 1986, and this corporation shall not participate in or intervene in (including publishing or distributing statements) in any political campaign on behalf of any candidate for public office, except as otherwise provided in Section 501(h) of the Internal Revenue Code of 1986.

(b) All corporate property is irrevocably dedicated to the charitable and educational purposes meeting the requirements for exemption provided by Section 214

of the California Revenue And Taxation Code. No part of the net earnings of this corporation shall inure to the benefit of any of its directors, trustees, officers, private shareholders or members, or to individuals.

(c) On the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations, and liabilities of the corporation, the remaining assets of this corporation shall be distributed to such organization (or organizations) organized and operated exclusively for charitable purposes, which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law) and which has established its tax-exempt status under Section 23701d of the California Revenue and Taxation Code (or the corresponding section of any future California revenue and tax law.)

VII

This corporation shall have no members.

VIII

The principal place or office for the transaction of business of this corporation is located in San Diego County, California.

IX

If this corporation holds any assets in trust, such assets shall be disposed of in such a manner as may be directed by decree of the Superior Court of the County in which this corporation's principal office is located, upon petition therefor by the Attorney General, or by any person concerned in the liquidation.

X

①

This corporation elects to be governed by all of the provisions of the Nonprofit Corporation Law of 1980 not otherwise applicable to it under Part 5.

3. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the board of directors.

4. The foregoing amendment and restatement of the Articles of Incorporation has been duly approved by the required vote of the members.

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

Dated: 10/26/ 1999

Edward S. Oliva
Edward S. Oliva, President

Dated: 10/26/ 1999

Gustavo A. Bidart II
Gustavo A. Bidart II, Secretary





CASA FAMILIAR
A COMMUNITY SERVICE AGENCY

①

CORPORATE RESOLUTION

Adopted December 7, 2006

WHEREAS, Article V, Section 2 of the Bylaws of Casa Familiar, Inc. states that "all checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such a manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President or Chairman."

NOW, THEREFORE, BE IT RESOLVED, only the following persons, and no others, shall exercise the authority as signatories allowed by Article V, Section 2 of the Bylaws: either Gustavo A. Bidart, as the Chairman, or Judy Atkins (aka Judy Atkins-Whitmore), as a Director, and countersigned by Andrea Skorepa, as the President; and

RESOLVED FURTHER, that the actions authorized by this resolution shall be effective from the time of submission and acceptance of the appropriate signature identification documents by the corporation's financial institutions; however, any signature authority previously approved shall remain in effect and may be relied upon until the effective date of notification of approval and acceptance by the financial institutions of the changes authorized by this resolution.

CERTIFICATION OF SECRETARY

The undersigned hereby certifies that he is the duly elected Secretary of CASA FAMILIAR, INC., a corporation duly organized and existing under the laws of the State of California, and that the foregoing resolution is a full, true, and correct copy of a resolution of the Board of Directors of said Corporation, duly and regularly passed and adopted in accordance with the provisions in the Bylaws of the Corporation and California Corporations Code, on the 7th day of December, 2006, as the act of a quorum of the Board of Directors of said Corporation. The undersigned further certifies that said resolution remains in full force and effect and has not been modified, suspended or revoked, in whole or in part.

IN WITNESS WHEREOF, I have executed the foregoing certificate in my capacity as Secretary of the Corporation and have affixed the corporate Seal of said Corporation thereon this 7th day of December 2006.

(Seal)

Edward Oliva, Secretary

The undersigned is the Chairman of the Corporation and certifies that the person signing above as Secretary of the Corporation is the Secretary of the Corporation, and that the signature set forth above is the signature of that person.

Gustavo A. Bidart, Chairman



CASA FAMILIAR
A COMMUNITY SERVICE AGENCY

1

CORPORATE RESOLUTION

Adopted December 7, 2008

WHEREAS, Article V, Section 2 of the Bylaws of Casa Familiar, Inc. states that "all checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such a manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President or Chairman."

NOW, THEREFORE, BE IT RESOLVED, only the following persons, and no others, shall exercise the authority as signatories allowed by Article V, Section 2 of the Bylaws: either Gustavo A. Eldart, as the Chairman, or Judy Atkins (aka Judy Atkins-Whitemore), as a Director, and countersigned by Andrea Skorepa, as the President; and

RESOLVED FURTHER, that the actions authorized by this resolution shall be effective from the time of submission and acceptance of the appropriate signature identification documents by the corporation's financial institutions; however, any signature authority previously approved shall remain in effect and may be relied upon until the effective date of notification of approval and acceptance by the financial institutions of the changes authorized by this resolution.

CERTIFICATION OF SECRETARY

The undersigned hereby certifies that he is the duly elected Secretary of CASA FAMILIAR, INC., a corporation duly organized and existing under the laws of the State of California, and that the foregoing resolution is a full, true, and correct copy of a resolution of the Board of Directors of said Corporation, duly and regularly passed and adopted in accordance with the provisions in the Bylaws of the Corporation and California Corporations Code, on the 7th day of December, 2008, as the act of a quorum of the Board of Directors of said Corporation. The undersigned further certifies that said resolution remains in full force and effect and has not been modified, suspended or revoked, in whole or in part.

IN WITNESS WHEREOF, I have executed the foregoing certificate in my capacity as Secretary of the Corporation and have affixed the corporate Seal of said Corporation thereon this 7th day of December 2008.

(Seal)

Edward Olive
Edward Olive, Secretary

The undersigned is the Chairman of the Corporation and certifies that the person signing above as Secretary of the Corporation is the Secretary of the Corporation, and that the signature set forth above is the signature of that person.

Gustavo A. Eldart, Chairman



Casa Familiar, Inc.
BOARD OFFICERS

ATTACHMENT (2)

CHAIRMAN

Kurt Chilcott
CEO/President
CDC Small Business Finance Corp.
2448 Historic Decatur Rd. Ste. 200
San Diego, CA 92106
(619) 243-8610 Fax (619) 291-6954
kchilcott@cdcloans.com

MEMBER SINCE

September 1998

VICE CHAIRMAN

Gustavo A. Bidart II
(619) 498-3158 Fax (619) 498-3161
Gustavo Bidart <gustavo1bidart@gmail.com>

May 1998

PRESIDENT

Andrea Skorepa
Chief Executive Officer
Casa Familiar, Inc.
119 West Hall Avenue
San Ysidro, CA 92173-2514
(619) 428-1115 Fax (619) 428-2802
andreas@casafamiliar.org

TREASURER

Araceli Rivera
311 F Street, Suite 204
Chula Vista CA, 91910
(619) 254-1841
araceli@acr-cpa.com

2010

SECRETARY

Jess Haro
Businessperson/Community Activist
Haro Supply Co./Haro Lumber
P.O. Box 13986
San Diego, CA 92170
(619) 234-3381 Fax (619) 234-3384
harosupplyco@sbcglobal.net

2008

(2)

Yolanda Hernandez
Resident of San Ysidro
Member, Governing Board, SY School District
4350 Otay Mesa Road
San Ysidro, CA 92173
(619) 232-5049 Fax
(619) 454-0758
yh3137@sbcglobal.net

September 1998

Mario Aguilar
Counselor
UCSD-EAOP
9500 Gillman Dr. -0305
La Jolla, CA 92193-0305
(858) 822-0588 Fax (858) 534-8996
cell: (619) 948-8861
maquilar@ucsd.edu
micc2@cox.net

September 1988

Irene Barajas
Resident & Girl Scout Troop Leader
619-851-2567
irenegbarajas@yahoo.com

May 2014

Raquel Aispuro
Resident & Manager
619-417-8785
raquel.aispuro@yahoo.com

May 2014

Gabriel Arce
Communtiy Leader
619-829-1846
no email available

May 2014



Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5352 • (800) 484-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

ATTACHMENT ③

**CASA FAMILIAR, INC.
Audited Financial Statements
Year Ended June 30, 2014**

TABLE OF CONTENTS

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Sonnenberg & Company, CPAs

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Leonard C. Sonnenberg, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Casa Familiar, Inc.

3

We have audited the accompanying statements of Casa Familiar, Inc. (a California nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U. S. accounting principles generally accepted; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Casa Familiar, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

3

Report on Summarized Comparative Information

We have previously audited Casa Familiar Inc.'s June 2013 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 15, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional revenue and expenses on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

November 14, 2014


Sonnenberg & Company, CPAs

CASA FAMILIAR, INC.
Statement of Financial Position
June 30, 2014
(With Comparative Information for June 30, 2013)

3

	2014	2013
ASSETS		
Cash	\$ 84,634	\$ 466,594
Grants and contributions receivable (net of allowance of \$30,000)	95,664	367,511
Recoverable grants receivable (net of allowance of \$6,948)	6,948	6,948
Developer fee receivable	148,249	183,237
Other receivables	12,532	14,466
Prepaid expenses	30,701	52,765
Tenant security deposits	18,392	19,117
Operating and replacement reserves	63,716	65,732
Investments in housing partnerships	75,827	75,827
Top Hat Plan	10,000	10,000
Property and equipment		
Land	1,778,334	1,778,334
Building and building improvements	5,237,610	4,934,168
Construction in progress	1,220,297	1,180,599
Furniture and equipment	143,603	129,336
Less: Accumulated depreciation	(920,611)	(790,458)
Net property and equipment	<u>7,459,233</u>	<u>7,231,979</u>
TOTAL ASSETS	<u>\$ 8,005,896</u>	<u>\$ 8,494,176</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 51,938	\$ 84,163
Payroll and related liabilities	46,110	42,027
Tenant security deposits	18,392	19,117
Funds held in trust	-	7,135
Capital lease liability	39,682	-
Developer fee payable	81,838	102,780
Accrued interest payable	308,788	238,688
Mortgages payable	5,353,917	5,398,125
Notes payable for housing partnership interests	25,000	25,000
Top Hat Plan liability	<u>10,000</u>	<u>10,000</u>
TOTAL LIABILITIES	5,935,665	5,927,035
NET ASSETS		
Unrestricted		
Designated for new program development	300,000	300,000
Undesignated	1,595,895	1,708,337
Temporarily restricted	<u>174,336</u>	<u>558,804</u>
TOTAL NET ASSETS	<u>2,070,231</u>	<u>2,567,141</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,005,896</u>	<u>\$ 8,494,176</u>

The Accompanying Notes Are an Integral Part of These Financial Statements

CASA FAMILIAR, INC.
Statement of Activities
For the Year Ended June 30, 2014
(With Summarized Comparative Information for the Year Ended June 30, 2013)

3

	Unrestricted	Temporarily Restricted	2014 Totals	2013 Totals
SUPPORT AND REVENUE:				
Grants and contributions	\$ 425,627	\$ 86,559	\$ 512,186	\$ 552,459
Program service fees	214,627		214,627	216,962
In-kind donations - facilities	231,405		231,405	231,405
Fundraiser revenue	55,682	6,250	61,932	198,755
Management fees	131,325		131,325	134,523
Rental revenue	331,411		331,411	336,139
Tenant assistance payments	29,933		29,933	32,021
Housing partners	366,633		366,633	353,929
Subcontract revenue	-		-	30,399
Solar panel rebates	20,034		20,034	82,635
Laundry	7,042		7,042	4,458
Interest	3,197		3,197	3,581
Miscellaneous	84		84	7,586
Net assets released from restrictions:				
Satisfaction of program restrictions	477,277	(477,277)	-	-
Total support and revenue	<u>2,294,277</u>	<u>(384,468)</u>	<u>1,909,809</u>	<u>2,184,852</u>
EXPENSES:				
Program Services:				
Housing	589,632		589,632	636,658
Senior group home	42,019		42,019	43,165
Casa services	644,297		644,297	547,323
Arts division	239,309		239,309	165,737
Casey Foundation community services	-		-	112,387
National City properties	490,029		490,029	442,963
Other programs	44,056		44,056	59,773
Supporting services:				
Management and general	248,328		248,328	271,345
Fund-raising	109,049		109,049	103,231
Total expenses	<u>2,406,719</u>	<u>-</u>	<u>2,406,719</u>	<u>2,382,581</u>
Change in net assets	\$ (112,442)	\$ (384,468)	\$ (496,910)	\$ (197,729)
Net assets at beginning of year	<u>2,008,337</u>	<u>558,804</u>	<u>2,567,141</u>	<u>2,764,870</u>
Net assets at end of year	<u>\$ 1,895,895</u>	<u>\$ 174,336</u>	<u>\$ 2,070,231</u>	<u>\$ 2,567,141</u>

The Accompanying Notes Are an Integral Part of These Financial Statements

CASA FAMILIAR, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2014

(With Summarized Comparative Information for the Year Ended June 30, 2013)

	PROGRAM SERVICES						SUPPORTING SERVICES			
	Housing	Senior Group Home	Casa Services	Arts Division	National City Properties	Other Programs	Total Programs	Management and General	Fund-Raising	2014 Totals
Payroll and related expenses	\$ 382,778	\$ 28,388	\$ 242,748	\$ 124,381	\$ 47,314	\$ -	\$ 825,609	\$ 91,632	\$ 33,120	\$ 950,361
Salaries and wages	31,430	2,331	19,932	10,213	3,885		67,791	7,528	2,719	78,038
Payroll taxes	14,733	1,093	9,343	4,787	1,821		31,778	3,527	1,275	36,579
Workers' comp insurance	32,781	2,431	20,789	10,652	4,052		70,705	7,848	2,836	81,390
Health insurance	15,989	757	1,009	1,261	1,261		20,277	1,223	3,279	24,779
Retirement	477,711	35,000	293,821	151,294	58,333	-	1,016,160	111,758	43,230	1,171,147
Total payroll and related expenses										
Operating expenses										
Contracts	3,350		350	58,326	1,935	1,280	65,241	27,543		92,784
Bad debt	1,795	36	21,250		4,643		21,250			21,250
Maintenance supplies	250		6,014		5,865		12,488	3,392		15,880
Dues, subscriptions, filing fees					21,985	194	40,899	13,704		19,819
Utilities	14,388	1,854	2,478		442	108	45,458	7,196		48,095
Office equipment and supplies	12,890		30,876	1,142	180	2,230	24,981	14,969	1,982	62,409
Telephone, cable, internet	10,276		12,295		8,837		10,702	9,188		34,169
Property taxes	1,701	10	154		19,325		19,325	60		10,762
Management fees					1,512		1,777	7,694	75	19,325
Vehicles gas, maintenance and repair	40			225	15,401	60	20,080	9,020		9,546
Repairs and maintenance	3,569	50	1,000				8,300			29,100
Awards, grants and donations			8,300				34,741			8,300
Insurance	13,680	1,568	13,711		5,782		235,463	8,082	3,272	46,095
Interest	17,407		40,613		177,443		39,621	4,620		240,083
Residual receipts payment					39,621		27,388			39,621
Events							180,216			15,049
Depreciation and amortization	30,392	3,501	16,868	589	127,036	1,830	261	16,166	60,103	87,491
Conferences and meetings	88		37			136	7,127	2,334		196,382
Miscellaneous	2,095		2,843		1,689	500	345	5,758	387	2,595
Mileage and travel				345				6,844		13,272
Donated facilities			191,687			37,718	231,405			7,189
Total operating expenses	111,921	7,019	350,476	88,015	431,696	44,056	1,033,183	136,570	65,819	231,405
Total Expenses	\$ 589,632	\$ 42,019	\$ 644,297	\$ 239,309	\$ 490,029	\$ 44,056	\$ 2,049,343	\$ 248,328	\$ 109,049	\$ 2,406,719
										\$ 2,382,581

The Accompanying Notes Are an Integral Part of These Financial Statements

CASA FAMILIAR, INC.
Statement of Cash Flows
For the Year Ended June 30, 2014
(With Comparative Information for the Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (496,910)	\$ (197,729)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	130,153	177,771
(Increase) Decrease in:		
Grants, contributions, and accounts receivable	308,769	(201,969)
Prepaid expenses and deposits	22,064	(2,946)
Cash restricted for tenant security deposits	725	1,150
Increase (Decrease) in:		
Accounts payable	(53,167)	61,361
Payroll and related liabilities	4,083	7,688
Accrued interest payable	70,100	70,100
Deposits from tenants	(725)	(1,150)
Funds held in trust	(7,135)	7,135
Net cash used by operating activities	<u>(22,043)</u>	<u>(78,589)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Construction investing activities	(39,698)	(195,976)
Deposits to reserve accounts	2,016	(12,287)
Purchases of property and equipment	<u>(272,047)</u>	<u>(23,549)</u>
Net cash used by investing activities	<u>(315,709)</u>	<u>(231,812)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under line of credit	170,000	-
Repayments of borrowings under line of credit	(170,000)	-
Repayments of mortgage principal	(44,207)	(41,348)
Principal payments on capital lease obligations	<u>(5,980)</u>	<u>-</u>
Net cash used by financing activities	<u>(50,187)</u>	<u>(41,348)</u>
Net decrease in cash	<u>(381,959)</u>	<u>(351,749)</u>
Cash at beginning of year	<u>466,594</u>	<u>818,343</u>
Cash at end of year	<u>\$ 84,634</u>	<u>\$ 466,594</u>
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Interest Paid	<u>\$ 223,808</u>	<u>\$ 215,971</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Equipment purchased through capital lease	<u>\$ 45,662</u>	<u>\$ -</u>

The Accompanying Notes Are an Integral Part of These Financial Statements

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2014

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Note 1. Organization

Casa Familiar, Inc. (Casa) is a nonprofit public benefit corporation organized in 1973 under the laws of the State of California. Casa provides community services through various programs including affordable housing in San Ysidro and National City, social services, counseling services, youth services through recreation centers and teen center, fitness center for the public, and a computer center providing training in computer usage applications and job training for students and job seekers. Casa is supported primarily from affordable housing related income, grants and contributions, service fees, and housing partnerships income.

Casa operates at the following locations:

- Senior Group Home and Social Services Center located at 119-121 West Hall Avenue
- A low income rental unit at 122 West Hall Avenue in San Ysidro
- Two recreation facilities are operated under lease from the City of San Diego at 212 West Park Avenue and 268 West Park Avenue in San Ysidro
- A Church at 114 West Hall Avenue and two apartment rental units at 114 ½ West Hall Avenue in San Ysidro
- A building, The Front, at 145-149 W. San Ysidro Blvd. in San Ysidro which includes art gallery, meetings and events space, and two apartment rental units
- A building at 249 Willow Rd in San Ysidro sublet to Episcopal Community Services for child care programs, including daycare and two apartment units used for transitional housing rent free
- Administrative offices, computer lab, social services, preschool and daycare in Villa Nueva Apartment building at 1901 Del Sur Blvd in San Ysidro
- Two apartment buildings at 1111 D Street and 1101-1119 E Street in National City with seventeen affordable units and one manager's unit operated as low and very low income housing for fifty five years
- An apartment building at 304 East 5th Street in National City with nine affordable units and one manager's unit operated as low and very low income housing for fifty five years
- Construction projects: affordable housing "Living Rooms at the Border" and senior housing "Los Abuelitos" in San Ysidro

Note 2. Summary of Significant Accounting Policies

Basis of Accounting: Casa's financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. To provide visibility for budgeted grant resources, revenue and expense accounts use sub accounts to identify revenues and expenses by program.

Basis of Presentation: Casa is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2014

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Note 2. Summary of Significant Accounting Policies (Continued)

Unrestricted net assets - net assets that are not subject to donor-imposed stipulations. In 2006, the Board of Directors elected to designate \$300,000 of the unrestricted funds (which includes proceeds from the Casitas project sale) for new program development.

Temporarily restricted net assets - net assets subject to donor imposed stipulations that may or will be met either by actions of Casa and/or the passage of time. Temporarily restricted net assets as of June 30, 2014 were \$174,336.

Permanently restricted net assets - net assets to be held in perpetuity as directed by donors. The income from the contributions is available to support activities as designated by the donors. Casa does not have any permanently restricted net assets as of June 30, 2014.

Contributions: Contributions, including unconditional promises to give, are recorded when received. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Expenses are reported as decreases in unrestricted net assets.

Cash and Cash Equivalents: For purposes of the Statement of Cash Flows, Casa considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Casa had no cash equivalents at June 30, 2014.

Fair Value Measurements: Accounting Standard Codification (ASC) 820 defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayments, spreads, credit risk, etc.).

Level 3: Significant unobservable inputs (including Casa's own assumptions in determining the fair value of investments).

The valuation of Casa's investment in housing partnerships according with the fair value hierarchy is Level 3.

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2014

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Note 2. Summary of Significant Accounting Policies (Continued)

Property and Equipment: All acquisitions of property and equipment in excess of \$1,000 are capitalized. Maintenance and repairs are expensed. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are generally five to seven years for furniture and equipment and forty years for buildings and building improvements.

Equipment acquired by Casa using grant funds is considered to be owned by Casa while used in the program for which it was purchased or in other authorized programs. However, the funding source has reversionary interest in the equipment, and its disposition.

Impairment of Long-lived Assets: Casa evaluates its investment in long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use or disposition of an asset are less than the carrying value, a write-down will be recorded to reduce the related asset to its estimated fair value. To date, no such write-downs have occurred.

Functional Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated between the programs and supporting services benefitted.

Donated Materials and Services: Donated materials and services are recognized as contributions if the materials or services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Casa. Volunteers provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. Casa generally pays for services requiring specific expertise.

Use of Estimates: The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. No amounts have been reflected in the financial statements for the risk of environmental liabilities associated with properties purchased for rehabilitation as low income housing units.

Comparative Financial Information: The financial statements include certain prior-year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, it should be read in conjunction with Casa's financial statements for the year ended June 30, 2013 from which the summarized information was derived.

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2014

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Note 2. Summary of Significant Accounting Policies (Continued)

Date of Management Review: Casa's management has evaluated subsequent events through November 14, 2014, the date the financial statements were available to be issued. Management is not aware of any such subsequent events that would require adjustment to, or disclosures in, the financial statements.

Note 3. Income Taxes

Casa is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California State Revenue and Taxation Code. Casa may be subject to tax on income which is not related to its exempt purposes. No such unrelated business taxable income was reported for the year ended June 30, 2014. Casa qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as a public charity under Section 509(a)(1).

ASC 740-10-25, Income Taxes, prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Management of Casa has evaluated its uncertain tax positions and related income tax contingencies. Management does not believe that any material uncertain tax positions exist. Casa's tax returns are subject to examination by Federal taxing authorities for a period of three years from the date they are filed and a period of four years for California taxing authorities.

Note 4. Concentrations of Credit Risk

Casa maintains its cash balances in three financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times during the year there were balances in the bank that were over the FDIC limit. However, at June 30, 2014, Casa had no uninsured cash balances.

Concentrations of credit risk with respect to promises and accounts receivable are limited due to the large number of contributors and clients. As of June 30, 2014, Casa had no significant concentrations of credit risk related to accounts receivable. An allowance for uncollectible accounts has been recorded.

Note 5. Investment in Housing Partnerships, Note Payable, and Management Fees

At June 30, 2014, Casa had partnership agreements with seven different housing limited partnerships. All seven partnership agreements shall continue in full force and effect until December 31, 2025, except as noted in the partnership agreements. In the case of six partnerships, Casa has acquired a partnership interest as a "donation" without making any payment for the acquisition. For the remaining one partnership, Casa issued a note payable to the partners in the amount of \$25,000, equal to the value of the partnership interest obtained as consideration for the investment. The investments were recorded at fair value at the time of acquisition.

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2014

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Note 5. Investment in Housing Partnerships, Note Payable, and Management Fees (Continued)

In the case of one partnership, Casa entered into a verbal agreement at inception of the partnership to serve as the partnership's contact point with the San Ysidro community, for which the partnership would build and give to Casa a childcare center built to existing State Regulations, for Casa's use or as a sublet leasehold to another group and that the apartment residents would get some priority in terms of use of this facility. The verbal agreement allowed Casa to conduct a transitional housing project on the property, contributed rent free two apartments of at least two bedrooms per unit, and should Casa acquire further monies to expand the transitional housing project the partnership would rent them to Casa at a reduced rate. No amounts for the donated center and rent free units have been reflected in the financial statements.

Casa acts as a managing General Partner for each of the partnerships. According to the partnership agreements, Casa, as a managing General Partner, is not liable for any debts, obligations, or negative cash flows of the partnerships. According to the partnership agreements, Casa is not liable in any way in the event of a judicial foreclosure, and the Administrative General Partners agree to indemnify and hold the managing General Partner harmless from any such claims and/or liabilities. However, it is not certain whether Casa, under the provisions of California General Partnership Law, can be exempted from any partnership liabilities as set forth in the partnership agreements.

Note 6. Casitas Project Recoverable Grants

Effective December 2004, Casa entered into agreements with five low-income home buyers to provide them with grants in order to allow them to be qualified for the purchase of homes from the Casitas Project. The total amount of all grants is \$13,896 and has been disbursed. No interest will be charged and repayments are set to begin between 2010 and 2015, depending on income levels.

No payments were received as of June 30, 2014. If certain income levels have not been reached by 2015, the total grant is forgiven. Given the uncertainty of recovery, an allowance of 50% has been established for this account. As of June 30, 2014, \$13,896 has been disbursed and is receivable, less an allowance of \$6,948.

Note 7. Line of Credit

Casa has a line of credit agreement with Citibank. The credit limit is \$100,000. The interest rate is the prime rate as published in The Wall Street Journal plus 4.75%. The rate was 8% during the year ended June 30, 2014 for a total interest expense on the balances outstanding during the year of \$4,620. The funds borrowed were repaid prior to year end. There is no outstanding balance as of June 30, 2014.

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2014

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Note 8. Promissory Notes

The promissory notes for the properties Casa owns are as follows:

122 West Hall Avenue, San Ysidro

Loan a) \$116,000 from California Bank & Trust signed in 2001, secured by the real property. On September 25, 2002, the promissory note was extended to September 29, 2017 payable at a rate of 7.74% subject to change based on changes in an independent index with the change not to occur more often than each five years. The interest rate was reduced to 3.88% on September 29, 2012. The balance at June 30, 2014 is \$20,661.

145-149 W. San Ysidro Blvd., San Ysidro

Loan b) \$420,000 from Wells Fargo bank signed in 2005, secured by the real property. The loan is payable at a fixed interest rate of 6.5% per annum for the term of ten years. The loan matures on October 15, 2015, at which time all unpaid principal, accrued interest, and any other unpaid amounts are due and payable in full. The principal balance at June 30, 2014 is \$300,424.

Loan c) \$426,000 from Wells Fargo bank signed in 2005, secured by the real property. The loan is payable at a fixed interest rate of 6.5% per annum for the term of ten years. The loan matures on October 15, 2015, at which time all unpaid principal, accrued interest, and any other unpaid amounts are due and payable in full. The principal balance at June 30, 2014 is \$304,694.

Construction Projects "Los Abuelitos" and "Living Rooms at the Border", San Ysidro

Loan d) \$1,085,000 from Planning and Art Resources for Communities, Inc. (PARC). The advances requested and received are as follows:

October 26, 2007	\$	400,000
August 27, 2010		393,333
September 2, 2011		106,667
June 2, 2012		185,000
Total	\$	<u>1,085,000</u>

The funds are being used for design and construction of the affordable housing for people in need and the elderly. According to the Amended Loan Agreement, the loan is payable in equal quarterly installments beginning January 1, 2015 and ending December 31, 2029. The loan bears no interest.

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2014

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Note 8. Promissory Notes (Continued)

The Lender agreed to forgive \$542,500 of the principal amount if, in the Lender's discretion, certain conditions are met. Of \$542,500, \$271,250 has been forgiven, and the balance will be forgiven upon substantial completion of both projects. Contribution revenue for the principal balances to be forgiven was recognized in the periods the funds were advanced. Another amendment to extend substantial completion deadline from January 30, 2015 to a later date for both projects is expected to be approved.

Because the loan bears no interest, when the loan proceeds were advanced, contribution revenue and a loan discount using 3% rate were recorded. The loan is reported in the statement of financial position net of unamortized discount. The discount on the loans is being amortized to interest expense over the life of the loan. Imputed interest expense of \$16,275 was reported in the accompanying statement of activities for the year ended June 30, 2014.

1111 D Street and 1101-1119 E Street, National City: seventeen affordable units and one manager's unit were rehabilitated and operate as low and very low income housing for fifty-five years. Casa charges the project a fee of \$900 per month for management services, which is reported as the project's management fee expense and Casa's management fee revenue. Also, a portion of Casa's payroll, insurance, office, and other expenses related to the project's operations is charged to the project.

Loan e) \$1,016,000 from Healy Family Trust, the seller of the property, obtained in 2008. The note is secured by the real property and is payable to Wells Fargo bank at an interest rate of 5.50% per annum for the term of forty years. The principal balance as of June 30, 2014 is \$1,004,324.

Loan f) \$669,653 from the Community Development Commission of National City (CDC), secured by the real property. Permanent Financing Loan Agreement (Agreement) was signed on November 9, 2009. The note bears interest at 3%. Annually, on November 15th, Casa should calculate its residual receipts for the immediately previous fiscal year and pay to the CDC 19% of such residual receipts. The remaining unpaid principal and accrued interest are due in fifty-five years. No payments have been made for the year ended June 30, 2014. The residual receipts balance has been applied to the developer fee receivable (see below). The balances of principal and accrued interest at June 30, 2014 are \$669,653 and \$90,914 accordingly.

Loan g) \$1,110,347 from CDC, signed in 2009, secured by the real property. This is a HUD HOME program loan. In accordance with the Agreement, the note bears interest at 3% simple interest per annum. Annually, on November 15, Casa should calculate its residual receipts for the immediately previous fiscal year and pay to the CDC 31% of such residual receipts. The remaining unpaid principal and accrued interest are due in fifty-five years. No payments have been made for the year ended June 30, 2014. The residual receipts balance has been applied to the developer fee receivable (see below). The balances of principal and accrued interest at June 30, 2014 are \$1,110,347 and \$150,743 accordingly.

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2014

(3)

Note 8. Promissory Notes (Continued)

Per the Agreement, the property is also financed by deferral of \$95,908 of the developer fee. The revenue, corresponding receivable from the City of National City and payable to the contractor were recorded upon completion of the rehabilitation in April 2011. No payments are expected to be received from the City of National City. The receivable is being reduced by the amount of residual receipts for the preceding year and increased by the interest accrued on the outstanding developer fee at an annual rate of 4.45%. As of June 30, 2014, developer fee receivable is \$72,479.

Casa is required to set aside reserves for replacement is the amount \$7,650 annually, subject to the revision upward as determined by CDC. The reserves should be maintained in a separate account and disbursements from this account may be made only after the written consent of CDC. The funds have been transferred as required.

304 East 5th Street, National City: nine affordable units and one manager's unit were rehabilitated and operate as low and very low income housing for fifty-five years. Casa charges the project a fee of \$710 per month for management services, which is reported as the project's management fee expense and Casa's management fee revenue. In addition, a portion of Casa's payroll and related expenses, insurance, office, and other expenses related to the project's operations is charged to the project.

Loan h) \$685,000 from Clearinghouse CDFI, secured by the property, at an interest rate of 7.5% per annum, maturing on August 1, 2018, at which time all unpaid principal, accrued interest, and any other unpaid amounts are due and payable in full. The principal balance at June 30, 2014 is 656,971.

Loan i) \$835,000 from CDC, signed in October 2009. This is a HUD HOME program loan. In accordance with the Acquisition, Rehabilitation and Permanent Financing Loan Agreement the promissory note bears interest at 2% simple interest per annum. According to the Agreement, annually, on November 15, Casa should calculate its residual receipts for the immediately previous fiscal year and pay CDC 33% of residual receipts toward the loan principal. The remaining unpaid principal and accrued interest are due in fifty-five years. No payments have been made for the year ended June 30, 2014. The residual receipts balance has been applied to the developer fee receivable (see below). The balances of principal and accrued interest at June 30, 2014 are \$835,000 and \$67,131 accordingly.

The property is also financed by deferral of Casa's developer fee with the original amount of \$93,750. The revenue, corresponding receivable from the City of National City and payable to the contractor were recorded upon completion of the rehabilitation in November 2011. No payments are expected to be received from the City of National City. The receivable is being reduced by the amount of residual receipts for the preceding year. As of June 30, 2014, developer fee receivable is \$75,770.

After the completion of the rehabilitation of the project, Casa is required to set aside reserves for replacement of \$4,250 annually, subject to the revision upward by CDC. The reserves should be maintained in a separate account and disbursements from this account may be made only after the written consent of CDC. The funds have been transferred as required.

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2014

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Note 8. Promissory Notes (Continued)

The debt maturing in the next five fiscal years plus remaining balances are as follows:

	Cal Bk & Trust	Wells Fargo	Wells Fargo	PARC Foundation	Wells Fargo	Clearing house CFDI (h)	City of National City*	Total
June 30,	(a)	(b)	(c)	(d)	(e)			
2015	\$ 10,093	\$ 18,597	\$ 18,864	\$ 23,890	\$ 2,871	\$ 8,512		\$ 82,826
2016	10,568	281,827	285,829	24,615	3,033	9,172		615,045
2017				25,362	3,204	9,885		38,450
2018				20,131	3,384	10,652		34,167
2019					3,575	618,751		622,326
Thereafter				357,845	988,258		2,615,000	3,961,103
Total	\$ 20,661	\$ 300,424	\$ 304,694	\$ 451,843	\$ 1,004,324	\$ 656,971	\$ 2,615,000	\$ 5,353,917

* loan f) balance due	\$ 669,653
loan g) balance due	1,110,347
loan i) balance due	835,000
	<u>\$ 2,615,000</u>

Note 9. Temporarily Restricted Net Assets

Temporarily restricted net assets are comprised of the following:

	July 1, 2013	2014 Additions	Released	June 30, 2014
D & E Properties*	\$ 77,065	\$	\$ (31,848)	\$ 45,217
Research Fellowship-The Andy Warhal Foundation	50,000		(50,000)	-
Book-The Ford Foundation	67,277		(67,277)	-
Casa Azteca-Citibank, Citi Foundation, SDGE	70,284	20,000	(50,814)	39,470
Los Abuelitos and Living Rooms at the Border-				
Wells Fargo Foundation, Citi Foundation	125,000	50,000	(102,360)	72,640
Kitchen upgrade-County of San Diego, Walmart	64,010		(64,010)	-
Creative Catalyst Program-The SD Foundation	20,000		(20,000)	-
Homeowner Education-Wells Fargo Foundation	5,000		(5,000)	-
Jack Walsh Renaissance Scholarship	0	16,559	(5,800)	10,759
ABRAZO Awards Gala	77,500	6,250	(77,500)	6,250
SD Cesar E. Chavez Commemoration Committee	2,668		(2,668)	-
Total	<u>\$ 558,804</u>	<u>\$ 92,809</u>	<u>\$ (477,277)</u>	<u>\$ 174,336</u>

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2014

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Note 9. Temporarily Restricted Net Assets (Continued)

*During the year ended June 30, 2009, Casa received a contribution in the amount of \$250,000 from the sellers of the D & E Avenue property. This \$250,000 contribution is a temporarily restricted net asset to be released over time annually in the amount equal to depreciation on the acquired properties. Depreciation on these properties was \$31,848 for the year ended June 30, 2014.

Note 10. Lessor Donated Use of Facilities and Utilities

In November 1993, Casa entered into an operating lease agreement with the City of San Diego (the City) for the sole purpose of operating recreational and social services programs at a recreation center. The facilities were to be used to benefit the San Ysidro Community and the residents of the City and for such other related or incidental purposes as may first be approved in writing by the City Manager. The estimated fair market value of the donated rent and utilities for the year ended June 30, 2014 is \$231,405.

Note 11. Lease Commitments

Casa leases the following equipment under operating lease agreements:

- a digital copier under a lease starting July 2010 for 63 months at a monthly base rate of \$176;
- a digital copier under a lease starting September 2010 for 63 months at a monthly base rate of \$125;

The future minimum annual lease payments under operating lease agreements are as follows:

June 30,	
2015	\$ 3,744
2016	1,323
Total	<u>\$ 5,067</u>

Casa leases a telephone system under a capital lease agreement. The phone system asset is recorded at the fair value of the asset and amortized over the term of the lease. Amortization of the telephone system is included in depreciation expense for the year ended June 30, 2014. Imputed interest rate of 11% is the lessor's implicit rate of return. The following is a summary of the asset held under the capital lease agreement:

Phone system	\$ 45,662
Accumulated amortization	(7,610)
Net	<u>\$ 38,052</u>

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2014

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Note 11. Lease Commitments (continued)

Minimum future lease payments under the capital lease as of June 30, 2014 are as follows:

June 30,		
2015	\$	11,922
2016		11,922
2017		11,922
2018		11,922
2019		1,987
Net minimum lease payments		49,674
Amount representing interest		(9,992)
Present value of net minimum lease payments	\$	<u>39,682</u>

Note 12. Employee Benefit Plans

Casa maintains a "Cafeteria Plan" for the benefit of its employees. The plan allows employees working at least 20 hours per week to pay medical, dental, accident, and sickness benefits insurance on a pre-tax basis.

Casa also maintains a Tax Sheltered Annuity retirement plan with a SIMPLE individual retirement plan under section 408(p) of the Internal Revenue Code. This is a tax deferred retirement plan, under which Casa matches eligible employee contributions up to 3% of the employee's salary. Employer contributions totaled \$24,779 for the fiscal year ended June 30, 2014.

Effective November 2010, Casa adopted a 457(b) Non-Qualified Deferred Compensation Top Hat Plan (Plan). The Plan is a supplemental executive retirement plan available to Casa's key executives. No contributions to the Plan were made for the fiscal year ended June 30, 2014.

Note 13. Related Parties

Two officer employees of the entity that are married work at different sites of the entity. There are no related party transactions for these two individuals.

Note 14. Operating Loss

Casa incurred operating loss for the years ended June 30, 2014 and June 30, 2013 totaling \$496,910 and \$197,735 accordingly. Subsequent to the fiscal year end, Casa reduced operating expenses by reducing the work hours for all the employees. Additionally, Casa's Executive Director contributes her services to Casa without being compensated during the period July 1, 2014 through December 31, 2014.

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SUPPLEMENTARY INFORMATION

CASA FAMILIAR, INC.
Schedule of Functional Revenue and Expenses
For the Year Ended June 30, 2014
(With Summarized Comparative Information for the Year Ended June 30, 2013)

	PROGRAM SERVICES						SUPPORTING SERVICES		
	Senior Group	Casa	Arts	National	Other	Total	Management and General	Fund-Raising	
	Housing	Home	Services	Division	City Properties	Programs			
REVENUE:									
Grants and contributions	\$ 50,000	\$	\$ 392,671	\$ 24,269	\$	\$ 466,940	\$ 45,246	\$	2013 Totals
Program service fees			214,627			214,627			512,186
In-kind donations - facilities			193,687			193,687			214,627
Fundraiser revenue						37,718			231,405
Management fees	131,325					131,325		61,932	231,405
Rental revenue (net of vacancies)	75,918	17,350			238,143	331,411			198,755
Tenanti assistance payments					29,933	29,933			131,325
Housing partners	366,633					366,633			336,139
Subcontract revenue									32,021
Solar panel rebates	20,034					20,034			333,929
Laundry	3,172				7,042	7,042			30,399
Interest					2	3,174			82,635
Miscellaneous							23		4,458
Total revenue	647,082	17,350	800,985	24,269	275,120	1,802,524	45,353	61,932	7,586
EXPENSES:									2,184,852
Payroll and related expenses									
Salaries and wages	\$ 382,778	\$ 28,388	\$ 242,748	\$ 124,381	\$ 47,314	\$ 825,609	\$ 91,632	\$ 33,120	\$ 950,361
Payroll taxes	31,430	2,331	19,932	10,213	3,885	67,791	7,528	2,719	78,038
Workers' comp insurance	14,733	1,093	9,343	4,787	1,821	31,778	3,527	1,275	36,579
Health insurance	32,781	2,431	20,789	10,652	4,052	70,705	7,848	2,836	81,390
Retirement	15,989	757	1,009	1,261	1,261	20,277	1,223	3,279	24,779
Total payroll and related expenses	477,711	35,000	293,821	151,294	58,333	1,016,160	111,758	43,230	1,171,147
Operating expenses									
Contracts	3,350		350	58,326	1,935	65,241	27,543		92,784
Bad debt			21,250			21,250			21,250
Maintenance supplies	1,795	36	6,014		4,643	12,488	3,392		15,880
Dues, subscriptions, filing fees	250				5,865	6,115	13,704		19,819
Utilities	14,388	1,854	2,478		21,985	40,899	7,196		48,095
Office equipment and supplies	12,890		30,876	1,142	442	45,458	14,969	1,982	62,409
Telephone, cable, internet	10,276		12,295		180	24,981	9,188		34,162
Property taxes	1,701	10	154		8,837	10,702	60		10,762
Management fees					19,325	19,325		75	19,325
Vehicles gas, maintenance and repair	40		1,000	225	1,512	1,777	7,694		9,546
Repairs and maintenance	3,569	50	8,300		15,401	20,080	9,020		29,100
Awards, grants and donations						8,300			8,300
Insurance	13,680	1,568	13,711		5,782	34,741	8,082	3,272	46,095
Interest	17,407		40,613		177,443	235,463	4,620		240,083
Residual receipts payments					39,621	39,621			39,621
Events						27,388		60,103	87,491
Depreciation and amortization	30,392	3,501	16,868	589	127,036	180,216	16,166		196,382
Conferences and meetings	88		37		136	261	2,334		2,595
Miscellaneous	2,095		2,843	345	1,689	7,127	5,758	387	13,272
Mileage and travel						345	6,844		7,189
Donated facilities									231,405
Total operating expenses	111,921	7,019	350,476	88,015	431,696	1,033,183	136,570	65,819	1,235,572
Total expenses	\$ 589,632	\$ 42,019	\$ 644,297	\$ 239,309	\$ 490,029	\$ 2,049,343	\$ 248,328	\$ 109,049	\$ 2,406,719
CHANGE IN NET ASSETS:	\$ 57,450	\$ (24,669)	\$ 156,688	\$ (215,040)	\$ (214,989)	\$ (6,358)	\$ (202,975)	\$ (47,117)	\$ (496,910)

See Auditor's Report
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Sonnenberg & Company, CPAs

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Leonard C. Sonnenberg, CPA

ATTACHMENT (4)

CASA FAMILIAR, INC. Audited Financial Statements Year Ended June 30, 2015

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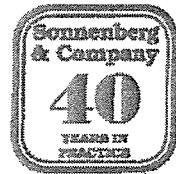


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Leonard C. Sonnenberg, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Casa Familiar, Inc.

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We have audited the accompanying statements of Casa Familiar, Inc. (a California nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U. S. accounting principles generally accepted; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Casa Familiar, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

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Report on Summarized Comparative Information

We have previously audited Casa Familiar Inc.'s June 2014 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 14, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional revenue and expenses on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

November 16, 2015


Sonnenberg & Company, CPAs

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CASA FAMILIAR, INC.
Statement of Financial Position
June 30, 2015
(With Comparative Information for June 30, 2014)

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash	\$ 311,591	\$ 84,634
Grants and contributions receivable (net of allowance of \$30,000)	181,000	95,664
Recoverable grants receivable (net of allowance of \$6,948)	6,948	6,948
Developer fee receivable	135,961	148,249
Other receivables	8,045	12,532
Prepaid expenses	25,738	30,701
Tenant security deposits	16,832	18,392
Operating and replacement reserves	65,217	63,716
Investments in housing partnerships	75,726	75,827
Top Hat Plan	17,000	10,000
Property and equipment		
Land	1,778,334	1,778,334
Building and building improvements	5,237,610	5,237,610
Construction in progress	1,224,535	1,220,297
Furniture and equipment	159,603	143,603
Less: Accumulated depreciation	(1,128,078)	(920,611)
Net property and equipment	<u>7,272,004</u>	<u>7,459,233</u>
TOTAL ASSETS	\$ <u>8,116,062</u>	\$ <u>8,005,896</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 36,754	\$ 51,938
Payroll and related liabilities	46,511	46,110
Funds held in trust	16,832	18,392
Line of credit	83,000	-
Capital lease liability	46,145	39,682
Developer fee payable	73,879	81,838
Accrued interest payable	378,888	308,788
Mortgages payable	5,298,495	5,353,917
Notes payable for housing partnership interests	25,000	25,000
Top Hat Plan liability	17,000	10,000
TOTAL LIABILITIES	6,022,504	5,935,665
NET ASSETS		
Unrestricted		
Designated for new program development	300,000	300,000
Undesignated	1,574,077	1,595,895
Temporarily restricted	<u>219,481</u>	<u>174,336</u>
TOTAL NET ASSETS	<u>2,093,558</u>	<u>2,070,231</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>8,116,062</u>	\$ <u>8,005,896</u>

The Accompanying Notes Are an Integral Part of These Financial Statements

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CASA FAMILIAR, INC.
Statement of Activities
For the Year Ended June 30, 2015
 (With Summarized Comparative Information for the Year Ended June 30, 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Totals</u>	<u>2014 Totals</u>
SUPPORT AND REVENUE:				
Grants and contributions	\$ 441,313	\$ 249,947	\$ 691,260	\$ 512,186
Program service fees	207,698		207,698	214,627
In-kind donations - facilities	231,405		231,405	231,405
Fundraiser revenue	94,742		94,742	61,932
Management fees	137,433		137,433	131,325
Rental revenue	323,537		323,537	331,411
Tenant assistance payments	33,663		33,663	29,933
Housing partners	453,658		453,658	366,633
Subcontract revenue	29,319		29,319	-
Solar panel rebates			-	20,034
Laundry	4,188		4,188	7,042
Interest	3,317		3,317	3,197
Miscellaneous	5,244		5,244	84
Net assets released from restrictions:				
Satisfaction of program restrictions	204,802	(204,802)	-	-
Total support and revenue	<u>2,170,319</u>	<u>45,145</u>	<u>2,215,464</u>	<u>1,909,809</u>
EXPENSES:				
Program Services:				
Housing	431,491		431,491	589,632
Senior group home	15,619		15,619	42,019
Casa services	828,254		828,254	614,297
Arts division	41,305		41,305	239,309
National City properties	418,384		418,384	490,029
Other programs	130,584		130,584	74,056
Supporting services:				
Management and general	228,857		228,857	248,328
Fund-raising	97,541		97,541	109,049
Total expenses	<u>2,192,036</u>	<u>-</u>	<u>2,192,036</u>	<u>2,406,719</u>
Change in net assets	\$ (21,717)	\$ 45,145	\$ 23,428	\$ (496,910)
Net assets at beginning of year	1,895,895	174,336	2,070,231	2,567,141
Withdrawal from Partnership	(101)		(101)	-
Net assets at end of year	<u>\$ 1,874,077</u>	<u>\$ 219,481</u>	<u>\$ 2,093,558</u>	<u>\$ 2,070,231</u>

The Accompanying Notes Are an Integral Part of These Financial Statements

CASA FAMILIAR, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2015
(With Summarized Comparative Information for the Year Ended June 30, 2014)

	PROGRAM SERVICES					SUPPORTING SERVICES				
	Housing	Senior Group Home	Casa Services	Arts Division	National City Properties	Other Programs	Total Programs	Management and General	Fund-Raising	Totals
Payroll and related expenses										
Salaries and wages	\$ 253,261	\$ 6,953	\$ 268,648	\$ 21,645	\$ 14,669	\$ 52,939	\$ 618,115	\$ 59,448	\$ 6,829	\$ 684,392
Payroll taxes	22,177	609	23,524	1,895	1,284	4,636	54,125	5,205	598	59,928
Workers' comp insurance	12,214	335	12,956	1,044	787	2,553	29,810	2,867	329	33,006
Health insurance	24,688	678	26,188	2,110	1,430	5,160	60,253	5,795	666	66,714
Retirement	12,076	538	718	897	862	6,500	21,591	3,305	633	25,529
Total payroll and related expenses	324,415	9,113	332,033	27,591	18,953	71,788	783,894	76,620	9,055	869,569
Operating expenses										
Contracts			4,725		515	600	7,902	34,837	6,700	49,439
Bad debt	2,062		917				917	18,500		19,417
Maintenance supplies					7,667		7,667	3,130		10,797
Dues, subscriptions, filing & loan fees	4,350				10,713		15,063	7,690		22,753
Utilities	14,630	1,898	4,390		20,456	2,169	43,563	8,069		51,632
Office equipment and supplies	10,204		10,963	90	2,166	2,847	26,270	12,295	789	39,354
Telephone, cable, internet	10,238		12,524		150	2,499	25,411	9,091		34,502
Program	735		179,838	375		10,677	191,625			191,625
Property taxes	1,559	9	27		8,837	4	10,436	2,457		12,893
Management fees					19,325		19,325			19,325
Vehicles gas, maintenance and repair			90		720	65	875	7,681		8,556
Repairs and maintenance	1,200				10,855	388	12,443	13,094		25,537
Awards, grants and donations			4,000				4,000	6,377		10,377
Insurance	12,724	1,098	10,156	141	5,096		29,215	8,731	1,830	39,776
Interest	16,275		38,760		168,622		223,657	3,554		227,211
Residual receipts payment					17,130		17,130			17,130
Events			17,199	9,788			26,987			26,987
Depreciation and amortization	32,735	3,501	16,868	589	125,009	1,829	180,531	26,935	60,493	247,466
Conferences and meetings	94			31			125	3,628	51	3,804
Miscellaneous	250		897	2,700	2,170		6,017	4,081	123	10,221
Mileage and travel			1,180				1,180	587		1,767
Donated facilities			193,687			37,718	231,405			231,405
Total operating expenses	107,076	6,506	496,221	13,714	399,431	58,796	1,081,744	152,237	88,486	1,322,467
Total Expenses	\$ 431,491	\$ 15,619	\$ 828,254	\$ 41,305	\$ 418,384	\$ 130,584	\$ 1,865,638	\$ 228,857	\$ 97,541	\$ 2,192,036
										\$ 2,406,719

The Accompanying Notes Are an Integral Part of These Financial Statements

4

CASA FAMILIAR, INC.
Statement of Cash Flows
For the Year Ended June 30, 2015
(With Comparative Information for the Year Ended June 30, 2014)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 23,428	\$ (496,910)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	207,467	130,153
(Increase) Decrease in:		
Grants, contributions, and accounts receivable	(68,561)	308,769
Prepaid expenses and deposits	4,963	22,064
Cash restricted for tenant security deposits	1,560	725
Top Hat Plan asset	(7,000)	-
Increase (Decrease) in:		
Accounts payable	(23,143)	(53,167)
Payroll and related liabilities	401	4,083
Accrued interest payable	70,100	70,100
Deposits from tenants	(1,560)	(725)
Funds held in trust	-	(7,135)
Top Hat Plan liability	7,000	-
Net cash provided (used) by operating activities	<u>214,655</u>	<u>(22,043)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Construction investing activities	(4,238)	(39,698)
Deposits to reserve accounts	(1,501)	2,016
Purchases of property and equipment	(16,000)	(272,047)
Net cash used by investing activities	<u>(21,739)</u>	<u>(309,729)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under line of credit	183,000	170,000
Repayments of borrowings under line of credit	(100,000)	(170,000)
Repayments of mortgage principal	(55,422)	(44,208)
Principal payments on capital lease obligations	6,463	(5,980)
Net cash provided (used) by financing activities	<u>34,041</u>	<u>(50,188)</u>
Net increase in cash	226,957	(381,960)
Cash at beginning of year	84,634	466,594
Cash at end of year	<u>\$ 311,591</u>	<u>\$ 84,634</u>
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Cash paid for interest	<u>\$ 140,836</u>	<u>\$ 153,708</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Equipment purchased through capital lease	<u>\$ 16,000</u>	<u>\$ 45,662</u>

The Accompanying Notes Are an Integral Part of These Financial Statements

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2015

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Note 1. Organization

Casa Familiar, Inc. (Casa) is a nonprofit public benefit corporation organized in 1973 under the laws of the State of California. Casa provides community services through various programs including affordable housing in San Ysidro and National City, social services, counseling services, youth services through recreation centers and teen center, fitness center for the public, and a computer center providing training in computer usage applications and job training for students and job seekers. Casa is supported primarily from affordable housing related income, grants and contributions, service fees, and housing partnerships income.

Casa operates at the following locations:

- Senior Group Home and Social Services Center located at 119-121 West Hall Avenue
- A low income rental unit at 122 West Hall Avenue in San Ysidro
- Two recreation facilities are operated under lease from the City of San Diego at 212 West Park Avenue and 268 West Park Avenue in San Ysidro
- A Church at 114 West Hall Avenue and two apartment rental units at 114 ½ West Hall Avenue in San Ysidro
- A building, The Front, at 145-149 W. San Ysidro Blvd. in San Ysidro which includes art gallery, meetings and events space, and two apartment rental units
- A building at 249 Willow Rd in San Ysidro sublet to Episcopal Community Services for child care programs, including daycare and two apartment units used for transitional housing rent free
- Administrative offices, computer lab, social services, preschool and daycare in Villa Nueva Apartment building at 1901 Del Sur Blvd in San Ysidro
- Two apartment buildings at 1111 D Street and 1101-1119 E Street in National City with seventeen affordable units and one manager's unit operated as low and very low income housing for fifty five years
- An apartment building at 304 East 5th Street in National City with nine affordable units and one manager's unit operated as low and very low income housing for fifty five years
- Construction projects: affordable housing "Living Rooms at the Border" and senior housing "Los Abuelitos" in San Ysidro

Note 2. Summary of Significant Accounting Policies

Basis of Accounting: Casa's financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. To provide visibility for budgeted grant resources, revenue and expense accounts use sub accounts to identify revenues and expenses by program.

Basis of Presentation: Casa is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

(4)

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2015

Note 2. Summary of Significant Accounting Policies (Continued)

Unrestricted net assets - net assets that are not subject to donor-imposed stipulations. In 2006, the Board of Directors elected to designate \$300,000 of the unrestricted funds (which includes proceeds from the Casitas project sale) for new program development.

Temporarily restricted net assets - net assets subject to donor imposed stipulations that may or will be met either by actions of Casa and/or the passage of time.

Permanently restricted net assets - net assets to be held in perpetuity as directed by donors. The income from the contributions is available to support activities as designated by the donors. Casa does not have any permanently restricted net assets as of June 30, 2015.

Contributions: Contributions, including unconditional promises to give, are recorded when received. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Expenses are reported as decreases in unrestricted net assets.

Cash and Cash Equivalents: For purposes of the Statement of Cash Flows, Casa considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Casa had no cash equivalents at June 30, 2015.

Fair Value Measurements: Casa measures fair value at the price that would be received upon sale of an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Authoritative guidance establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values, requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets.

Level 2: Unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Significant unobservable inputs for the asset or liability.

The valuation of Casa's investment in housing partnerships according with the fair value hierarchy is Level 3.

(4)

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2015

Note 2. Summary of Significant Accounting Policies (Continued)

Property and Equipment: All acquisitions of property and equipment in excess of \$1,000 are capitalized. Maintenance and repairs are expensed. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are generally five to seven years for furniture and equipment and forty years for buildings and building improvements.

Equipment acquired by Casa using grant funds is considered to be owned by Casa while used in the program for which it was purchased or in other authorized programs. However, the funding source has reversionary interest in the equipment, and its disposition.

Impairment of Long-lived Assets: Casa evaluates its investment in long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use or disposition of an asset are less than the carrying value, a write-down will be recorded to reduce the related asset to its estimated fair value. To date, no such write-downs have occurred.

Functional Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated between the programs and supporting services benefitted.

Donated Materials and Services: Donated materials and services are recognized as contributions if the materials or services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Casa. Volunteers provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. Casa generally pays for services requiring specific expertise.

Use of Estimates: The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. No amounts have been reflected in the financial statements for the risk of environmental liabilities associated with properties purchased for rehabilitation as low income housing units.

Comparative Financial Information: The financial statements include certain prior-year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, it should be read in conjunction with Casa's financial statements for the year ended June 30, 2014 from which the summarized information was derived.

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2015

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Note 3. Income Taxes

Casa is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California State Revenue and Taxation Code. Casa may be subject to tax on income which is not related to its exempt purposes. No such unrelated business taxable income was reported for the year ended June 30, 2015. Casa qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as a public charity under Section 509(a)(1).

Management of Casa has evaluated its tax positions and related income tax contingencies. Management does not believe that any material uncertain tax positions exist. Casa's tax returns are subject to examination by Federal taxing authorities for a period of three years from the date they are filed and a period of four years for California taxing authorities.

Note 4. Concentrations of Credit Risk

Casa maintains its cash balances in three financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times during the year there were balances in the bank that were over the FDIC limit. At June 30, 2015, Casa had no uninsured cash balances.

Concentrations of credit risk with respect to promises and accounts receivable are limited due to the large number of contributors and clients. As of June 30, 2015, Casa had no significant concentrations of credit risk related to accounts receivable. An allowance for uncollectible accounts has been recorded.

Note 5. Investment in Housing Partnerships, Note Payable, and Management Fees

At June 30, 2015, Casa had partnership agreements with six different housing limited partnerships. During the year ended June 30, 2015 Casa withdrew from one of the partnerships. All six partnership agreements shall continue in full force and effect until December 31, 2025, except as noted in the partnership agreements. In the case of five partnerships, Casa has acquired a partnership interest as a "donation" without making any payment for the acquisition. For the remaining one partnership, Casa issued a note payable to the partners in the amount of \$25,000, equal to the value of the partnership interest obtained as consideration for the investment. The investments were recorded at fair value at the time of acquisition.

In the case of one partnership, Casa entered into a verbal agreement at inception of the partnership to serve as the partnership's contact point with the San Ysidro community, for which the partnership would build and give to Casa a childcare center built to existing State Regulations, for Casa's use or as a sublet leasehold to another group and that the apartment residents would get some priority in terms of use of this facility. The verbal agreement allowed Casa to conduct a transitional housing project on the property, contributed rent free two apartments of at least two bedrooms per unit, and should Casa acquire further monies to expand the transitional housing project the partnership would rent them to Casa at a reduced rate. No amounts for the donated center and rent free units have been recorded.

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2015

④

Note 5. Investment in Housing Partnerships, Note Payable, and Management Fees (Continued)

Casa acts as a managing General Partner for each of the partnerships. According to the partnership agreements, Casa, as a managing General Partner, is not liable for any debts, obligations, or negative cash flows of the partnerships. According to the partnership agreements, Casa is not liable in any way in the event of a judicial foreclosure, and the Administrative General Partners agree to indemnify and hold the managing General Partner harmless from any such claims and/or liabilities. However, it is not certain whether Casa, under the provisions of California General Partnership Law, can be exempted from any partnership liabilities as set forth in the partnership agreements.

Note 6. Casitas Project Recoverable Grants

Effective December 2004, Casa entered into agreements with five low-income home buyers to provide them with grants in order to allow them to be qualified for the purchase of homes from the Casitas Project. The total amount of all grants is \$13,896 and has been disbursed. No interest will be charged and repayments are set to begin between 2010 and 2015, depending on income levels.

No payments were received as of June 30, 2015. If certain income levels have not been reached by 2015, the total grant is forgiven. Given the uncertainty of recovery, an allowance of 50% has been established for this account. As of June 30, 2015, \$13,896 has been disbursed and is receivable, less an allowance of \$6,948. Subsequent to the year end, Casa's Board of Directors voted to forgive the unpaid grant balances.

Note 7. Line of Credit

Casa has a line of credit agreement with Citibank. The credit limit is \$100,000. The interest rate is the prime rate as published in The Wall Street Journal plus 4.75%. The rate was 8% during the year ended June 30, 2015. As of June 30, 2015, the outstanding loan balance is \$83,000. A total of \$3,554 was paid in interest for the year ended June 30, 2015.

Note 8. Promissory Notes

The promissory notes for the properties Casa owns are as follows:

122 West Hall Avenue, San Ysidro

Loan a) \$116,000 from California Bank & Trust signed in 2001, secured by the real property. On September 25, 2002, the promissory note was extended to September 29, 2017 payable at a rate of 7.74% subject to change based on changes in an independent index with the change not to occur more often than each five years. The interest rate was reduced to 3.88% on September 29, 2012. The balance at June 30, 2015 is \$3,061.

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2015

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Note 8. Promissory Notes (Continued)

145-149 W. San Ysidro Blvd., San Ysidro

Loan b) \$420,000 from Wells Fargo bank signed in 2005, secured by the real property. The loan is payable at a fixed interest rate of 6.5% per annum for the term of ten years. The loan matures on October 15, 2015, at which time all unpaid principal, accrued interest, and any other unpaid amounts are due and payable in full. The principal balance at June 30, 2015 is \$281,839. The loan was refinanced subsequent to the year end (see Note 14).

Loan c) \$426,000 from Wells Fargo bank signed in 2005, secured by the real property. The loan is payable at a fixed interest rate of 6.5% per annum for the term of ten years. The loan matures on October 15, 2015, at which time all unpaid principal, accrued interest, and any other unpaid amounts are due and payable in full. The principal balance at June 30, 2015 is \$285,841. The loan was refinanced subsequent to the year end (see Note 14).

Construction Projects "Los Abuelitos" and "Living Rooms at the Border", San Ysidro

Loan d) \$1,085,000 from Planning and Art Resources for Communities, Inc. (PARC). The advances requested and received are as follows:

October 26, 2007	\$	400,000
August 27, 2010		393,333
September 2, 2011		106,667
June 2, 2012		185,000
Total	\$	<u>1,085,000</u>

The funds are being used for design and construction of the affordable housing for people in need and the elderly. According to the Amended Loan Agreement, the loan is payable in equal quarterly installments beginning July 1, 2016 and ending June 30, 2030. The loan bears no interest.

The Lender agreed to forgive \$542,500 of the principal amount if, in the Lender's discretion, certain conditions are met. Of \$542,500, \$271,250 has been forgiven, and the balance will be forgiven upon substantial completion of both projects. Contribution revenue for the principal balances to be forgiven was recognized in the periods the funds were advanced. An amendment to extend substantial completion deadline to November 1, 2017 was approved subsequent to the year end.

Because the loan bears no interest, when the loan proceeds were advanced, contribution revenue and a loan discount using 3% rate were recorded. The loan is reported in the statement of financial position net of unamortized discount. The discount on the loans is being amortized to interest expense over the life of the loan. Imputed interest expense of \$16,275 was reported in the accompanying statement of activities for the year ended June 30, 2015.

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2015

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Note 8. Promissory Notes (Continued)

1111 D Street and 1101-1119 E Street, National City: seventeen affordable units and one manager's unit were rehabilitated and operate as low and very low income housing for fifty-five years. Casa charges the project a fee of \$900 per month for management services, which is reported as the project's management fee expense and Casa's management fee revenue. Also, a portion of Casa's payroll, insurance, office, and other expenses related to the project's operations is charged to the project.

Loan e) \$1,016,000 from Healy Family Trust, the seller of the property, obtained in 2008. The note is secured by the real property and is payable to Wells Fargo bank at an interest rate of 5.50% per annum for the term of forty years. The principal balance as of June 30, 2015 is \$999,743.

Loan f) \$669,653 from the Community Development Commission of National City (CDC), secured by the real property. Permanent Financing Loan Agreement (Agreement) was signed on November 9, 2009. The note bears interest at 3%. Annually, on November 15th, Casa should calculate its residual receipts for the immediately previous fiscal year and pay to the CDC 19% of such residual receipts. The remaining unpaid principal and accrued interest are due in fifty-five years. No payments have been made for the year ended June 30, 2014. The residual receipts balance has been applied to the developer fee receivable. The balances of principal and accrued interest at June 30, 2015 are \$669,653 and \$111,004 accordingly.

Loan g) \$1,110,347 from CDC, signed in 2009, secured by the real property. This is a HUD HOME program loan. In accordance with the Agreement, the note bears interest at 3% simple interest per annum. Annually, on November 15, Casa should calculate its residual receipts for the immediately previous fiscal year and pay to the CDC 31% of such residual receipts. The remaining unpaid principal and accrued interest are due in fifty-five years. No payments have been made for the year ended June 30, 2015. The residual receipts balance has been applied to the developer fee receivable. The balances of principal and accrued interest at June 30, 2015 are \$1,110,347 and \$184,053 accordingly.

Per the Agreement, the property is also financed by deferral of \$95,908 of the developer fee. The revenue, corresponding receivable from the City of National City and payable to the contractor were recorded upon completion of the rehabilitation in April 2011. No payments are expected to be received from the City of National City. The receivable is being reduced by the amount of residual receipts for the preceding year and increased by the interest accrued on the outstanding developer fee at an annual rate of 4.45%. As of June 30, 2015, developer fee receivable is \$62,986.

Casa is required to set aside reserves for replacement is the amount \$7,650 annually, subject to the revision upward as determined by CDC. The reserves should be maintained in a separate account and disbursements from this account may be made only after the written consent of CDC. The funds have been transferred subsequent to the fiscal year end.

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2015

④

Note 8. Promissory Notes (Continued)

304 East 5th Street, National City: nine affordable units and one manager's unit were rehabilitated and operate as low and very low income housing for fifty-five years. Casa charges the project a fee of \$710 per month for management services, which is reported as the project's management fee expense and Casa's management fee revenue. In addition, a portion of Casa's payroll and related expenses, insurance, office, and other expenses related to the project's operations is charged to the project.

Loan h) \$685,000 from Clearinghouse CDFI, secured by the property, at an interest rate of 7.5% per annum, maturing on August 1, 2018, at which time all unpaid principal, accrued interest, and any other unpaid amounts are due and payable in full. The principal balance at June 30, 2015 is \$644,893. The loan was refinanced subsequent to the year end (see Note 14).

Loan i) \$835,000 from CDC, signed in October 2009. This is a HUD HOME program loan. In accordance with the Acquisition, Rehabilitation and Permanent Financing Loan Agreement the promissory note bears interest at 2% simple interest per annum. According to the Agreement, annually, on November 15, Casa should calculate its residual receipts for the immediately previous fiscal year and pay CDC 33% of residual receipts toward the loan principal. The remaining unpaid principal and accrued interest are due in fifty-five years. No payments have been made for the year ended June 30, 2014. The residual receipts balance has been applied to the developer fee receivable (see below). The balances of principal and accrued interest at June 30, 2015 are \$835,000 and \$83,831 accordingly.

The property is also financed by deferral of Casa's developer fee with the original amount of \$93,750. The revenue, corresponding receivable from the City of National City and payable to the contractor were recorded upon completion of the rehabilitation in November 2011. No payments are expected to be received from the City of National City. The receivable is being reduced by the amount of residual receipts for the preceding year. As of June 30, 2015, developer fee receivable is \$72,975.

Casa is required to set aside reserves for replacement of \$4,250 annually, subject to the revision upward by CDC. The reserves should be maintained in a separate account and disbursements from this account may be made only after the written consent of CDC. The funds have been transferred subsequent to the fiscal year end.

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2015

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Note 8. Promissory Notes (Continued)

The debt maturing in the next five fiscal years plus remaining balances are as follows:

June 30,	Cal Bk & Trust (a)	Wells Fargo (b)	Wells Fargo (c)	PARC Foundation (d)	Wells Fargo (e)	Clearing house CFDI (h)	City of National City*	Total
2016	\$ 3,061	\$ 281,839	\$ 285,841	\$	\$ 3,033	\$ 9,172	\$	\$ 582,945
2017				25,107	3,204	9,885		38,195
2018				25,868	3,384	10,652		39,904
2019				26,653	3,575	615,185		645,413
2020				27,462	3,777			31,239
Thereafter				363,028	982,771		2,615,000	3,960,799
Total	\$ 3,061	\$ 281,839	\$ 285,841	\$ 468,118	\$ 999,743	\$ 644,893	\$ 2,615,000	\$ 5,298,495

* loan f) balance due	\$ 669,653
loan g) balance due	1,110,347
loan i) balance due	835,000
	<u>\$ 2,615,000</u>

Note 9. Temporarily Restricted Net Assets

Temporarily restricted net assets are comprised of the following:

	July 1, 2014	2014 Additions	Released	June 30, 2015
D & E Properties*	\$ 45,217	\$	\$ (31,848)	\$ 13,369
Casa Azteca-Citibank, Citi Foundation, SDGE	39,470	50,000	(79,470)	10,000
Los Abuelitos and Living Rooms at the Border-				
Wells Fargo Foundation, Citi Foundation	72,640	50,000	(50,601)	72,039
Los Ninos Park-County of San Diego		68,697		68,697
STEAM-SDG&E, Cox Communications		55,000	(28,750)	26,250
Jack Walsh Renaissance Scholarship	10,759	1,250	(2,000)	10,009
ABRAZO Awards Gala	6,250		(6,250)	-
Job Training-Walmart	-	25,000	(5,883)	19,117
Total	\$ 174,336	\$ 249,947	\$ (204,302)	\$ 219,481

*During the year ended June 30, 2009, Casa received a contribution in the amount of \$250,000 from the sellers of the D & E Avenue property. This \$250,000 contribution is a temporarily restricted net asset to be released over time annually in the amount equal to depreciation on the acquired properties. Depreciation on these properties was \$31,848 for the year ended June 30, 2015.

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CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2015

Note 10. Lessor Donated Use of Facilities and Utilities

In November 1993, Casa entered into an operating lease agreement with the City of San Diego (the City) for the sole purpose of operating recreational and social services programs at a recreation center. The facilities were to be used to benefit the San Ysidro Community and the residents of the City and for such other related or incidental purposes as may first be approved in writing by the City Manager. The estimated fair market value of the donated rent and utilities for the year ended June 30, 2015 is \$231,405.

Note 11. Capital Leases

Casa leases a telephone system under a capital lease agreement. The phone system asset is recorded at the fair value of the asset and amortized over the term of the lease. Amortization of the telephone system is included in depreciation expense for the year ended June 30, 2015. Imputed interest rate of 11% is the lessor's implicit rate of return.

Casa leases three copiers under a capital lease agreement. The copiers are recorded at the fair value of the asset and amortized over the term of the lease. Amortization of the copiers is included in depreciation expense for the year ended June 30, 2015. Imputed interest rate of 8% is Casa's incremental borrowing rate at the inception of the lease.

The following is a summary of the assets held under the capital lease agreements:

	Phone system	Copiers
Office equipment	\$ 45,662	\$ 16,000
Accumulated amortization	(16,742)	(1,600)
Net	<u>\$ 28,920</u>	<u>\$ 14,400</u>

Minimum future lease payments under the capital lease as of June 30, 2015 are as follows:

	Phone system	Copiers
June 30,		
2016	\$ 11,922	\$ 7,752
2017	11,922	7,752
2018	11,922	7,752
2019	1,987	7,752
2020		3,876
Net minimum lease payments	<u>37,752</u>	<u>31,008</u>
Amount representing interest	<u>(6,006)</u>	<u>(5,560)</u>
Present value of net minimum lease payments	<u>\$ 31,746</u>	<u>\$ 25,448</u>

CASA FAMILIAR, INC.
Notes to Financial Statements
For the Year Ended June 30, 2015

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Note 12. Employee Benefit Plans

Casa maintains a "Cafeteria Plan" for the benefit of its employees. The Plan allows employees working at least 20 hours per week to pay certain qualified expenses on a pre-tax basis.

Casa also maintains a Tax Sheltered Annuity retirement plan with a SIMPLE individual retirement plan under section 408(p) of the Internal Revenue Code. This is a tax deferred retirement plan, under which Casa matches eligible employee contributions up to 3% of the employee's salary. Employer contributions totaled \$18,529 for the fiscal year ended June 30, 2015.

Effective November 2010, Casa adopted a 457(b) Non-Qualified Deferred Compensation Top Hat Plan (Plan). The Plan is a supplemental retirement plan available to a select group of management or highly compensated employees or independent contractors. The Plan is funded by the participants' payroll deductions and Casa's contributions. All amounts of compensation deferred under the Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights, remain an asset of Casa until distribution. During the year ended June 30, 2015, Casa contributed \$7,000 to the Plan. Top Hat Plan asset of \$17,000 as of June 30, 2015 and a corresponding liability are recorded in the statement of financial position.

Note 13. Related Parties

Two officer employees of the entity that are married work at different sites of the entity. There are no related party transactions for these two individuals.

Note 14. Subsequent Events

Casa's management has evaluated subsequent events through November 16, 2015, the date the financial statements were available to be issued.

Subsequent to the year end, Casa entered into a loan agreement to refinance three existing mortgage loans: loan b), loan c), and loan h), (see Note 8). The loan is a variable rate nondisclosable loan in the amount of \$1,245,000. The loan is payable in monthly installments of principal and interest of \$6,432 starting September 4, 2015 through August 4, 2020. The monthly payment is calculated by amortizing the principal balance of the note over thirty years at a fixed interest rate of 4.5%. On August 4, 2020, the interest rate will be adjusted by applying the then current Index plus two and three-quarters percentage points per the loan agreement. The adjusted payments are due monthly through August 4, 2025, at which time the entire amount of outstanding principal and interest are due.

Casa's workers' compensation insurance premiums have increased from \$29,893 for July 1, 2013-June 30, 2014 to \$77,501 for July 1, 2014-June 30, 2015 to due to an increase in claims. As of June 30, 2015 and subsequent to the year end, Casa has four open claims by employees receiving care related to workplace injuries. Casa has retained a consultant and has been implementing changes to reduce workplace injuries.

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SUPPLEMENTARY INFORMATION

CASA FAMILIAR, INC.
Schedule of Functional Revenue and Expenses
For the Year Ended June 30, 2015
(With Summarized Comparative Information for the Year Ended June 30, 2014)

	PROGRAM SERVICES					SUPPORTING SERVICES			2014 Totals
	Housing	Senior Group Home	Casa Services	Arts Division	City Properties	Other Programs	Management and General	Fund- Raising	
REVENUE:									
Grants and contributions	\$ 65,000	\$	\$ 438,043	\$ 31,737	\$	\$ 85,934	\$ 78,546	\$	\$ 512,186
Program service fees	20,000		182,698			5,000			214,627
In-kind donations - facilities			193,687			37,718			231,405
Fundraising revenue								94,742	94,742
Management fees	137,433								137,433
Rental revenue (net of vacancies)	74,897	17,500			231,140				323,537
Tenant assistance payments					33,663				33,663
Housing partners	453,658								453,658
Subcontract revenue	29,319								29,319
Solar panel rebates									
Laundry									
Interest	3,314				4,188				4,188
Miscellaneous					3				7,042
Total revenue	783,621	17,500	806,428	31,737	268,994	128,652	5,244	94,742	1,909,809
EXPENSES:									
Payroll and related expenses									
Salaries and wages	\$ 253,261	\$ 6,953	\$ 269,648	\$ 21,645	\$ 14,669	\$ 52,939	\$ 59,448	\$ 6,829	\$ 950,361
Payroll taxes	22,177	609	23,224	1,895	1,284	4,636	5,205	598	59,928
Workers' comp insurance	12,214	335	12,956	1,044	707	2,553	2,867	329	36,579
Health insurance	24,688	678	26,188	2,110	1,430	5,160	5,795	666	66,714
Retirement	12,076	338	718	897	862	6,500	3,305	653	81,390
Total payroll and related expenses	324,415	9,113	332,033	27,591	18,953	71,788	76,620	9,055	869,569
Operating expenses									
Contract	2,062		4,725		515	600	34,837	6,700	49,439
Bad debt			917					18,500	19,417
Maintenance supplies					7,667		3,130		15,880
Dues, subscriptions, filing & loan fees	4,350				10,713		7,690		22,753
Utilities	14,650	1,898	4,390		20,456	2,169	8,069		51,632
Office equipment and supplies	10,204		10,963	90	2,166	2,847	12,295	789	39,354
Telephone, cable, internet	10,238		12,524		150	2,499	9,091		34,502
Program	735		179,838	375	10,677	191,625			191,625
Property taxes	1,559	9	27		8,837	4	2,457		12,893
Management fees					19,325	19,325			19,325
Vehicles gas, maintenance and repair			90		720	65	7,681	8,556	9,546
Repairs and maintenance					10,855	388	13,094		25,537
Awards, grants and donations			4,000				6,377		10,377
Insurance	12,724	1,098	10,156	141	5,096	4,000	8,731	1,830	39,776
Interest	16,275		38,760		168,622	223,637	3,554		227,211
Real estate payments					17,130				17,130
Events			17,199	9,788		26,987			87,480
Depreciation and amortization	32,735	3,501	16,868	589	125,009	1,829	26,935	60,493	207,466
Conferences and meetings	94			31					3,804
Miscellaneous	250		897	2,700	2,170		4,081	51	10,221
Mileage and travel								123	1,767
Donated facilities			1,180				387		231,405
Total operating expenses	107,076	6,506	193,687	13,714	399,431	37,718	152,237	88,486	1,322,467
Total expenses	431,491	15,619	828,254	41,305	418,384	130,584	228,857	97,541	2,192,036
Change in net assets	\$ 352,130	\$ 1,881	\$ (21,826)	\$ (9,568)	\$ (149,390)	\$ (1,932)	\$ (145,607)	\$ (2,799)	\$ (28,227)

See Auditor's Report

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NONPROFITS OWN
COMMERCIAL LINES COMMON POLICY DECLARATIONS

PRODUCER:

All-Cal Insurance Agency
505 Vernon St.
Roseville, CA 95678

POLICY NUMBER: 2015-02129- NPO

RENEWAL OF NUMBER: 2014-02129- NPO

NAME OF INSURED AND MAILING ADDRESS:

Casa Familiar
119 West Hall Avenue
San Ysidro, CA 92173

ATTACHMENT (5)

POLICY PERIOD:

FROM 06/30/2015 TO 06/30/2016

AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

BUSINESS DESCRIPTION: Provides service programming, housing & community economic development

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS
POLICY, WE AGREE WITH YOU TO PROVIDE THE COVERAGE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THESE PREMIUMS MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
COMMERCIAL GENERAL LIABILITY COVERAGE PART - OCCURRENCE	\$9,253
COMMERCIAL AUTO LIABILITY COVERAGE PART	\$5,609
COMMERCIAL AUTO PHYSICAL DAMAGE COVERAGE PART	\$2,160
IMPROPER SEXUAL CONDUCT COVERAGE PART	\$6,200
COMMERCIAL LIQUOR LIABILITY COVERAGE PART	INCLUDED
TERRORISM COVERAGE (Certified Acts)	Not Covered

TOTAL: \$23,222

FORM(S) AND ENDORSEMENT(S) MADE A PART OF THIS POLICY AT TIME OF ISSUE:*

CG 00 01 07 98,	CG 00 33 01 98,	CG 20 10 07 04,	CG 20 11 01 98,	CG 20 12 07 98,	CG 20 18 11 85,	CG 20 20 11 85,
CG 20 21 07 98,	CG 20 26 07 04,	CG 20 34 07 04,	CG 20 37 07 04,	CG 21 16 s 07 98,	CG 21 73 01 15,	CG 24 07 11 85,
CG 25 04 11 85,	CG 77 94 04 93,	IL 00 17 11 98,	IL 02 70 09 12,	NIAC-AL-NPO	NIAC-E10 07 92,	NIAC-E11 07 92,
NIAC-E12 05 92,	NIAC-E15 02 09,	NIAC-E22 08 95,	NIAC-E25 01 98,	NIAC-E26 10 14,	NIAC-E28 01 99,	NIAC-E29 12 09,
NIAC-E3 01 99,	NIAC-E32 02 15,	NIAC-E33 01 02,	NIAC-E4 01 91,	NIAC-E42 07 06,	NIAC-E44 04 07,	NIAC-E52 07 13,
NIAC-E56 02 12,	NIAC-E59 02 12,	NIAC-E6 02 07,	NIAC-E80 07 12,	NIAC-E61 02 13,	NIAC-E7 10 04,	NIAC-E70 07 13,
NIAC-E74 03 14,	NIAC-GL-NPO	NIAC-LL-NPO	NIAC-SC-NPO	NIAC-X1 02 15,	NPO-001 04 09,	SCHEDULE BA 01 80,
SCHEDULE G 01 80,	SCHEDULE L 01 80,					

*OMITS APPLICABLE FORMS AND ENDORSEMENTS IF SHOWN IN
SPECIFIC COVERAGE PART / COVERAGE FORM DECLARATIONS.

COUNTERSIGNED: 06/25/2015

BY

(AUTHORIZED REPRESENTATIVE)

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S)
AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

NIAC - CO - NPO

(01036 - DB)



A Head for Insurance. A Heart for Nonprofits.

NONPROFITS INSURANCE ALLIANCE
OF CALIFORNIA (NIAC)

www.insurancefor nonprofits.org

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

PRODUCER:

All-Cal Insurance Agency
505 Vernon St.
Roseville, CA 95678

POLICY NUMBER: 2015-02129 -NPO

RENEWAL OF NUMBER: 2014-02129 -NPO

NAME OF INSURED AND MAILING ADDRESS:

Casa Familiar
119 West Hall Avenue
San Ysidro, CA 92173

5

POLICY PERIOD:

FROM 06/30/2015 TO 06/30/2016
AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

BUSINESS DESCRIPTION: Provides service programming, housing & community economic development

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS
POLICY, WE AGREE WITH YOU TO PROVIDE THE COVERAGE AS STATED IN THIS POLICY.

LIMITS OF COVERAGE:

GENERAL AGGREGATE LIMIT (OTHER THAN PRODUCTS - COMPLETED OPERATIONS)	\$3,000,000
PRODUCTS - COMPLETED OPERATIONS AGGREGATE LIMIT	\$3,000,000
PERSONAL AND ADVERTISING INJURY LIMIT	\$1,000,000
EACH OCCURRENCE LIMIT	\$1,000,000
DAMAGE TO PREMISES RENTED TO YOU	\$500,000 any one premises
MEDICAL EXPENSE LIMIT	20,000 any one person

ADDITIONAL COVERAGES:

EMPLOYEE BENEFITS LIABILITY Retroactive Date: 7/1/2010 INCLUDED
(EMPLOYEE BENEFITS LIABILITY IS A CLAIMS MADE FORM. LIMITS ARE INCLUDED IN THE GENERAL AGGREGATE AND EACH
OCCURRENCE LIMIT LISTED ABOVE)

SOCIAL SERVICE PROFESSIONAL LIABILITY

AGGREGATE LIMIT	\$3,000,000
EACH OCCURRENCE LIMIT	\$1,000,000

CLASSIFICATION(S)

SEE ATTACHED SUPPLEMENTAL DECLARATIONS SCHEDULE G

PREMIUM

\$9,253

FORMS AND ENDORSEMENTS APPLICABLE TO THIS POLICY ARE INCLUDED IN COMMERCIAL LINES COMMON POLICY DECLARATIONS

COUNTERSIGNED: 06/25/2015

BY

Samuel C. D.

(AUTHORIZED REPRESENTATIVE)

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S)
AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

NIAC - GL - NPO

(01036)



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NONPROFITS INSURANCE ALLIANCE
OF CALIFORNIA (NIAC)

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COMMERCIAL GENERAL LIABILITY
EXTENSION OF DECLARATIONS

5

Schedule G

POLICY NUMBER: 2015-02129-NPO

Page 1

NAME OF INSURED: Casa Familiar

PREMISES CODE/CLASS	*LOC	PREMIUM BASIS	RATE	*ADVANCED PREMIUM
60010/Apartment Buildings - includes products and/or completed operations	1	6	66.023	\$396
61227/Buildings or Premises - office - NFP	1	800	190.039	\$152
49870/YMCA, YWCA or Similar Institutions - includes products and/or completed operations	2	4,100	218.790	\$897
49870/YMCA, YWCA or Similar Institutions - includes products and/or completed operations	3	2,000	218.790	\$438
63011/Dwellings - two family (lessor's risk only) - includes products and/or completed operations	4	1	73.359	\$74
61218/Buildings or Premises - bank or office - merc. or manufac. maintained by the insu (LRO) - NFP	4	1,200	44.208	\$53
49452/Vacant Land - NFP	5	1	40.000	\$40
61227/Buildings or Premises - office - NFP	6	1,679	190.039	\$319
60010/Apartment Buildings - includes products and/or completed operations	7	2	66.023	\$132
41668/Clubs - civic, service or social - having buildings or premises owned or leased - NFP	8	3,000	252.640	\$758
61227/Buildings or Premises - office - NFP	9	1,000	190.039	\$190
60010/Apartment Buildings - includes products and/or completed operations	10	8	66.023	\$528
60010/Apartment Buildings - includes products and/or completed operations	11	10	66.023	\$660

*See Common Declarations for Total Advanced Premium and Schedule 'L' for locations.

COUNTERSIGNED: 06/25/2015

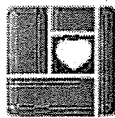
BY

Samuel C. Q.

(AUTHORIZED REPRESENTATIVE)

NIAC - SCHEDULE G - NPO

(01036)



**NONPROFITS
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**COMMERCIAL GENERAL LIABILITY
EXTENSION OF DECLARATIONS**

5

Schedule G

POLICY NUMBER: 2015-02129-NPO

Page 2

NAME OF INSURED: Casa Familiar

PREMISES CODE/CLASS	*LOC	PREMIUM BASIS	RATE	*ADVANCED PREMIUM
61218/Buildings or Premises - bank or office - merc. or manufac. maintained by the insu (LRO) - NFP	12	7,000	44.208	\$309
61227/Buildings or Premises - office - NFP	12	5,000	190.039	\$950
60010/Apartment Buildings - includes products and/or completed operations	13	10	66.023	\$660

ADDITIONAL COVERAGES

Activities/Field Trips:

Event #	# of people		Description	
1	1,400	August	Thanksgiving	\$150
2	N/A		Field Trip(s)	Incl.
3	500	May	Day @ San Yisneso Festival	\$50
4	200	August	Ballet Folklorico	\$50
Increased Aggregate				\$365
Employee Benefits Liability				\$400
Social Service Professional				\$1,682

*See Common Declarations for Total Advanced Premium and Schedule 'L' for locations.

COUNTERSIGNED: 06/25/2015

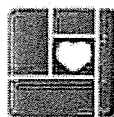
BY

Samuel C. D.

(AUTHORIZED REPRESENTATIVE)

NIAC - SCHEDULE G - NPO

(01036)



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**COMMERCIAL GENERAL LIABILITY
EXTENSION OF DECLARATIONS**

Schedule L

Page 1

5

POLICY NUMBER: 2015-02129-NPO

NAME OF INSURED: Casa Familiar

PREMISES LOC/BLDG	DESIGNATED PREMISES ADDRESS, CITY, STATE, ZIP	ADDITIONAL INSURED AND OTHER INTERESTS
1	119/121 & 122 W. Hall Avenue San Ysidro, CA 92173	
2	212 W. Park Avenue San Ysidro, CA 92173	
3	268 W. Park Avenue San Ysidro, CA 92173	
4	114-114 1/2 A & B W. Hall Avenue San Ysidro, CA 92173	
5	125 Cypress Drive San Ysidro, CA 92173	
6	122 A & B W. Hall Avenue San Ysidro, CA 92173	
7	145 and 149 W. San Ysidro Blvd. San Ysidro, CA 92173	
8	147 W. San Ysidro Blvd. San Ysidro, CA 92173	
9	3604 Beyer Avenue San Ysidro, CA 92173	
10	1111 D Avenue National City, CA 91950	
11	1101-1119 E Avenue National City, CA 91950	
12	1901 Del Sur Blvd. San Ysidro, CA 92173	
13	304 E. 5th Street National City, CA 91950	

COUNTERSIGNED: 06/25/2015
NIAC - SCHEDULE L - NPO

BY

Samuel C. Q.

(AUTHORIZED REPRESENTATIVE)

(01036)

IMPROPER SEXUAL CONDUCT LIABILITY COVERAGE PART DECLARATIONS

PRODUCER:
All-Cal Insurance Agency
505 Vernon St.
Roseville, CA 95678

POLICY NUMBER: 2015-02129
RENEWAL OF NUMBER: 2014-02129

5

NAME OF INSURED AND MAILING ADDRESS:

Casa Familiar
119 West Hall Avenue
San Ysidro, CA 92173

POLICY PERIOD: FROM 06/30/2015 TO 06/30/2016
AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

BUSINESS DESCRIPTION: Provides service programming, housing & community economic development

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS
POLICY, WE AGREE WITH YOU TO PROVIDE THE COVERAGE AS STATED IN THIS POLICY.

LIMITS OF COVERAGE:		PREMIUM
GENERAL AGGREGATE LIMIT.....	\$2,000,000	\$6,200
EACH CLAIM LIMIT.....	\$1,000,000	

NOTE: The limit of liability available to pay judgements or settlements shall be reduced by amounts incurred for Defense Costs.

TOTAL PREMIUM: \$6,200

FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT THE TIME OF ISSUANCE:
NIAC-E57 02 12, NIAC-ISCT 04 15,

06/25/2015

BY



(AUTHORIZED REPRESENTATIVE)

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE
FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

"NOTICE : This Policy is issued by your risk retention group. Your risk retention group may not be subject to all
the insurance laws and regulations of your State. State insurance insolvency guaranty funds are not available for
your risk retention group."

ANI - RRG - SC



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NONPROFITS INSURANCE ALLIANCE
OF CALIFORNIA (NIAC)

www.insurancefornonprofits.org

COMMERCIAL LIQUOR LIABILITY COVERAGE PART DECLARATIONS

PRODUCER:
All-Cal Insurance Agency
505 Vernon St.
Roseville, CA 95678

POLICY NUMBER: 2015-02129-NPO

RENEWAL OF NUMBER: 2014-02129-NPO

NAME OF INSURED AND MAILING ADDRESS:
Casa Familiar
119 West Hall Avenue
San Ysidro, CA 92173

5

POLICY PERIOD: FROM 06/30/2015 TO 06/30/2016
AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

BUSINESS DESCRIPTION: Provides service programming, housing & community economic development

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS
POLICY, WE AGREE WITH YOU TO PROVIDE THE COVERAGE AS STATED IN THIS POLICY.

LIMITS OF COVERAGE:

GENERAL AGGREGATE LIMIT.....	\$ 1,000,000
EACH COMMON CAUSE LIMIT.....	\$ 1,000,000

PREMIUM:

Included

FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT THE TIME OF ISSUANCE:

CG 00 33/01 96

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE
FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

COUNTERSIGNED: 06/25/2015

BY

Samuel C. R.

(AUTHORIZED REPRESENTATIVE)

NIAC - LL -NPO

(01036)

CERTIFICATE OF INSURANCE

Effective with UNDERWRITERS AT LLOYD'S, LONDON

Administered by Hiscox Inc. d/b/a Hiscox Insurance Agency in CA License No. 0F09668
520 Madison Avenue 32nd floor, New York, NY 10022
(914) 273-7400

Policy Number: UCS2690207.15

In accordance with the authorization granted to Hiscox Inc. under Contract No. B1234INCS362415 by certain Underwriters at Lloyd's, London, whose names and the proportions underwritten by them can be ascertained by reference to the said Contract, which bears the Seal of Lloyd's Policy Signing Office and is on file at the office of the said Agency and in consideration of the premium specified herein, the said Underwriters do hereby bind themselves, each for his own part and not one for another, their heirs, executors and administrators, to insure as follows in accordance with the terms and conditions contained or endorsed hereon.

Broker No.: US 0000086
Certificate No.: UCS2690207.15
Renewal of: UCS2690207.14

Cooper & McCloskey Inc. Insurance Brokers
111 Pine Street
Suite 1530
San Francisco, California 94111-5811

Declaration

Hiscox USA Technology, Privacy and Cyber Protection Portfolio

ATTACHMENT (5)

1. **Named Insured:** Casa Familiar
Named Insured's Address: 119 W Hall Ave
San Ysidro, California 92173-2514
2. **Policy period:** Inception date: 10/20/2015 Expiration date: 10/20/2016
Inception date shown shall be at 12:01 A.M. (Standard Time) to Expiration date shown above at 12:01 AM. (Standard Time) at the address of the Named Insured.
3. **Policy Limit** \$ 1,000,000
In the aggregate, regardless of the number of Claims or First Party Events

4. Coverage Summary

A. Coverage Module(s)	Coverage Module Limit of Liability	Retention	Retroactive Date
Breach Costs	\$ 1,000,000 In the aggregate, regardless of the number of Claims or First Party Events	\$ 2,500 Each and every First Party Event	10/20/2014
Privacy Protection	\$ 1,000,000 In the aggregate, regardless of the number of Claims or First Party Events	\$ 2,500 Each and every Claim	10/20/2014
Multimedia Protection	\$ 1,000,000 In the aggregate, regardless of the number of Claims or First Party Events	\$ 2,500 Each and every Claim	10/20/2014
Hacker Damage	\$ 1,000,000 In the aggregate, regardless of the number of Claims or First Party Events	\$ 2,500 Each and every First Party Event	NA
Cyber Business Interruption	\$ 1,000,000 In the aggregate, regardless of the number of Claims or First Party Events	10 Hours	NA
Cyber Extortion	\$ 1,000,000 In the aggregate, regardless of the number of Claims or First Party Events	\$ 2,500 Each and every First Party Event	NA

CERTIFICATE OF INSURANCE

Effective with UNDERWRITERS AT LLOYD'S, LONDON

Administered by Hiscox Inc. d/b/a Hiscox Insurance Agency in CA License No. 0F09668
520 Madison Avenue 32nd floor, New York, NY 10022
(914) 273-7400

Policy Number: UCS2690207.15

B. Policy Sub-Limit(s) - part of and not in addition to the applicable coverage module limit and policy limit

Breach Costs - Computer Forensic Costs	\$ 1,000,000
Breach Costs - Notification Costs	\$ 1,000,000
Breach Costs - Credit or Identity Protection	\$ 1,000,000
Breach Costs - Crisis Management and Public Relations costs	\$ 50,000
Privacy Protection - Regulatory Action	\$ 250,000
Privacy Protection - Regulatory Compensatory Award	\$ 1,000,000
Privacy Protection - PCI Fines /Penalties	\$ 50,000
Hacker Damage - Consulting Costs	\$ 50,000
Cyber Business Interruption - Consulting Costs	\$ 50,000
Cyber Business Interruption - Loss Amount Sub-Limit (Per Hour)	\$ 10,000

5

5. Premium:	\$ 2,007.00
Total	\$ 2,007.00
Additional Charges	\$ 75.00 - Administrative Fee

6. Date of Application

Coverage Module(s)	Application Date
Privacy Protection	10/08/2014
Multimedia Protection	10/08/2014

7. Definition(s) of Business Activities

Coverage Module(s)	Business Activities
Privacy Protection	Nonprofit services, for others for a fee.

8. Notice of Claim/Potential Claim/First Party Events to: See Endorsement(s)
9. Service of Suit to: See Endorsement(s)
10. Geographical Limits: Worldwide, where legally permissible
11. The attached endorsements apply

CERTIFICATE OF INSURANCE

Effective with UNDERWRITERS AT LLOYD'S, LONDON

Administered by Hiscox Inc. d/b/a Hiscox Insurance Agency in CA License No. 0F09668
520 Madison Avenue 32nd floor, New York, NY 10022
(914) 273-7400

Policy Number: UCS2690207.15

- (1) E3300.1. Notification Endorsement
- (2) E3301.1. Service of Suit Endorsement
- (3) E3302.4. Syndicate 3624 Endorsement
- (4) E3373.1. PPM-Payment Processor Indemnification
- (5) E3333.1. GTC-Optional ERP 1-3 Years
- (6) E3325.1. Cooperation Clause (50-50)
- (7) E3327.2. Professional Services Exclusion
- (8) E3313.1. Medical Practice Exclusion

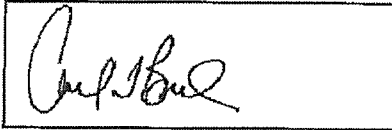
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12. The attached Notices apply

- (1) CA Surplus Notice D-1
- (2) OFAC Trade Sanction Notice
- (3) Conformity Notice
- (4) Privacy Data Breach Policyholder Guide-(vers3)-0712

The Certificate terms and conditions contained herein or endorsed hereon and such other provisions, agreements or conditions as may be endorsed hereon or added hereto are hereby incorporated in this Certificate. No representative of the Underwriters shall have power to waive or be deemed to have waived any provision or condition of this Certificate unless such waiver, if any, shall be written upon or attached hereto; nor shall any privilege or permission affecting the insurance under this Certificate exist or be claimed by the Insured(s) unless so written or attached.

IN WITNESS WHEREOF this Certificate has been signed at New York, New York



Authorized Representative

09/21/2015

Date

Hiscox Inc.