



SAN DIEGO  
HOUSING  
COMMISSION

## REPORT

**DATE ISSUED:** June 9, 2016

**REPORT NO:** HCR16-055

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of June 17, 2016

**SUBJECT:** Loan Recommendation for Vista Del Puente

**COUNCIL DISTRICT:** 9

### **REQUESTED ACTION**

Recommend that the Housing Authority of the City of San Diego approve a \$3,000,000 residual receipts loan to fund the land acquisition and development of Vista del Puente, a 52-unit affordable housing development that includes 38 affordable rental housing units for homeless San Diegans, , which will remain affordable for 55 years.

### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Approve a residual receipts loan in an amount not to exceed \$3,000,000 to a to-be-formed Limited Partnership consisting of National Community Renaissance of California (NCRC) and Townspeople as Co-General Partner, and a tax credit investor to finance the acquisition and development of Vista del Puente at 3934 Gamma Street and 1510 South 40<sup>th</sup> Street, San Diego, 92113, which will remain affordable for 55 years.

The Housing Commission proposed loan will be contingent upon the developer receiving all necessary third-party funding commitments, including 9 percent tax credits;

- 2) Authorize the President and Chief Executive Officer (President & CEO) of the Housing Commission, or designee:
  - a. To execute all necessary documents and instruments to effectuate the transaction and implement the project, in a form approved by General Counsel, and to take such actions as are necessary, convenient and/or appropriate to implement the approvals upon advice of General Counsel;
  - b. To adjust financing terms/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes, not to exceed the maximum Housing Commission loan amount of \$3,000,000; and
  - c. To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to

implement this approval and delegation of authority by the Housing Commission upon advice of General Counsel.

## **SUMMARY**

### **The Permanent Supportive Housing Development**

The Vista del Puente (VDP) development is supported by HOUSING FIRST – SAN DIEGO, the Housing Commission’s three-year Homelessness Action Plan (2014-17). VDP received a funding award of \$3 million through the Permanent Supportive Housing Notice of Funding Availability that was released by the Housing Commission on October 7, 2015, in the second year of HOUSING FIRST – SAN DIEGO.

HOUSING FIRST – SAN DIEGO includes awarding up to \$30 million over three years (up to \$10 million per year), along with up to 300 Federal rental housing vouchers per year, to create permanent supportive housing that will remain affordable for 55 years. The Housing Commission announced HOUSING FIRST – SAN DIEGO on November 12, 2014. HOUSING FIRST – SAN DIEGO will impact the lives of as many as 1,500 homeless San Diegans.

VDP is a proposed new construction affordable housing development located at 3934 Gamma Street and 1510 South 40<sup>th</sup> Street in the Southcrest Neighborhood of Southeastern San Diego (Attachment 1). VDP will provide housing opportunities for 26 homeless Veteran households and 12 additional homeless households utilizing the Housing First model – to provide housing as quickly as possible, with supportive services as needed. The Housing First model emphasizes permanent housing with supportive services as a primary strategy to stabilize tenants and address homelessness. Once a person moves into permanent housing, case management and wraparound services will be provided by a residential homeless service provider. The developer has applied for 38 Federal Project-Based Housing Vouchers from the Housing Commission to supplement tenant rental payments and subsidize the provision of services for these households[CC1]. [TM2] In addition to the 38 permanent supportive housing units, 13 traditional affordable housing units will be provided for individuals and families. A development summary is included as Attachment 2.

The Housing Commission has partnered with the Regional Task Force on the Homeless, Inc. to enable homeless service providers in the city of San Diego to utilize a Coordinated Assessment and Housing Placement database system (CAHP) for homeless individuals, using the Homeless Management Information System (HMIS). CAHP allows homeless service providers to share information with each other. The information is used to screen homeless individuals for the most appropriate housing options based on who is most in need:

- Homeless San Diegans who have been on the street the longest
- The most vulnerable San Diegans, based on their physical or mental health needs.

The developer and service provider will agree to participate in the CAHP and maintain client data in the HMIS, as required by the Housing Commission.

VDP will have approximately 2,500 square feet of community space that will be used for on-site case management and social services. Townspeople proposes to be the lead service provider providing case management and service coordination. Townspeople proposes to partner with Veterans Village of San Diego[AK3] to provide services to the Veteran population. As San Diego’s largest provider of transitional housing for homeless Veterans, Veterans Village of San Diego will provide mental health services,

substance abuse recovery, job training and job placement assistance to the Veteran population. Townspeople will develop counseling and service programs tailored to meet the specific needs of the residents during intake assessment and will provide services such as case management, crisis intervention, goal setting, educational programs and coordination of access to community-based resources.

The proposed affordable housing development is a three-story, 61,346 square-foot building, composed of 52 units. The unit mix contains 6 one-bedroom, 30 two-bedroom and 13 three-bedroom units. An expansive community room on the ground floor will feature flexible spaces to accommodate resident counseling as well as resident services programs. Other project amenities include manager and resident services offices, secured entry, tot lot, barbecue area and laundry room.

Development details are listed below.

**Table 1 - Development Details**

Address	3934 Gamma Street and 1510 South 40 <sup>th</sup> Street
Council District	9
Community Plan Area	Southcrest
Development Type	New Construction
Construction Type	Type V
Parking Type	Surface
Housing Type	Permanent Supportive Housing & Family Housing
Lot Size	2.21 Acres, 96,267 square feet
Units	52 (inclusive of one manager's unit)
Density	74 dwelling units per acre
Unit Mix	6 one-bedroom; 30 two-bedroom; and 13 three-bedroom units
Gross Building Area	47,794 Living areas square feet
Common Area Space	13,552 Community/Corridors 61,346 Square Feet
Net Rentable Area	47,794 Square Feet
Developer	National Community Renaissance of California Townspeople
Prevailing Wages	Subject to Prevailing Wages

#### Development Team

During the 15-year tax credit compliance period, VDP will be developed and owned by a California limited partnership (a single-asset limited partnership) consisting of: 1) NCRC as the Administrative General Partner; 2) Townspeople as the Managing General Partner; and 3) a tax credit limited partner.

NCRC is a large nonprofit affordable housing developer with a 20-year history in real estate development, property management and social services. NCRC has developments in four states with a portfolio composed of 77 assets totaling 8,384 units. Developments located in San Diego include Talmadge Senior Village, Parkside Apartments, Vista Terraza and Vista Terraza II.

Townpeople is a property owner that specializes in serving special needs populations and providing supportive services to residents of San Diego. Townpeople currently owns three affordable developments composed of 66 units.

Townpeople and NCRC are currently in compliance with all previous Housing Commission loans and bond issuances. Due to repeated compliance issues regarding Townpeople rent and income compliance documentation at their three properties, a requirement of this loan is that the asset management and property management functions will be provided by NCRC. Developer Disclosure Statements for both NCRC and Townpeople are provided as Attachments 3a and 3b, respectively.

rAd[CC4] [TM5] Architects, the selected architecture firm for the project, is a San Diego based firm with more than 24 years of experience in development planning, new construction, expansion and remodeling of various building uses. Most recently, rAd partnered with Townpeople on the 51st Street and 34th Street affordable housing developments in San Diego[AK6].

**Table 2 - Development Team Summary**

Developer	National Community Renaissance of California & Townpeople
Limited Partnership	Co-General Partners: National Community Renaissance of California & Townpeople Tax Credit Limited Partner: To Be Determined
Architect	rAd Architects
Service Provider	Townpeople & Veterans Village of San Diego
Property Management	National Community Renaissance of California

**Proposed Financing Structure**

VDP has an estimated total development cost of \$20,752,293. The developer proposes to finance the project through the use of 9 percent tax credits, conventional financing, Veterans Housing & Homeless Prevention (VHHP) funding from the State of California Department of Housing & Community Development (HCD), Federal Home Loan Bank Affordable Housing Program, Funders Together to End Homeless funding and Housing Commission residual receipts loan.

Total development costs and sources and uses of funds are detailed in the pro forma attached to this report (Attachment 4) and summarized below.

**Table 3 – Estimated Permanent Sources & Uses**

Sources of Funding		Uses of Funding	
Tax Credit Equity	\$10,773,575	Land Acquisition	\$1,324,258
Permanent Loan	2,778,000	Hard Costs	12,951,775
HCD VHHP	3,339,054	Soft Costs	3,662,543
Federal Home Loan Bank	510,000	Financing Costs	1,223,561
Funders Together	100,000	Operating Reserve	190,156
Housing Commission	3,000,000	Developer Fee	1,400,000
Accrued/Deferred Interest	111,732		
City of San Diego Fee Waiver	139,932		
<b>Estimated Total Development Cost</b>	<b>\$20,752,293</b>	<b>Estimated Total Uses</b>	<b>\$20,752,293</b>



**Table 4 - Funding Request**

Housing Commission Total Subsidy	\$3,000,000
Housing Commission Subsidy Per Unit	\$57,692

Proposed Funding Sources

The proposed Housing Commission loan will be funded with up to \$2,800,000 in U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program funds granted to the City of San Diego and administered by the Housing Commission and up to \$200,000 from the City Affordable Housing Fund (Inclusionary Housing funds and Housing Trust Fund linkage fee revenues) administered by the Housing Commission. A final determination of Housing Commission funding sources will be made by the Housing Commission's President & CEO, or designee, contingent upon budget availability. The Housing Commission's loan will be a residual receipts loan. Loan terms are provided as Attachment 5.

The Housing Commission loan is contingent upon the developer obtaining the proposed funding approvals from the California Tax Credit Allocation Committee (TCAC) for 9 percent tax credits. The developer will submit a 9 percent tax credit application to TCAC in June, and if successful in securing funding, will break ground on the development by April 2017.

In response to the HOUSING FIRST – SAN DIEGO Notice of Funding Availability, the development was reviewed by a selection committee consisting of Housing Commission staff and Funders Together to End Homelessness San Diego (Funders Together). Major philanthropists and grant makers formed Funders Together to invest in effective systems change with the goal of ending chronic homelessness throughout San Diego County. Funders Together is composed of private foundations and the United Way of San Diego County. The selection committee recommended capital funding and Federal Project-Based Housing Vouchers to provide rental assistance for the development.

Development Cost Key Performance Indicators

Housing Commission staff has identified development cost performance indicators, shown in Table 5, which were used to evaluate the proposed development and make a funding recommendation.

**Table 5 – Key Performance Indicators**

Development Cost Per Unit	$\$20,752,293 \div 52 \text{ units} =$	\$399,083
Housing Commission Subsidy Per Unit	$\$3,000,000 \div 52 \text{ units} =$	\$57,692
Land Cost Per Unit	$\$1,324,258 \div 52 \text{ units} =$	\$25,467
Gross Building Square Foot Hard Cost	$\$12,951,775 \div 61,346 \text{ sq. ft.} =$	\$211
Net Rentable Square Foot Hard Cost	$\$12,951,775 \div 47,794 \text{ sq. ft.} =$	\$271

The Housing Commission engaged The Gordian Group, a third-party cost consultant, to evaluate the development proposal and provide construction hard cost estimates. The report issued by Gordian Group validated the developer's cost estimate for the project.

### Development Cost Factors

- Project size – only 52 units; larger projects benefit from economies of scale.
- Prevailing wages - the Federal Project-Based Housing Vouchers require payment of prevailing wages.
- Site work – The site has a considerable amount of slope issues that will be mitigated through earthwork preparation

### 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, site improvements needed, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City impact fees, developer experience and capacity, and amenities necessary to gain tax credit approval. Table 6 shows a comparison of the subject property and other projects of similar construction type.

**Table 6 – Comparable Development Projects**

Project Name	Year	Construction Type	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit.	Gross Hard Cost Per Sq.Ft.
Torrey Vale	2015	V	28	\$11,163,101	\$398,682	\$0	\$157
Independence Point	2014	V	32	\$13,595,880	\$424,871	\$78,125	\$182
Subject – Vista del Puente	2017	V	52	\$20,752,293	\$399,083	\$57,692	\$211[AK7]

### **AFFORDABLE HOUSING IMPACT**

#### Homeless Impact

The 2016 San Diego Regional Homeless Point-In-Time Count identified a total of 5,093 total homeless individuals in the city of San Diego, of which 2,745 are living without shelter on San Diego streets, in canyons, beaches, riverbeds, parks, or in vehicles. The HUD Office of Community Planning and Development's 2015 Annual Homeless Assessment Report to Congress estimated that San Diego County has the fifth largest homeless population in the nation.

Under the proposed financing, VDP would restrict 100 percent of the units to renters with incomes at or below 60 percent of the Area Median Income (AMI) as shown in Table 7. The units will be restricted for 55 years under the proposed financing structure.

**Table 7 - Proposed Rents**

Unit Type	AMI	Number of Units	Gross Rent	Estimated Market Rents	Rent Savings Per Unit
1-Bedroom	30%	1	\$478	\$829	\$351
1-Bedroom	40%	5	\$637	\$829	\$192
2-Bedroom	30%	6	\$573	\$1,255	\$682
2-Bedroom	40%	14	\$765	\$1,255	\$490
2-Bedroom	50%	9	\$956	\$1,255	\$299
3-Bedroom	30%	5	\$638	\$1,549	\$911
3-Bedroom	50%	3	\$1063	\$1,549	\$486
3-Bedroom	60%	8	\$1,275	\$1,549	\$274
2-Bedroom Mgr	N/A	1	N/A	-	-
Total		52			

A portion of the targeted tenant population is extremely low-income and does not typically have a stable source of income to pay rent. The developer has applied for 38 Federal Project-Based Housing Vouchers from the Housing Commission to provide rental assistance to supplement tenant rental payments.

#### **FISCAL CONSIDERATIONS**

The proposed funding sources and uses approved by this action are included in the proposed Fiscal Year 2016 Housing Authority Approved Budget. Approving this action will authorize the Housing Commission to expend an amount up to \$3,000,000 in FY2017 budget as approved by the Housing Authority.

Funding sources approved by this action will be as follows:

HUD HOME Investment Partnership Program Funds – \$2,800,000

City of San Diego Affordable Housing Fund - \$200,000

Total Funding Sources - Up to \$3,000,000

Approving this action will further give the President & CEO, or designee, the authority to substitute the funding sources with other funding sources available, should the operational need arise or should such action be to the benefit of the Housing Commission and its mission.

#### **PREVIOUS COUNCIL and/or COMMITTEE ACTION**

On June 3, 2016, the funding recommendation was presented to the Housing Commission Real Estate Committee and was recommended to be heard at the June 17, 2016, Housing Commission Board meeting. This item is scheduled to be heard at the June 28, 2016, meeting of the Housing Authority of the City of San Diego.

#### **COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS**

The project was presented to the Southeastern San Diego Planning Group as an informational item on May 9, 2016.

### **KEY STAKEHOLDERS and PROJECTED IMPACTS**

Stakeholders include NCRC, Townspeople and the Southeastern Community Plan Area. Development of the property is expected to have a positive impact on the community because it will redevelop a vacant lot to affordable rental units serving homeless individuals and families.

### **ENVIRONMENTAL REVIEW**

Although the action before the Housing Authority at this time involves only consideration of the loan, both it and the proposed development activity the loan supports are covered under the Final Environmental Impact Report (FEIR) (Project No. 386029/SCH No. 2014051075) for the Southeastern San Diego Community Plan, certified by the City Council of the City of San Diego on November 16, 2015. The FEIR is a "Program EIR" which was prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. The Planning Department has conducted a Consistency Review confirming that the project, as proposed, is consistent with the Community Plan and underlying zoning, and is therefore adequately addressed in the FEIR, and that there are no changes in circumstance, additional information, or project changes to warrant additional environmental review. Additionally, requirements of the adopted Final Mitigation, Monitoring and Reporting Program (MMRP) for the Final EIR will be applied at the time of project review and permitting.

HOME[CC8][CS9] Investment [TM10]Partnerships Program (HOME) funds constitute a portion of the funding for the project. A final reservation of HOME funds shall occur only upon satisfactory completion of environmental review and receipt by the City of San Diego of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). The parties agree that the provision of any HOME funds to the project is conditioned on the City of San Diego's determination to proceed with, modify or cancel the project based on the results of subsequent environmental review under NEPA[CC11].

Respectfully submitted,

*Ted Miyahara*

Ted Miyahara  
Director, Housing Finance  
Real Estate Department

Approved by,

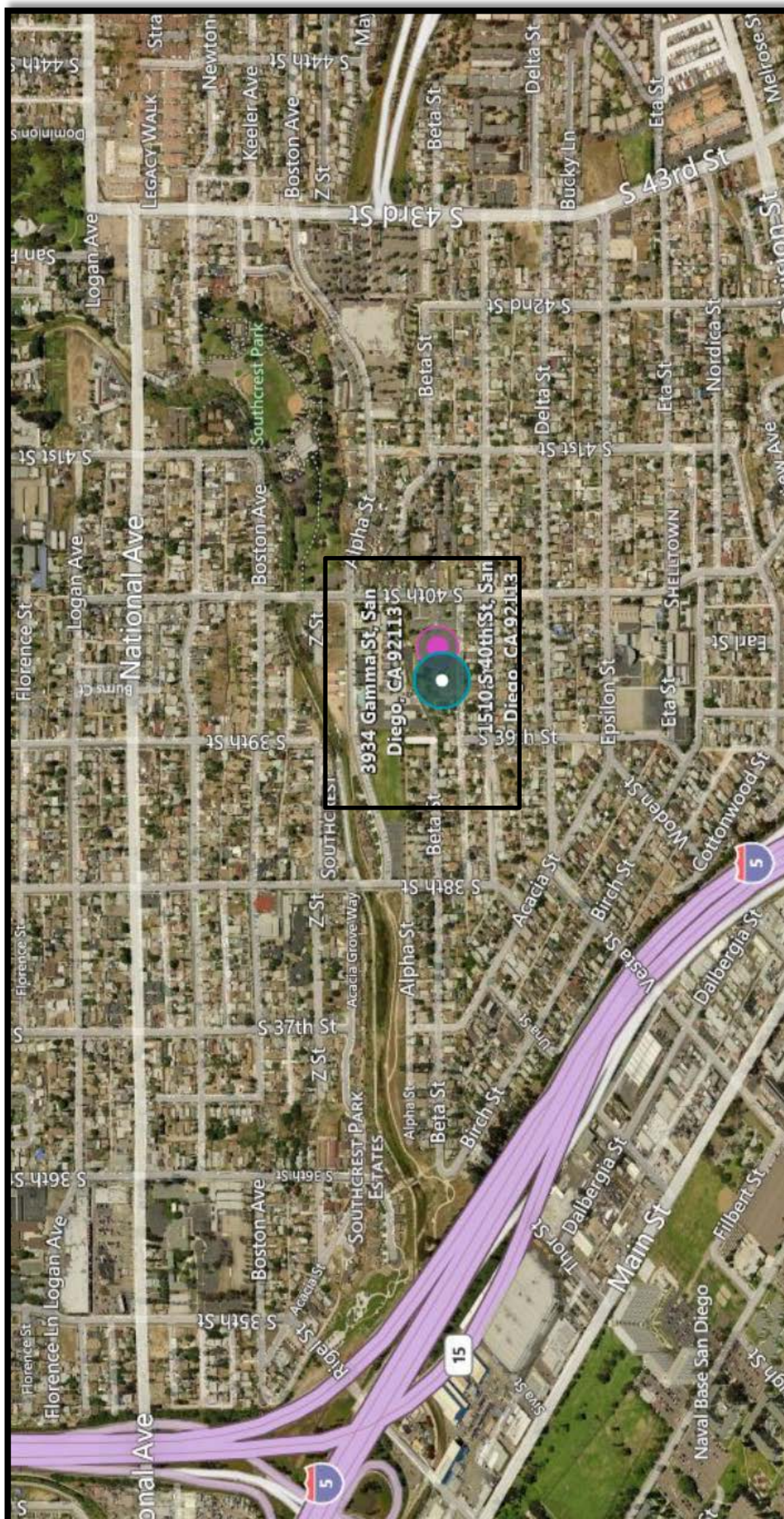
*Deborah N. Ruane*

Deborah N. Ruane  
Senior Vice President  
Real Estate Division

Attachments: 1) Location Map  
2) Development Summary  
3) Developer Disclosure Statements  
4) Developer's Pro forma  
5) Term Sheet

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 in the "Public Meetings" section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).





## ATTACHMENT 2 – DEVELOPMENT SUMMARY

**Table 1 - Development Details**

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Total		52			





DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/  
ENTITY SEEKING GRANT/BORROWERS

(Collectively referred to as "CONTRACTOR" herein)

Statement for Public Disclosure

1. Name of CONTRACTOR: National Community Renaissance of California, a California nonprofit public benefit corporation (NCRC)
2. Address and ZIP Code: 9421 Haven Avenue, Rancho Cucamonga, CA 92730
3. Telephone Number: (909) 483-2444
4. Name of Principal Contact for CONTRACTOR: John Seymour, Vice President
5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0521215
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 20, 1992; (name change on February 15, 2007)**
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 percent 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 percent.(Attach extra sheet if necessary)

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
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.
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.
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 percent interest in the CONTRACTOR (for example, more than 20 percent of the stock in a corporation that holds 50 percent of the stock of the CONTRACTOR, or more than 50 percent of the stock in the corporation that holds 20 percent of the stock of the CONTRACTOR):

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

See list of NCRC executive leadership team contact information attached:

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name:	Executive Director
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 any nature? **No** 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 and Address	Relationship to CONTRACTOR
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

**See Attached Financial Statements**

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

**See Attached proforma for the project's financing sources**

16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking: **The developer is utilizing low income housing tax credit equity and other public and private sources of funds to finance the construction of Vista del Puente. NCRC will provide predevelopment funding to finance development expenditures prior to closing construction financing. Please see attached financial statements that detail cash available: the most recent audited consolidated balance sheet shows \$17,379,031 of total cash and cash equivalents from NCRC and its affiliates (NCRC- \$4,983,266; NCRC Housing Affiliates- \$12,395,765). Total net assets for NCRC (not including affiliates) on December 31, 2013 was \$90,350,239. The total including housing affiliates was \$194,614,697.**

- a. In banks/savings and loans:

**See Attached Financials**

Name:

Address:

Amount: \$

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

**See Attached Financials**

Name:

Address:

Amount: \$

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

**See Attached Financials**

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

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

Name and Address	Contact Name
Name: Wells Fargo	Rick Arcaro; (909) 481-6514
Address: 4141 Inland Empire Blvd, #305, Ontario, CA, 91764	
Name: US Bank	Craig Clark; (949) 863-2392
Address: 4100 Newport Pl #130, Newport Beach, CA, 92660	

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
Payment & Performance	Dumosa Senior Apartments; 75 Senior Apartment Units	2014	\$10,638,796	None
Payment & Performance	Downey View; 50 Family Apartment Units	2014	\$12,205,100	None
Payment & Performance	Westlake Village Apartments Phase I	2013	\$10,687,829	None
Payment & Performance	Desert Meadows; 80 Family Apartment Units	2013	\$16,906,154	None

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:

**National Community Renaissance of California operates as Owner, Developer, and General Contractor**

a. Name and addresses of such contractor or builder:

Name and Address	Affiliation
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

☐ Yes ☒ No

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

c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: \$ 50,437,879

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. (Attach extra sheet if necessary)

<b>Project Name</b>	Domusa Senior Village	
<b>Project Owner Contact Information</b>	Domusa Senior Apartments LP Tracy Thomas (NCRC)	See NCRC contact information above
	Name	Address
<b>Project Location</b>	57110 Twenynine Palms Hwy, Yucca Valley, CA, 92884	
<b>Project Details</b>	Completed in 2014; 75 Units, new construction, 100% affordable; funding sources included County of San Bernardino HOME funds, Town of Yucca Valley funds, and USDA sec 538	
<b>Bonding Company Involved</b>	HCC Surety Group	\$10,638,796
	Name	Amount of Contract
<b>Change Order Details</b>		
<b>Change Order Cost</b>		
<b>Litigation Details</b>	None	N/A
	Location/Date	Outcome Details

<b>Project Name</b>	Downey View Apartments	
<b>Project Owner Contact Information</b>	Downey View Apartments LP Tracy Thomas (NCRC)	See NCRC contact information above
	Name	Address
<b>Project Location</b>	8314 2 <sup>nd</sup> Street, Downey, CA 90241	
<b>Project Details</b>	Completed in 2014; 50 Units of new construction, 100% affordable; funding sources included 9% tax credits, City of Downey funds, and LA County funds	
<b>Bonding Company Involved</b>	HCC Surety Group	\$12,205,100
	Name	Amount of Contract
<b>Change Order Details</b>		
<b>Change Order Cost</b>		
<b>Litigation Details</b>	None	N/A
	Location/Date	Outcome Details

<b>Project Name</b>	Westlake Village Apartments	
<b>Project Owner Contact Information</b>	Westlake Village Apartments LP Tracy Thomas (NCRC)	See NCRC contact information above
	Name	Address
<b>Project Location</b>	405 & 419 Autumn Drive, San Marcos, CA, 92069	
<b>Project Details</b>	57 Units, new construction, family, 100% affordable; funding sources included 9% tax credits, City of San Marcos funds, and a conventional permanent loan	
<b>Bonding Company Involved</b>	HCC Surety Group	\$10,687,829
	Name	Amount of Contract
<b>Change Order Details</b>		
<b>Change Order Cost</b>		
<b>Litigation Details</b>	None	N/A
	Location/Date	Outcome Details

<b>Project Name</b>	Desert Meadows Apartments	
<b>Project Owner Contact Information</b>	Desert Meadows Apartments LP Tracy Thomas (NCRC)	See NCRC contact information above
	Name	Address
<b>Project Location</b>	44071 Clinton St. Indio, CA, 92201	
<b>Project Details</b>	Completed in 2013; 80 units of new construction, 100% affordable; funding sources included 4% tax credits, County of Riverside funds, HCD MHP funds, and AHPO from FHLB	
<b>Bonding Company Involved</b>	HCC Surety Group	\$16,906,154
	Name	Amount of Contract
<b>Change Order Details</b>		
<b>Change Order Cost</b>		
<b>Litigation Details</b>	None	N/A
	Location/Date	Outcome Details



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

Identification of Contract or Development	Location	Amount	Date to be Completed
Renaissance Village Rehab	Rialto, CA	\$6,170,973	12/24/2015
Avenida Serra	San Clemente, CA	\$4,030,000	9/10/2015
Mission Cove	Oceanside, CA	\$6,725,635	7/30/2015

e. Outstanding construction-contract bids of such contractor or builder: **None**

Awarding Agency	Amount	Date Opened

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

**National Community Renaissance of California is a full service construction contractor that provides predevelopment/ pre-construction services, pro forma level cost estimating, design management, construction management, project field superintending, and project engineering services.**

23. Does any member of the governing body of SDHC, 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 SDHC, 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 coverage's. List the amount of coverage (limits) currently existing in each category:

**Insurance Agent:**

**Edgewood Partners/Philadelphia Indemnity Insurance**

**Sandi Wilson**

**(213) 629-8916**

**Sandi.wilson@epicbrokers.com**

**601 S. Figueroa Street, Suite 3950**

**Los Angeles, CA 90017**

- a. General Liability, including Bodily Injury and Property Damage Insurance [Attach certificate of insurance showing the amount of coverage and coverage period(s)] **See attached certificates: Umbrella Liability- \$5 million each occurrence and aggregate; General Liability- \$1 million; General Aggregate- \$2 million; Products- Comp/Op Agg- \$2 million**

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)] **See attached certificate; \$1 million**

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)] **\$1 million limit; See attached certificate**
- d. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)] **N/A for General Contractor; will obtain from architect, engineers, and other third parties**
- e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)] **\$5 million limit; see attached certificate**
- f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)] **Umbrella Liability Policy; See attached certificate**



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 SDHC setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not, without prior written consent of SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of SDHC, 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 SDHC, the AUTHORITY and/or the CITY, and no member of the governing body of the locality in which the PROJECT is situated, no member of the governing body in which SDHC 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: N/A

Government Complaint	Entity	Making	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?

☐ Yes

☒ No

If yes, please explain, in detail,

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

Government Agency	License Description	License Number	Date Issued (Original)	Status (Current)	Revocation (Yes/No)
Contractors State License Board	B (General Contractor's License)	747393	3/24/1998	Current and Active	No

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

**There are no 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 SDHC**

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 SDHC.

**NCRC has a long and successful track record of financing, developing, building, and managing affordable housing and partnering with numerous public agencies throughout the country. Having NCRC's general contractor and property management group in-house allows close coordination between Development, Construction, and Management from pre-development through construction, lease-up, and operations. This will ensure the feasibility of Vista del Puente and timely repayment of debt to financial partners such as SDHC.**

35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, and SALES of Real Property to SDHC, AUTHORITY and/or the CITY within the last five (5) years: **NCRC has not entered into any CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, and SALES of Real Property to SDHC, AUTHORITY and/or the CITY within the last five (5) years**

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount

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 that would be familiar with your previous construction projects:

1. Name: Karen Youel, City of Escondido

Address: City Hall, First Floor, 201 North Broadway, Escondido, CA 92025

Phone: 760-839-4518 Kyouel@ci.escondido.ca.us

Project Name and Description: Familiar with Villa Serena (San Marcos) and Mission Cove (Oceanside)

2. Name: David Manley ( City of Oceanside)

Address: 300 North Coast Highway, Oceanside, CA, 92054

Phone: (760) 435-3360

Project Name and Description: Familiar with Mission Cove (Oceanside).

3. Name: Karl Schwarm (City of San Marcos)

Address: 1 Civic Center Drive, San Marcos, CA, 92069

Phone: (760) 744-1050, ext. 3108; kschwarm@san-marcos.net

Project Name and Description: Familiar with Villa Serena (San Marcos) and Westlake Village (San Marcos).

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.

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

Name	Experience
Byron Ely	<p>Mr. Ely started with National CORE in 2006. He holds the professional designation of Certified Building Official with over 30 years of local government development and construction projects. Mr. Ely holds degrees in Construction Technology and Management, and has a Certificate in Advanced Construction Management, from the University of Southern California, Civil Engineering Division. Prior to joining National CORE he spent seven years with the Community Development Commission of Los Angeles County, as the Director of the Construction Management Division. He oversaw both private and commission owned affordable housing developments, averaging \$500 million per year.</p> <p>During his tenure with the City of Ontario as the Development Agency Director/Deputy City Manager he oversaw the development of more than \$12 Billion private and public projects. He specializes in resolving problems in high conflict situations and uncertain political environments. He has personally managed the design and construction of hundreds of development/building projects totaling over\$600 Million. He has provided consulting and entitlement review services for a broad range of projects from affordable housing to commercial developments, specializing in expedited, and fast track approvals. Mr. Ely is a frequent speaker at Lorman Seminars, the Construction Super conference, for Construction Litigation, and other venues on a wide range of technical and managerial construction and development topics.</p>

## 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 ("SDHC"), 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 SDHC, 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 SDHC, 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 SDHC, 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 11th day of November, 20 15, at San Diego, California.

CONTRACTOR

By: [Signature]

Signature

Executive Vice President

Title



## CERTIFICATION

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

By: 

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

Title: Executive Vice President

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

Dated: 11/11/15

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

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 LOS ANGELES

Subscribed and sworn to (~~or affirmed~~) before me on this 11th day of NOVEMBER, 2015

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



SEAL

  
Signature of Notary



DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/  
ENTITY SEEKING GRANT/BORROWERS  
(Collectively referred to as "CONTRACTOR" herein)  
Statement for Public Disclosure

1. Name of CONTRACTOR: Townspople
2. Address and ZIP Code: 4080 Centre Street Suite 201 San Diego, CA 92113
3. Telephone Number: 619-295-8802
4. Name of Principal Contact for CONTRACTOR: Jon P. Derryberry
5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0623634
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:  
**August 23, 1995**
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 percent 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. **Please See Attached List**

- 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 percent.(Attach extra sheet if necessary)

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

**Yes, three members termed out and the Board is currently recruiting new members**

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.

**Yes, as a result of its recruitment efforts**

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 percent interest in the CONTRACTOR (for example, more than 20 percent of the stock in a corporation that holds 50 percent of the stock of the CONTRACTOR, or more than 50 percent of the stock in the corporation that holds 20 percent of the stock of the CONTRACTOR): N/A

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
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 and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Jon P. Derryberry	Executive Director
Address: 4080 Centre Street Suite 201	
San Diego, CA 92113	
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 any nature? **NO** 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 and Address	Relationship to CONTRACTOR
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

**See Attached Financial Statements**

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

**See Attached proforma for the project's financing sources**

16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking: **The project will utilize low income housing tax credit equity tax exempt bonds and other public and private sources of funds to finance the construction of Vista del Puente. Along with NCRC will provide predevelopment funding to finance predevelopment expenditures prior to close of construction financing. Please see attached financials and explanation that detail cash available.**

a. In banks/savings and loans: **See Attached Financials**

Name:

Address:

Amount: \$

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

**See Attached Financials**

Name:

Address:

Amount: \$

- c. By sale of readily salable assets/including marketable securities: **See Attached Financials**

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

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

Name and Address	Contact Name
Name: Wells Fargo	Paul Shipstead
Address: 401 B Street, Suite 304	
San Diego, CA 921010	
Name: Union Bank	Richard Velasquez
Address: 22 East 8 <sup>th</sup> Street	
National City, CA 91950	
Name:	
Address:	

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

☐ Yes ☒ No

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

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: N/A

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

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: N/A

a. Name and addresses of such contractor or builder:

Name and Address	Affiliation
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

☐ Yes

☒ No

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

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

General description of such work:

**Townpeople has developed \$10,782,649 of development totaling 63 units of permanent supportive housing four or more years ago.**

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. (Attach extra sheet if necessary) N/A

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

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

22. Provide a detailed and complete statement regarding equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor: **Townspeople is the only HIV/AIDS specific agency in San Diego County that develops, owns, and manages affordable supportive housing, as well as coordinating supportive services for its tenants. Our organization is based upon the principle that men, women, and children living with HIV/AIDS deserve the best possible housing resources. We are a San Diego-based nonprofit organization that has provided a wide variety of housing and supportive services to the community since 1984. Townspeople has successfully financed over 13 million dollars in affordable housing development. The three acquisition-rehabilitation projects completed by Townspeople stand as a testament to this organizations ability to finance developments using federal, state and local funds, develop in adherence to local community plans, and serve local needs. The application accompanying this clearly outline the experience, financial capacity and other resources Townspeople and its development partner National CORE bring to the Vista del Puente.**

23. Does any member of the governing body of SDHC, 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 SDHC, 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 coverage's. List the amount of coverage (limits) currently existing in each category:

**Wateridge Insurance Services  
10717 Sorrento Valley Road  
San Diego, CA 92121  
Jeffrey H. Byroads  
858 452 2200**

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

**Liability \$2 million, Products-Comp/Op Aggregate \$2 million each occurrence, \$1 million Personal and Adv Injury, \$100,000 Damage to Rented Premises ( EA Occurrence), \$5,000 Med Exp ( Any one Person)**

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)] **See attached certificate: \$1 million Each Accident, \$1 million Disease – Each Employee, \$1 million Disease – Policy Limit**
- 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 SDHC setting forth the provisions of this nondiscrimination clause.

28. The CONTRACTOR warrants and certifies that it will not, without prior written consent of SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of SDHC, 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 SDHC, the AUTHORITY and/or the CITY, and no member of the governing body of the locality in which the PROJECT is situated, no member of the governing body in which SDHC 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: N/A

Government Complaint	Entity	Making	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?

☐ Yes ☒ No

If yes, please explain, in detail,

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

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




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

**There are no 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 SDHC**

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 SDHC.

**Townspeople is the only HIV/AIDS specific agency in San Diego County that develops, owns, and manages affordable supportive housing, as well as coordinating supportive services for its tenants. Our organization is based upon the principle that men, women, and children living with HIV/AIDS deserve the best possible housing resources. We are a San Diego-based nonprofit organization that has provided a wide variety of housing and supportive services to the community since 1984. Townspeople has successfully financed over 13 million dollars in affordable housing development. The three acquisition-rehabilitation projects completed by Townspeople stand as a testament to this organizations ability to finance developments using federal, state and local funds, develop in adherence to local community plans, and serve local needs. The application accompanying this clearly outline the experience, financial capacity and other resources Townspeople and its development partner National CORE bring to the Vista del Puente.**

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

<b>Date</b>	<b>Entity Involved (i.e. City SDHC, etc)</b>	<b>Status (Current, delinquent, repaid, etc.)</b>	<b>Dollar Amount</b>

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 that would be familiar with your previous construction projects:

1. Name: Todd Henderson  
Address: 3989 Ruffin Road San Diego, CA 92123  
Phone: (858) 694 4801  
Project Name and Description: Familiar with 34<sup>th</sup> Street
2. Name: Simonne Ruff  
Address: 328 Maple Street -4<sup>th</sup> Floor San Diego, CA 92101  
Phone: (619) 234 4102  
Project Name and Description: Familiar with 51<sup>st</sup> Street
3. Name: Jahi Akobundu  
Address: 14211 Yorba St. Tustin, CA 92780  
Phone: (714) 288 7600  
Project Name and Description: Familiar with 51<sup>st</sup> Street and 34<sup>th</sup> Street

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.

40. Townspeople is the only HIV/AIDS specific agency in San Diego County that develops, owns, and manages affordable supportive housing, as well as coordinating supportive services for its tenants. Our organization is based upon the principle that men, women, and children living with HIV/AIDS deserve the best possible housing resources. We are a San Diego-based nonprofit organization that has provided a wide variety of housing and supportive services to the community since 1984. Townspeople has successfully financed over 13 million dollars in affordable housing development. The three acquisition-rehabilitation projects completed by Townspeople stand as a testament to this organizations ability to finance developments using federal, state and local funds, develop in adherence to local community plans, and serve local needs. The application accompanying this clearly outline the experience, financial capacity and other resources Townspeople and its development partner National CORE bring to the Vista del Puente.

40. Give the name and experience of the proposed Construction Superintendent. N/A

Name	Experience

## 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 ("SDHC"), 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 SDHC, 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 SDHC, 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 SDHC, 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 27 day of November, 20 15, at San Diego, California.

CONTRACTOR

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

Signature

Title

Executive Director

**CERTIFICATION**

The CONTRACTOR, Townpeople, 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: Executive Director Title: \_\_\_\_\_  
Dated: 11-23-15 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**

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 \_\_\_\_\_

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

# 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

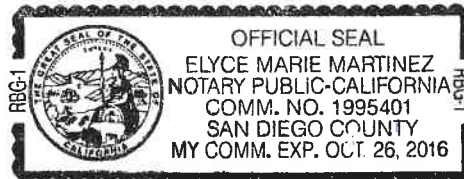
Subscribed and sworn (or affirmed) before me on this

23rd Day of November, 2015, by \_\_\_\_\_

Jon P. Derryberry

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

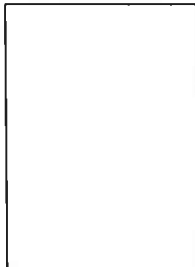
### DESCRIPTION OF ATTACHED DOCUMENT

Title of Type of Document: \_\_\_\_\_

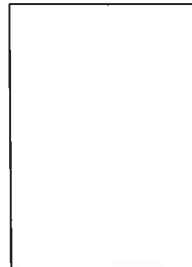
Document Date: 11/23/2015 Number of Pages Including this One: \_\_\_\_\_

Additional Information: certification (pg. 13)

RIGHT THUMPRINT  
OF SIGNER #1



RIGHT THUMPRINT  
OF SIGNER #2



Vista del Puente

Prepared For:

Prepared By:

Version:

Revised:

Notes:

Townspeople

California Housing Partnership Corporation

3.4

June 7, 2016

9% & State Credits; Nonprofit Homeless Assistance

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SOURCES OF FUNDS						PAGE 1
PERMANENT						
	AMOUNT	TOTAL INT COST	OID INT RATE	AMORT TERM (Yr)	COMMENTS	
Permanent Loan (Section 8)	2,780,000	6.00%		30	Includes Section 8 incremental income	
HCD VHHP	3,339,054	3.00%	1.79%	55		
FHLB AHP	510,000	0.00%	0.00%	55		
San Diego Housing Commission	3,000,000	3.00%	1.79%	55		
Accrued/Deferred Interest	111,732					
Funders Together to End Homelessness	100,000	0.00%		55		
City of San Diego Fee Waiver	139,932					
Deferred Developer Fee	0					
Capital Contributions						
GP Equity (Dev Fee)	0				State Credit Pricing: \$0.650	
LP Equity	10,770,589				Federal Credit Pricing: \$1.100	
TOTAL SOURCES	20,751,307				Fixed Rate 9.00%	
Surplus/(Shortfall)	(0)				TCAC Tiebreaker: 65.783%	
CONSTRUCTION						
	AMOUNT	INT RATE	TERM (Mo.)			
Bank Construction Loan	14,935,428	3.73%	25			
FHLB AHP	510,000	0.00%	25			
San Diego Housing Commission	3,000,000	3.00%	25			
Accrued/Deferred Interest	111,732					
Funders Together to End Homelessness	100,000	0.00%	25			
City of San Diego Fee Waiver	139,932					
Costs Deferred Until Conversion	877,156					
Capital Contributions						
GP Equity (Dev Fee)	0					
LP Equity	1,077,059					
TOTAL SOURCES	20,751,307					
Surplus/(Shortfall)	0					
ACQUISITION/PREDEVELOPMENT PERIOD						
Sources	AMOUNT	TERM (Mo.)	Uses			
CSH Acquisition Loan	500,000	24	Land Acquisition	1,139,000		
PDLP Acquisition Loan	639,000	24	Predevelopment Costs	66,000		
PDLP Predevelopment Loan	66,000	24				
Total	1,205,000		Total	1,205,000		

COSTS DEFERRED UNTIL CONVERSION		DEVELOPER FEE PAY-IN SCHEDULE (net of deferred fee)	
HCD Transition Reserve (1 Year)	207,000	Construction Closing	700,000
Operating Reserve (3 months)	190,156	50% Construction Completion	350,000
FTEH Operating Reserve	100,000		
Legal - Permanent Closing	15,000	Certificate of Occupancy	280,000
Title/Recording/Escrow - Permanent	15,000	8609 Receipt	70,000
Developer Fee	350,000		
TOTAL	877,156	TOTAL	1,400,000

INTEREST RATE STACK	Construction	Permanent
Index (30 Day Libor / 15 Year MUNI)	0.430%	2.100%
Bank spread	1.800%	2.900%
Cushion	1.500%	1.000%
TOTAL	3.73%	6.000%



Vista del Puente  
Uses of Funds

Version: 3.4  
Revised: June 7, 2016

	TOTAL	100.00% TOTAL RESIDENTIAL	NON- DEPREC	DEPRECIABLE		EXPENSE	AMORTIZE	TAX CREDIT ELIGIBLE	
				RESIDENTIAL	NON-RES			CONST/ REHAB	ACQUIS.
ACQUISITION COSTS									
Land	1,139,000	1,139,000	1,139,000						
Other Acquisition Costs	50,000	50,000	50,000						0
Demolition	135,258	135,258	135,258						0
Off-site Improvements	0	0	0						
GENERAL DEVELOPMENT COSTS									
New Construction	9,030,306	9,030,306		9,030,306	0		0	9,030,306	
Site Improvements/Landscape	1,767,798	1,767,798		1,767,798	0			1,767,798	
Contractor General Conditions/Fee	1,530,671	1,530,671		1,530,671	0			1,530,671	
Hard Cost Contingency (5%)	623,000	623,000		623,000	0			623,000	
Local Permits/Fees/Utility Fees	260,000	260,000		260,000	0			260,000	
Local Development Impact Fees	1,144,000	1,144,000		1,144,000	0			1,144,000	
Local Development Impact Fees (RTCIP - WAIVED)	139,932	139,932	139,932	0	0			0	
Environmental	15,000	15,000		15,000	0			15,000	
Architecture	507,520	507,520		507,520	0			507,520	
Survey/Engineering	190,320	190,320		190,320	0			190,320	
Appraisal	15,000	15,000	15,000	0	0		0	0	
Market Study	10,000	10,000		0	0		10,000	0	
Acquisition Loan Interest/Fees	42,300	42,300	42,300	0	0			0	
Predev Loan Interest/Fees	67,500	67,500	0	67,500	0			67,500	
Construction Loan Expenses	75,000	75,000		75,000	0	0		75,000	
Construction Loan Fees	112,016	112,016		112,016	0	0		112,016	
Construction Loan Interest	754,397	754,397		482,814	0	271,583		482,814	
Construction Period Interest (SDHC)	111,732	111,732		71,509	0	40,224		71,509	
Title/Recording/Escrow - Acquisition	15,000	15,000	15,000	0	0			0	0
Title/Recording/Escrow - Construction	35,000	35,000		35,000	0			35,000	0
Title/Recording/Escrow - Permanent	15,000	15,000					15,000		
Permanent Loan Fees	30,850	30,850					30,850		
Real Estate Taxes	15,180	15,180		15,180	0	0		15,180	0
Insurance During Construction	187,200	187,200		187,200	0	0		187,200	0
Soft Cost Contingency (5%)	156,000	156,000		156,000	0			156,000	
TCAC Application/Monitoring Fee	70,032	70,032					70,032		
Legal: Acquisition	15,000	15,000	15,000	0				0	0
Construction Closing	60,000	60,000		60,000	0			60,000	0
Permanent Closing	15,000	15,000					15,000		
Organization of Partnership	10,000	10,000					10,000		
Syndication	40,000	40,000	40,000						
Syndication Consulting	20,000	20,000	20,000					0	0
Audit/Cost Certification	30,000	30,000		0		30,000	0	0	
Furnishings	52,000	52,000		52,000	0			52,000	
FTEH Operating Reserve	100,000	100,000	100,000			0			
HCD Transition Reserve (1 Year)	207,000	207,000	207,000						
Operating Reserve (3 months)	190,156	190,156	190,156						
Marketing/Lease-Up	60,000	60,000				60,000			
Prevailing Wages Consultant	100,000	100,000		100,000	0			100,000	
SDHC Cost Estimate	12,500	12,500		12,500	0			12,500	
SDHC Monitoring Fee	15,000	15,000		15,000				15,000	
SDHC Counsel	25,000	25,000					25,000	0	
SDHC Origination Fee	30,000	30,000			0		30,000	0	
Payment/Performance Bond	124,640	124,640		124,640	0			124,640	
Developer Fee	1,400,000	1,400,000	0	1,400,000	0			1,400,000	0
TOTAL DEVELOPMENT COSTS	20,751,307	20,751,307	2,108,646	18,034,973	0	401,806	205,882	18,034,973	0
Total Development Cost Per Unit	399,064								

TCAC DEVELOPER FEE CALCULATION			
	Constr	Acq	Total
Maximum Potential TCAC Fee (per limits)*	1,400,000	0	1,400,000
Maximum Potential TCAC Fee (per basis)	2,495,246	0	2,495,246
Ratio	100.00%	0.00%	100.00%
Maximum Fee Per TCAC	1,400,000	0	1,400,000
Maximum Capitalized Fee Per VHHP	1,400,000		1,400,000
MAXIMUM PROJECT FEE	1,400,000	0	1,400,000
* Max fee reduced to \$1.4M per SDHC			

	UTILITY	
	UNIT MIX	ALLOWANCES
Average Affordability: 43.14%	1 BR	6
Average Affordability-Special Needs Units 40.00%	2 BR	30
	3 BR	16
		39
		48
		58

RESIDENTIAL INCOME

TCAC TIER 1: 30%				Percentage of Targeted Units: 23.5%				
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 BR - VHHP Homeless	1	545	545	30.0%	478	439	439	5,268
2 BR - VHHP Homeless	6	897	5,382	30.0%	573	525	3,150	37,800
3 BR - VHHP Homeless	5	1,100	5,500	28.9%	638	580	2,900	34,800
TOTAL	12		11,427				6,489	77,868

TCAC TIER 2: 40%				Percentage of Targeted Units: 37.3%				
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 BR	5	545	2,725	40.0%	637	598	2,990	35,880
2 BR - VHHP Homeless	14	897	12,558	40.0%	765	717	10,038	120,456
TOTAL	19		15,283				13,028	156,336

TCAC TIER 3: 50%				Percentage of Targeted Units: 23.5%				
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
2 BR - SN	9	897	8,073	50.0%	956	908	8,172	98,064
3 BR - SN	3	1,100	3,300	48.1%	1,063	1,005	3,015	36,180
TOTAL	12		11,373				11,187	134,244

TCAC TIER 4: 60%				Percentage of Targeted Units: 15.7%				
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
3 BR	8	1,100	8,800	57.7%	1,275	1,217	9,736	116,832
TOTAL	8		8,800				9,736	116,832

MANAGER UNITS								
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
2 BR	1	897	897	0.0%	0	0	0	0
TOTAL	1		897				0	0

SECTION 8 INCOME (Homeless/Special Needs)								
UNIT TYPE	NUMBER	INCOME TIER	PER-UNIT MONTHLY NET RENT	PER UNIT NET S8 RENT	PER-UNIT MONTHLY S8 PREMIUM		TOTAL MONTHLY S8 PREMIUM	TOTAL ANNUAL S8 PREMIUM
1 BR - VHHP Homeless	1	30%	439	1,074	635		635	7,620
2 BR - VHHP Homeless	6	30%	525	1,304	779		4,674	56,088
2 BR - VHHP Homeless	14	40%	717	1,304	587		8,218	98,616
2 BR - SN	9	50%	908	1,304	396		3,564	42,768
3 BR - VHHP Homeless	5	30%	580	1,901	1,321		6,605	79,260
3 BR - SN	3	50%	1,005	1,901	896		2,688	32,256
TOTAL	38						26,384	316,608
SECTION 8 PREMIUM (annual Section 8 income less total annual base rents)							26,384	316,608
TOTAL - BASE RENT PLUS SECTION 8 PREMIUM							66,824	801,888

TOTAL RESIDENTIAL INCOME			TOTAL UNITS 52	TOTAL MONTHLY (Net) 66,824	TOTAL ANNUAL 801,888
TOTAL SQ FT - TAX CREDIT ELIGIBLE		46,883			
TOTAL SQ FT - NON-TAX CREDIT ELIGIBLE		0			
TOTAL RENTABLE SQ FT		46,883			

MISCELLANEOUS INCOME			PER-UNIT MONTHLY	TOTAL MONTHLY	TOTAL ANNUAL
Laundry/Vending			15.45	803	9,639
Financial			4.60	239	2,870

	FEDERAL			CALIFORNIA			
	ACQUIS	CONST/ REHAB	TOTAL	ACQUIS	CONST/ REHAB	TOTAL	
TOTAL ELIGIBLE COSTS	0	18,034,973	18,034,973	0	18,034,973	18,034,973	
ELIGIBLE BASIS	0	18,034,973	18,034,973	0	18,034,973	18,034,973	
THRESHOLD BASIS LIMIT			17,540,642				
REQUESTED ELIGIBLE BASIS	0	17,540,642	17,540,642	0	18,034,973	18,034,973	
LESS: Voluntary Reduction for Tiebreaker		(10,272,311)					
TOTAL REQUESTED UNADJUSTED ELIGIBLE BASIS	0	7,268,331		0	7,268,331		
HIGH COST ADJUSTMENT (Y/N)	Y	100.0%	130.0%	100.0%	100.0%		
ADJUSTED ELIGIBLE BASIS		0	9,448,830	9,448,830	0	7,268,331	7,268,331
APPLICABLE FRACTION*		100.0%	100.0%		100.0%	100.0%	
QUALIFIED CREDIT BASIS		0	9,448,830	9,448,830	0	7,268,331	7,268,331
LESS: Credit Reduction for Leveraging	0.00%	0	0	0			
ADJUSTED QUALIFIED CREDIT BASIS		0	9,448,830	9,448,830			
CREDIT RATE	Federal Annual/Yr 1-3 State Year 4 - State	3.18%	9.00%	3.18%	9.00%	3.46%	3.00%
MAXIMUM CREDIT AMOUNT PER COSTS	Federal Annual/Yr 1-3 State Year 4 - State Total	0	850,395	850,395	0	1,962,449	1,962,449
				0	218,050	218,050	
				0	2,180,499	2,180,499	
MAXIMUM ALLOWABLE CREDITS	Federal Annual/Total State	0	850,395	850,395			2,180,499
MAXIMUM ALLOWABLE - TEN YEAR TOTAL			8,503,947				2,180,499

2016 TCAC TIEBREAKER			
<b>Committed Soft Funds</b>			
Rental/Operating Subsidy Boost			
% Units with Subsidy	74.51%		
Boost	25.00%	18.627%	
Committed Soft Funds			
Section 8 Leveraged Value		2,554,941	
HCD VHHP		3,339,054	
FHLB AHP		510,000	
San Diego Housing Commission		3,000,000	
Funders Together to End Homelessness		100,000	
City of San Diego Fee Waiver		139,932	
		9,643,927	
less Ineligible Off-Sites		0	
Total Soft Funds		9,643,927	
<b>Committed Soft Funds with Subsidy Boost</b>			
		11,440,345	
Residential TDC			
		20,751,307	
less Syndication Costs		(100,000)	
less Ineligible Off-Sites		0	
Adjusted TDC		20,651,307	
Soft Funds Ratio		55.40%	
<b>Unadjusted Eligible Basis / TDC</b>			
Total Basis Reduction (Voluntary & Non-Voluntary)		10,766,643	
Leveraged Soft (w/o Land, Section 8 Loan, Fee Waiver)		6,949,054	
Lesser of Above		6,949,054	
Requested Unadjusted Eligible Basis + Lesser of Above		14,217,385	
Adjusted TDC		20,651,307	
Basis / TDC Ratio		68.84%	
Inverse 3		10.39%	
TOTAL TIEBREAKER		65.783%	

TCAC Section 8 Tranche Calculation		40% AMI SN/SRO Net Rent	50% AMI Other Gross Rent	Section 8 Contract Net Rent	Unit Increment Rent	Total Increment Rent
Unit Type	Number					
1 BR	1	598	796	1,074	476	5,712
2 BR	29	717	956	1,304	587	204,276
3 BR	8	826	1,105	1,901	1,075	103,200
	38					313,188
Rental Income Differential						313,188
Less Vacancy @ 5%						(15,659)
Net Rental Income						297,529
DSCR: 1.15						258,721
Loan Term (Years)						15
Interest Rate						6.00%
Maximum TCAC Value						\$2,554,941
Actual Section 8 Loan						\$2,780,000
Lesser of Above						\$2,554,941

INCOME		
Scheduled Gross Income		485,280
FTEH Operating Reserve		6,667
Section 8 Premium		316,608
Misc. Income		12,509
Vacancy Loss (blended rate)	5.0%	(24,889)
FTEH Operating Reserve	0.0%	0
Vacancy Loss - Section 8 (blended rate)	5.0%	(15,830)
<b>EFFECTIVE GROSS INCOME</b>		<b>780,344</b>
EXPENSES - RESIDENTIAL		
<b>Administrative</b>		
Advertising	0	
Legal	3,060	
Accounting/Audit	31,692	
Security	69,888	
Admin/Office Expenses	12,548	
Rent/Lease	17,465	
<b>Total Administrative</b>		<b>134,653</b>
<b>Management Fee</b>		<b>39,780</b>
<b>Utilities</b>		
Gas/Electric	9,945	
<b>Total Utilities</b>		<b>9,945</b>
<b>Water/Sewer</b>		<b>17,748</b>
<b>Payroll/Payroll Taxes</b>		
On-Site Manager	31,884	
Maintenance/Janitorial Payroll	18,720	
Manager Unit Expense/(Credit)	0	
Payroll Taxes/Benefits	12,091	
<b>Total Payroll/Payroll Taxes</b>		<b>62,695</b>
<b>Insurance</b>		<b>20,655</b>
<b>Real Estate Taxes</b>		<b>184</b>
<b>Maintenance</b>		
General Maintenance/Janitorial	4,475	
Repairs	23,715	
Trash Removal	8,036	
Exterminating	5,814	
Grounds	4,878	
Elevator	0	
Decorating/Equipment Maintenance	559	
<b>Total Maintenance</b>		<b>47,477</b>
<b>Replacement Reserve</b>		<b>31,200</b>
<b>Operating Reserve</b>		<b>0</b>
<b>Other</b>		
Licenses/Permits	31	
Supportive/Resident Services	164,215	
SDHC Monitoring Fee	7,650	
<b>Total Other</b>		<b>171,896</b>
<b>TOTAL EXPENSES - RESIDENTIAL</b>		<b>536,233</b>
<i>Per Unit Per Year (incl. Reserves)</i>	<i>10,312</i>	
<i>Per Unit Per Year (w/o RSC, Taxes &amp; Reserves)</i>	<i>6,551</i>	
<b>TOTAL EXPENSES - COMMERCIAL</b>		<b>0</b>
<b>AVAILABLE INCOME</b>		<b>244,111</b>
VHHP Mandatory Interest/Servicing Fee		14,024
<b>NET AVAILABLE INCOME</b>		<b>230,087</b>
<b>NET AVAILABLE INCOME (w/o Section 8)</b>		<b>(70,691)</b>
Debt Service Coverage Ratio		1.15
<b>AVAILABLE FOR DEBT SERVICE</b>		<b>200,075</b>

MAXIMUM MORTGAGE CALCULATION

Permanent Loan (Section 8)			
Net Operating Income (includes Section 8)	230,087		
DSC	1.15		
Total Available for Debt Service	200,075		
Maximum Permanent Loan	2,780,000		

LOAN CONSTANT/TIC CALCULATION

Bond/Loan Rate	6.00000%				
Term (Yr)	30.00				
Amort (P&I)	1.19461%				
Loan Constant	7.19461%				
Imputed Total Interest Cost (TIC)	6.00000%				



LIHTC LEASE-UP SCHEDULE		
Lease-Up Start (Year):		2018
Lease Up/Mo		
Month	# Units	Percent
Jan-18	51	100.0%
Feb-18	0	0.0%
Mar-18	0	0.0%
Apr-18	0	0.0%
May-18	0	0.0%
Jun-18	0	0.0%
Jul-18	0	0.0%
Aug-18	0	0.0%
Sep-18	0	0.0%
Oct-18	0	0.0%
Nov-18	0	0.0%
Dec-18	0	0.0%
	51	100.0%
		100.0%

BUILDING PLACED-IN-SERVICE SCHEDULE			
Start Year:			2018
Bldg. PIS by Month			
Month	Building #	# Units	Percent
Jan-18	2	52	100.0%
Feb-18	0	0	0.0%
Mar-18	0	0	0.0%
Apr-18	0	0	0.0%
May-18	0	0	0.0%
Jun-18	0	0	0.0%
Jul-18	0	0	0.0%
Aug-18	0	0	0.0%
Sep-18	0	0	0.0%
Oct-18	0	0	0.0%
Nov-18	0	0	0.0%
Dec-18	0	0	0.0%
TOTAL		52	100.0%
% PIS in First Year			100.0%

OPERATIONS SCHEDULE		
Start Year:		2018
Completed Lease Up/Mo		
Month	No. Units	Percent
Jan-18	52	100.0%
Feb-18	0	0.0%
Mar-18	0	0.0%
Apr-18	0	0.0%
May-18	0	0.0%
Jun-18	0	0.0%
Jul-18	0	0.0%
Aug-18	0	0.0%
Sep-18	0	0.0%
Oct-18	0	0.0%
Nov-18	0	0.0%
Dec-18	0	0.0%
TOTAL	52	100.0%
% Operating in First Year		100.0%

DEVELOPMENT SCHEDULE	
TCAC Application	June-16
TCAC Reservation	September-16
Start Construction	March-17
Complete Construction	July-18
Placed In Service	July-18
Start Lease-Up	August-18
100% Qualified Occupancy	November-18
Permanent Conversion	April-19
Form 8609	August-19

\* For TCAC application, 100% lease-up is shown in January of PIS year to show full cash flow in Year 1.

County:	San Diego
9% or 4% credits:	9%

BASE LIMITS			THRESHOLD BASIS LIMIT			
Unit Type	9%	4%	Unit Type	# Units	Per Unit Basis Limit	TOTAL
0 BR	177,162	200,745	0 BR	0	177,162	0
1 BR	204,266	231,457	1 BR	6	204,266	1,225,596
2 BR	246,400	279,200	2 BR	30	246,400	7,392,000
3 BR	315,392	357,376	3 BR	16	315,392	5,046,272
4 BR	351,366	398,139	4 BR	0	351,366	0
				52		13,663,868
			Additional Basis Adjustments:			
			Local Development Impact Fees			1,144,000
			Boost for Prevailing Wage			20% 2,732,774
			Boost for Parking beneath Units (7%)			7% 0
			Boost for Childcare (2%)			2% 0
			Boost for 100% SN (2%)			2% 0
			Boost for Elevator Service (10%)			10% 0
			Boost for Energy/Resource Efficiency (up to 10%)			0% 0
			Toxic/Seismic Abatement Costs			0
			BONDS: 1% each % of units @ 36% - 50% AMI			0
			BONDS: 2% each % of units at or below 35% AMI			0
			TOTAL THRESHOLD BASIS LIMIT			17,540,642
			TOTAL ELIGIBLE BASIS			18,034,973
			Surplus / (Deficit)			(494,332)
			TCAC 130% High Cost Test			102.82%

## Vista del Puente

## 15-Year Cash Flow

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**Version:** 3.4

**Revised:** June 7, 2016

ASSUMPTIONS:																		
Rent Increase:	2.50%	Perm Loan - % Debt Svc Yr 1	100.0%															
Expenses Increase:	3.50%	Percent Q.O. In Lease-up Yr	100.0%															
Real Estate Tax Increase:	2.00%																	
Reserve Increase:	0.00%																	
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
GROSS POTENTIAL INCOME - RESIDENTIAL				485,280	497,412	509,847	522,593	535,658	549,050	562,776	576,845	591,267	606,048	621,199	636,729	652,648	668,964	685,688
FTEH Operating Reserve				6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667
Section 8 Premium				316,608	324,523	332,636	340,952	349,476	358,213	367,168	376,347	385,756	395,400	405,285	415,417	425,803	436,448	447,359
Misc. Income				12,509	12,822	13,142	13,471	13,808	14,153	14,507	14,869	15,241	15,622	16,013	16,413	16,823	17,244	17,675
Vacancy Loss - Residential				5.0%	(24,889)	(25,512)	(26,149)	(26,803)	(27,473)	(28,160)	(28,864)	(29,586)	(30,325)	(31,084)	(31,861)	(32,657)	(33,474)	(34,310)
Vacancy Loss - FTEH Operating Reserve				0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy Loss - Section 8 Premium				5.0%	(15,830)	(16,226)	(16,632)	(17,048)	(17,474)	(17,911)	(18,358)	(18,817)	(19,288)	(19,770)	(20,264)	(20,771)	(21,290)	(21,822)
GROSS EFFECTIVE INCOME				780,344	799,686	819,511	839,832	860,661	882,011	903,895	926,326	949,317	972,883	997,039	1,021,798	1,047,176	1,073,189	1,099,852
Operating Expenses (excl. reserves, taxes)				504,849	522,519	540,807	559,735	579,326	599,602	620,588	642,309	664,790	688,057	712,139	737,064	762,862	789,562	817,196
Real Estate Taxes				184	188	191	195	199	203	207	211	216	220	224	229	233	238	243
TOTAL OPERATING EXPENSES				505,033	522,706	540,998	559,930	579,525	599,805	620,796	642,520	665,005	688,277	712,364	737,293	763,095	789,800	817,439
NET OPERATING INCOME				275,311	276,979	278,513	279,902	281,136	282,206	283,099	283,805	284,312	284,606	284,675	284,505	284,082	283,389	282,413
REPLACEMENT RESERVE				31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200
NET INCOME AVAILABLE FOR DEBT SERVICE				244,111	245,779	247,313	248,702	249,936	251,006	251,899	252,605	253,112	253,406	253,475	253,305	252,882	252,189	251,213
VHHP Mandatory Interest/Servicing Fee				14,024	14,024	14,024	14,024	14,024	14,024	14,024	14,024	14,024	14,024	14,024	14,024	14,024	14,024	14,024
Permanent Loan (Section 8)																		
Interest Payment				165,871	163,766	161,530	159,157	156,637	153,962	151,122	148,107	144,905	141,507	137,898	134,067	130,000	125,682	121,098
Principal Payment				34,139	36,244	38,480	40,853	43,373	46,048	48,888	51,903	55,105	58,504	62,112	65,943	70,010	74,328	78,912
TOTAL DEBT SERVICE				200,010	200,010	200,010	200,010	200,010	200,010	200,010	200,010	200,010	200,010	200,010	200,010	200,010	200,010	200,010
NET CASH FLOW				30,077	31,745	33,279	34,668	35,902	36,972	37,865	38,571	39,078	39,372	39,441	39,271	38,847	38,155	37,179
Debt Service Coverage Ratio				1.15	1.16	1.17	1.17	1.18	1.18	1.19	1.19	1.20	1.20	1.20	1.20	1.19	1.19	1.19
DISTRIBUTION OF CASH FLOW																		
LP Investor Services Fee - Current				3,500	3,500	3,623	3,749	3,881	4,016	4,157	4,302	4,453	4,609	4,770	4,937	5,110	5,289	5,474
Deferred Developer Fee				0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Partnership Management Fee - Current				20,000	20,000	20,700	21,425	22,174	22,950	23,754	24,585	25,446	26,336	27,258	28,212	29,199	30,221	31,279
HCD VHHP				26.34%	1,732	1,955	2,135	2,268	2,353	2,386	2,365	2,284	2,142	1,934	1,657	1,307	879	369
San Diego Housing Commission				23.66%	1,556	1,756	1,918	2,038	2,114	2,144	2,124	2,052	1,924	1,738	1,489	1,174	790	332
GP Incentive Management Fee				3,288	3,711	4,053	4,307	4,468	4,531	4,489	4,336	4,066	3,672	3,146	2,481	1,669	701	0
General Partner				0.01%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Limited Partner				99.99%	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**PROPOSED LOAN NON-BINDING COMMITMENT TERMS SUMMARY**

Vista del Puente  
 3934 Gamma Street & 1510 South 40<sup>th</sup> Street (“Property”)  
 May 31, 2016

The San Diego Housing Commission (“Housing Commission”) is pleased to submit this non-binding commitment terms summary. This commitment terms summary is not a binding contract. The purpose of this commitment terms summary is to set forth the general terms and conditions under which the Housing Commission is interested in making a loan (“Housing Commission Loan”) to a limited partnership of which National Community Renaissance, or an affiliate thereof (“National CORE”) and Townspeople, or an affiliate thereof are co-general partners (“Borrower”) with respect to the Property. Closing must occur within twenty-two (22) months of Housing Authority of the City of San Diego approval of the Housing Commission Loan, unless an extension is granted by the President & CEO of the Housing Commission in his sole discretion (22 month commitment to allow 3 x 9% application attempts). In the event of a conflict between any term or provision (or absence of any term or provision) of this commitment terms summary and any term or provision of any approval of any applicable board or governing body, the term or provision of such board or governing body shall apply. Provided the Housing Commission Loan is approved by the Housing Authority of the City of San Diego, the following terms shall apply to the Housing Commission Loan. In addition, Exhibit A includes the Borrower’s proforma which models financial projections of the Project.

1. **Maximum Loan Amount** – Not to exceed \$3,000,000. To be used for the acquisition, construction and permanent financing of a 51 unit (plus 1 managers’ unit) affordable housing project (“Project”) located at 3934 Gamma Street and 1510 South 40<sup>th</sup> Street (the “Property”). The Housing Commission Loan will be secured by a declaration of covenants, conditions and restrictions and a deed of trust which will be senior to the deeds of trust and security instruments securing all other sources of funds secured by the Property, except that the Housing Commission declaration of covenants, conditions and restrictions and deed of trust shall be subordinated to the deed of trust and security instruments securing the construction and permanent loan. The Housing Commission will subordinate to the deed of trust and security instruments of the State of California Department of Housing and Development if required by their regulations.
2. **Loan**– Residual receipt, 3% simple interest.
3. **Term** – 55 years from completion of construction of the Project.
4. **Payments** - Annual payments of residual receipts will be payable beginning on May 1, in the year immediately following the calendar year in which construction of the Project is completed. The Borrower may retain 50% of residual receipts with the remaining residual receipts shared among the Housing Commission and other soft lenders in proportion to the original principal balances of their loans. The following items, in addition to other operating expenses, shall be payable by the Borrower prior to the calculation of residual receipts: (i) a limited partner asset management fee not to exceed \$3,500 per year, (ii) a co-general partner cumulative partnership management fee not to exceed \$20,000, (iii) deferred developer fee, and (iv) repayment of development deficit and operating deficit loans, The Borrower shall contribute 35% of their share of residual receipts to the supportive services capitalized operating reserve.
5. **Affordability** –At closing the Borrower and Housing Commission shall cause a Declaration of Covenants, Conditions, and Restrictions restricting the rent and occupancy of the affordable units for 55 years to be recorded against the Project. Such Declaration of Covenants,



Conditions, and Restrictions shall be a form and format acceptable to the Housing Commission and its General Counsel in their sole discretions. The affordability shall be as follows:

Unit Type	AMI	PSH Units	Affordable Family Units	Total Units
1-Bedroom	30%	1	-	1
1-Bedroom	40%	-	5	5
2-Bedroom	30%	6	-	6
2-Bedroom	40%	14	-	14
2-Bedroom	50%	9	-	9
3-Bedroom	30%	5	-	5
3-Bedroom	50%	3	-	3
3-Bedroom	60%	-	8	8
2-Bedroom Mgr	N/A	-	-	1
Total		38	13	52

6. **Funding Sources** –The Housing Commission may fund the Housing Commission Loan from various sources including local, State, and/or federal funds, including HOME Investment Partnership Program funds. The Housing Commission reserves the right to allocate available program funds in the best interest of the Housing Commission. Borrower should be familiar with the HOME program rules and regulations, Federal Davis- Bacon law and Section 3.
7. **Prevailing Wages** - It is anticipated that the Project will be subject to Federal Davis-Bacon prevailing wage rates based upon the proposed funding sources committed by the Housing Commission.
8. **Additional Proceeds** – If the Borrower obtains total sources of funding in excess of those shown in the table below, the excess funds shall be used as follows: (1) Upon Construction Loan Closing, any excess funds shall be used to fund Project cost overruns; (2) Upon Construction Loan Closing and subject to California Tax Credit Allocation Committee approval, any excess funds shall be used to adjust the Housing Commission Loan as set forth in paragraph 10 below; and (3) Upon completion of the project, and payment of all projects costs and developer fees, any excess proceeds or cost savings realized at permanent loan conversion will be addressed as set forth in paragraph 9 below.

Sources of Funding	
Tax Credit Equity	\$10,773,575
Permanent Loan	2,778,000
HCD VHHP	3,339,054
Federal Home Loan Bank	510,000
Funders Together	100,000
Housing Commission	3,000,000
Accrued/Deferred Interest	111,732
City of San Diego Fee Waiver	139,932
<b>Estimated Total Development Cost</b>	<b>\$20,752,293</b>

9. **Cost Savings** - If final project cost savings, as determined in the final tax credit cost certificate are achieved, then those cost savings will be shared fifty percent (50%) to the Borrower and the other fifty percent (50%) will be paid to the Housing Commission and other soft lenders in

proportion to the original principal balance of their loans to reduce the amount of their soft loans.

10. **Debt Service Coverage Ratio** - Prior to closing, subject to lender and equity investor underwriting criteria and to the extent allowed by TCAC and HCD, the Housing Commission Loan amount will be adjusted (with a commensurate adjustment to the permanent loan amount) to an amount necessary for the permanent loan to achieve a projected 1.15 debt service coverage ratio. For example, if at closing the project exceeds a 1.15 debt service coverage ratio, then, the Housing Commission Loan will be reduced (and the permanent loan amount will be increased to achieve the required 1.15 debt service coverage ratio). In no event however, will the Housing Commission subsidy exceed \$3,000,000.
11. **Financing Gap** - The Borrower will cover any financing gap with its equity, its developer fee and/or other non-Housing Commission sources, all of which shall be subject to the approval of the Housing Commission in its sole discretion and will not be unreasonably withheld.
12. **Developer Fee** – The maximum developer fee that may be collected is capped at \$1,400,000. The Borrower's proforma does not currently model any deferred developer fee. If any amount of the developer fee is deferred, then such amount shall be repaid during the 15-year tax credit compliance period. Amounts outstanding after the expiration of the 15-year tax credit compliance period shall be contributed to the Project in the form of a capital contribution.
13. **Recourse** - The Housing Commission's loan will be recourse until the timely completion of the construction, after which it will become non-recourse.
14. **Competitively Bid Project** – The construction contract shall be competitively bid to at least three qualified general contractors or three qualified subcontractors for each major trade involved in the construction of the project. Borrower will submit the competitive bids to the Housing Commission for review and approval prior to closing.
15. **Contingency** - 5% of the Housing Commission loan amount will be withheld as contingency and will be paid upon conversion to permanent financing. This contingency amount will be reduced by any project cost savings, subject to any applicable TCAC and HCD requirements.
16. **Replacement Reserve** – The annual replacement reserve will be \$31,200 (\$600 per unit per year in the first year of operations) Deposits shall not escalate.
17. **Capitalized Operating Reserve** - \$190,156 (the equivalent of 3 months of debt service, operating expenses and replacement reserves) shall be funded at permanent loan conversion. The Housing Commission acknowledges that an investor may require a 6-month operating reserve to be funded from tax credit equity in excess of the amount in paragraph number 8.
18. **Supportive Services Capitalized Operating Reserve** – \$100,000 shall be funded at permanent loan conversion. The capitalized supportive service reserve represents amounts necessary for the Borrower to provide supportive services to the permanent supportive housing population during the tax credit compliance period.
19. **Transition Reserve** – The State of California Department of Housing and Community Development Department is requiring a 1-year transition reserve in the amount of \$208,000 to mitigate the Section 8 overhang risk in the event the Section 8 rents are not renewed. This reserve is in place to deal with the transition of Section 8 rents to tax credit rents. The Housing

Commission shall reserve the right to recapture this transition reserve upon the payoff of the conventional loan.

20. **Loan Disbursement Schedule** – Upon submittal and approval of eligible costs, and subject to construction lender approval, the Housing Commission Loan will be disbursed as follows: up to fifty percent (50%) at escrow closing, up to twenty-five percent (25%) at fifty percent (50%) construction completion, up to twenty percent (20%) upon issuance of a Certificate of Occupancy, and up to five percent (5%) upon construction loan payoff. The President and Chief Executive Officer is authorized to modify the Housing Commission loan disbursement schedule in his sole reasonable discretion.
21. **Property Management/General Partner** – National CORE or its affiliate shall be responsible for the property management of the Property. National CORE or its affiliate shall be the general partner or a co-general partner of the Borrower at all times during the 55-year term of the Declaration of Covenants, Conditions and Restrictions described in Section 5, above.
22. **Asset Management** – National CORE, on behalf of the Borrower, shall be responsible for the asset management of the Project. Responsibilities shall include but are not limited to all matters related to regulatory compliance, annual reporting, operational oversight and long-term financial performance.
23. **SDHC Monitoring Fees** – Upon lease up activities requiring Housing Commission Compliance Monitoring Department review and approvals, Borrower will pay annual monitoring fee in accordance with the then-existing Housing Commission fee schedules.
24. **SDHC Legal Fees** – Borrower will pay Housing Commission legal fees of \$25,000 at escrow closing.
25. **Cost Recovery Fee** – Borrower to pay Housing Commission cost recovery fee of up to \$60,000 at escrow closing.
26. **Capitalized Asset Management Fee** – Borrower to pay Housing Commission 15-year capitalized asset management fee of \$15,000 at escrow closing.
27. **Closing Costs** – Borrower shall pay all escrow, title and closing costs, including, without limitation, paying for an ALTA lenders policies for the Housing Commission Loan, with endorsements acceptable to the Housing Commission, insuring the Housing Commission Loan lien priority as referenced in this letter.
28. **Tenant Service Delivery Plan** - Borrower shall submit a draft tenant service delivery plan 90 days prior to occupancy for Housing Commission staff review and comment. Borrower shall submit a revised draft incorporating Housing Commission comments prior to occupancy of the first tenant. A final tenant service delivery plan shall be subject to the approval of the Housing Commission in its reasonable discretion and will not be unreasonably withheld prior to project lease up.
29. **Additional Conditions** – The Housing Commission reserves the right to impose such additional conditions in the final documentation of the transaction as are reasonably necessary to protect the interests of the Housing Commission and fulfill the intent of this letter.

30. **Insurance** - Borrower shall at all times during the term of the loan maintain General Liability and Property Insurance (fire and extended coverage), workers compensation, builder's completed value risk insurance against "all risks of physical loss" (during construction) and, if required by the Housing Commission, floor and earthquake insurance (to the extent the Project has a PLM of 20 or greater), in forms acceptable to the Housing Commission and approved by the Housing Commission's General Counsel. The San Diego Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego shall be listed as an additional insured for General Liability Insurance and Property Insurance and the San Diego Housing Commission shall be endorsed as a loss payee of the Property Insurance.
31. **Cure Rights** – The Housing Commission shall have the right, but not the obligation, to cure all senior encumbrances in all subordinating agreements that it executes. All subordination agreements shall be subject to the sole approval of the Housing Commission's President and Chief Executive Officer and General Counsel.
32. **Management Plan**
- a. Prior to occupancy the Borrower shall submit a Management Plan to the Housing Commission for its review and approval. The Management Plan shall be subject to initial and periodic approval by the Housing Commission, in its reasonable discretion and subject to lender approval.
  - b. Approval of Management – The Housing Commission reserves the right to declare Borrower in default of the loan agreement after an uncured ninety (90) day written notice of malfeasance and/or misfeasance in management of the project.
  - c. c. Marketing Plan – To ensure compliance with HOME regulations and with federal fair housing requirements prior to occupancy the borrower shall submit a proposed marketing plan for review and approval by the Housing Commission's Civil Rights Analyst in the Grant Development and Compliance Division.
33. **ALTA Lender's Policy** - The Borrower shall acquire, at its sole cost and expense, ALTA Lender's Policies for the loan with endorsements acceptable to the Housing Commission insuring the Housing Commission's lien position.
34. **Environmental Requirements** – Notwithstanding any provision of this Letter, the parties agree and acknowledge that this Letter constitutes a conditional reservation and does not represent a final commitment of HOME funds or site approval under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). Should HOME funds constitute a portion of the funding for the project, a final reservation of HOME funds shall occur only upon satisfactory completion of environmental review and receipt by the City of San Diego of a Release Of Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of NEPA. The parties agree that the provision of any HOME funds to the project is conditioned on the City of San Diego's determination to proceed with, modify or cancel the project based on the results of subsequent environmental review under NEPA. By execution of this Letter, you acknowledge no legal claim to any amount of HOME funds to be used for the project or site unless and until the site has received environmental clearance under NEPA. You are also prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, clearance, rehabilitation, conversion, repair or construction prior to environmental clearance under NEPA. Violation of this provision may result in denial of any HOME funds for this project.
35. **Third-Party Construction Cost Review**- The San Diego Housing Commission has the right to engage a third-party cost review. The Borrower will reimburse the Housing Commission at



closing for all cost review expenses. Third-party construction cost review is estimated at \$12,500.

ACKNOWLEDGED AND AGREED TO BY:  
National Community Renaissance

By: SP-Tell

Print Name: Steve Pontell  
PRESIDENT / CEO

Its: 6/7/16

Townspeople

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

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

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ACKNOWLEDGED AND AGREED TO BY:  
National Community Renaissance

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

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Townspeople

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

Print Name: JON P. Derryberry

Its: Executive Director