

REPORT

DATE ISSUED: June 9, 2016 **REPORT NO**: HCR16-056

ATTENTION: Chair and Members of the San Diego Housing Commission

For the Agenda of June 17, 2016

SUBJECT: Preliminary Bond Authorization for Park & Market

COUNCIL DISTRICT: 3

REQUESTED ACTION

Take the initial steps to issue Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue bonds, which are administered by the State, to facilitate the development of Park & Market, a 427-unit mixed-use development, located in the in the East Village Neighborhood of Downtown San Diego, which will include 86 units that will remain affordable for 55 years.

STAFF RECOMMENDATION

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

- 1) Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for Park & Market, a 427-unit mix-use development, which will include 86 units that will remain affordable for 55 years:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$225,000,000 in Multifamily Housing Revenue Bonds for the development of Park & Market by a limited partnership formed by Holland Partners Group, LLC;
 - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$225,000,000 for Park & Market;
 - c. Approve the financing team of Squire Sanders as Bond Counsel and Ross Financial as Financial Advisor; and
 - d. Request that the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$225,000,000; and
- 2) Authorize the Housing Commission President & Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and bond counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the bond counsel.

June 9, 2016 Preliminary Bond Authorization for Park & Market Page 2

SUMMARY

A development summary is included as Attachment 1.

Table 1 – Development Details

Address	Northwest Corner of Park Blvd. & Market Street
Council District	3
Community Plan Area	East Village
Development Type	New Construction
Construction Type	Type I
Stories	34
Parking Type	Subterranean; 617 stalls
Housing Type	Mixed Use
Lot Size	Approximately 1.19 acres, 52,030 square feet
Units	427; 341 market rate and 86 affordable
Density	358 dwelling units per acre
Affordable Unit Mix	141 Studio, 114 one-bedroom, 128 two-bedroom units
	and 44 three-bedroom units
Gross Building Area	475,455 square feet Residential Rental
	21,000 square feet Retail
	45,735 square feet Office
	542,190 square feet

The Development

Park & Market is a proposed mixed-use development located at the northwest corner of Park Boulevard and Market Street that will be composed of 427 rental units, retail and office space (Attachment 2 – Site Map). The s 34-story high-rise has 22,865 square feet of ground-floor retail, 21,000 square feet of public-private space, including an outdoor amphitheater and public plaza, the renovation of the historic Remmen House, and four levels of subterranean parking. Private amenities in the residential building will include a community room, fitness center, swimming pool, and multiple outdoor terraces. The developer is in the process of entering into a Disposition and Development Agreement (DDA) with Civic San Diego (CivicSD), acting on behalf of the City of San Diego, for the purchase and development of City-owned land at the project site. Under the terms of the DDA, the developer will be required to designate 86 units (equivalent to 20 percent of the development) as affordable to households earning up to 50 percent of the Area Median Income. In addition to the on-site affordable units, net proceeds of the sale of the property to the developer will be deposited in the City's Low-Moderate Income Housing Asset Fund (LMIHAF) to be used for future affordable housing developments throughout the city.

Development Team

Park & Market will be co-owned by an affiliate of Holland Partner Group (HPG) and an affiliate of North America Sekisui House (NASH). The development will be constructed by HPG's affiliate Holland Construction. HPG and NASH will also serve as the tax credit investor; a to-be-formed limited partnership will own and control Park & Market. Statements for public disclosure for HPG and NASH are included in Attachment 3.

Founded in 2001, HPG, based in Vancouver, Washington, is a real estate investment company. Current assets under management and development represent approximately \$7.5 billion in 30,000 apartment

units across the western United States. The development of Park & Market will be managed by HPG's Southern California office, which currently has eight developments composed of more than 2,500 units in various stages of development.

NASH is wholly owned company of Sekisui House, LTD, one of Japan's largest single-family homebuilders. Founded in 1960, Sekisui House is a publicly traded company and has built millions of homes worldwide.

Table 2 - Development Team Summary

ROLE	FIRM/CONTRACT
Co-Developer	Holland Partner Group, LLC
	North America Sekisui House (NASH), LLC
Tax Credit Investor	To-be-formed affiliate of Holland Partner Group, LLC
	To-be-formed affiliate of North America Sekisui House
General Contractor	Holland Construction
Architect	Carrier Johnson
Property Management	To Be Determined
Land Lessor	City of San Diego

Financing Structure

Park & Market has an estimated total development cost of \$263,452,679. The developer estimates that costs attributed to residential portions of the project are approximately \$235 million, which is equivalent to an estimated total per unit cost of \$550,351 and prorated hard costs of approximately \$168.1 million. It will be financed with a combination of Federal 4 percent tax credits, tax-exempt Multifamily Housing Revenue Bonds and developer equity. There will be no Housing Commission financing provided to the development. The developer's project pro forma is provided as Attachment 4.

Table 3 – Park & Market Estimated Sources and Uses of Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts
Permanent Loan	\$216,500,000	Acquisition Costs	\$14,650,904
Developer Equity	46,952,679	Hard Costs	188,499,867
		Soft Costs	52,515,313
		Reserves	113,216
		Developer Fee	7,673,379
Total Development Cost	\$263,452,679	Total Development Cost	\$263,452,679

Development Cost Key Performance Indicators

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

Table 4 – Key Performance Indicators*

Development Cost Per Unit	\$235,000,000 ÷ 427 units =	\$550,351
Land Cost Per Unit	\$14,650,904 ÷ 427 units =	\$34,311
Gross Building Square Foot Hard Cost	\$168,142,032 ÷ 475,455 sq. ft. =	\$354
Net Rentable Square Foot Hard Cost	\$168,142,032 ÷ 384,816 sq. ft. =	\$437

^{*}Development Cost Per Unit and Square Foot Hard Costs based on estimate of total costs associated with residential portion of development and prorated hard costs.

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 5 shows a comparison of the subject property and other developments of the same construction type.

Table 5 – Comparable Development Projects

Project Name	Year	Construction Type	Units	Total Development Cost (Residential)	Cost Per Unit	HC Subsidy Per Unit.	Gross Hard Cost Per Sq.Ft.
Celadon I	2012	I	129	\$43,938,066	\$340,605	\$0	\$302
Celadon II	2012	I	121	\$38,077,021	\$314,686	\$0	\$302
Atmosphere I	2014	I	100	\$40,367,519	\$403,675	\$30,000	\$330
Subject – Park & Market	2017	I	427	\$235,000,000	\$550,351	\$0	\$354
Ten Fifty B	2010	I	229	\$88,682,000	\$387,258	\$0	\$447

Proposed Housing Bonds

The Housing Commission utilizes the Housing Authority's tax-exempt borrowing status to pass on lower interest rate financing (and make Federal 4 percent tax credits available) to developers of affordable rental housing. The Housing Authority's ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first submit an application to the California Debt Limit Allocation Committee (CDLAC) for a bond allocation. Prior to submitting applications to CDLAC, developments are brought before the Housing Commission, Housing Authority and City Council. Housing Authority bond inducement resolutions must be obtained prior to application submittal, and City Council Tax Equity and Fiscal Responsibility Act (TEFRA) resolutions must be secured no later than 30 days after application submittal.

The developer plans to submit a bond allocation application to CDLAC in July 2016, for a September 2016 bond allocation meeting; however, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the development.

A general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 5.

The developer will be seeking a CDLAC bond allocation of approximately \$225,000,000. The developer proposes to issue the bonds through a tax-exempt public placement bond issuance. The bonds will meet all requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego's (City) ordinance on bond disclosure. The up to \$225,000,000 bond allocation that will be sought from CDLAC is approximately 3.75 percent higher than the \$216,500,000 amount for which the development is being underwritten. This increased amount represents a bond contingency to account for possible increases in the bond amount due to increases in construction costs, and/or decreases in the assumed interest rate, and/or the loss of other planned funding sources. The bond amount that is ultimately issued will be based upon development costs, revenues and interest rates prevailing at the time of bond issuance.

The developer proposes that the bonds will be used for acquisition, construction and permanent financing. Housing Commission staff will later return to both the Housing Commission and Housing Authority for approval of the final bond amount.

Staff recommends assigning Ross Financial as Financial Advisor and Squire Patton Boggs as Bond Counsel to work on the development. The proposed financing team members have been selected in accordance with the existing policy for the issuance of bonds. Financial Advisors and Bond Counsels are designated on a rotating basis from the firms selected under the program through a competitive Request for Proposal process.

Prevailing Wages

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

AFFORDABLE HOUSING IMPACT

Under the proposed bond financing, Park & Market would restrict 20 percent of its units to households with incomes at or below 50 percent of San Diego Area Median Income (AMI). The remaining 80 percent of the units will be market rate. The affordable units will be restricted for a 55-year term. Table 6 summarizes the affordability:

Table 6 – Park & Market Affordability & Monthly Estimated Rent Table

Unit Type	Restrictions	AMI	Number	Gross	Estimated	Ren
			of Units	Rents	Market Rents	P
Studio	Tax-Credit	50% AMI	28	\$743	\$1 173	

Unit Type	Restrictions	AMI	Number	Gross	Estimated	Rent Savings
			of Units	Rents	Market Rents	Per Unit
Studio	Tax-Credit	50% AMI	28	\$743	\$1,173	\$430
1-bedroom	Tax-Credit	50% AMI	23	\$796	\$1,664	\$868
2-bedroom	Tax-Credit	50% AMI	26	\$956	\$2,109	\$1,153
3-bedroom	SDHC	50% AMI	9	\$1,063	\$3,048	\$1,985
Studio	Market	-	113	-	-	-
1-bedroom	Market	-	91	-	-	-
2-bedroom	Market	-	102	-	-	-
3-bedroom	Market	-	35	-	-	-
Total			427			

June 9, 2016 Preliminary Bond Authorization for Park & Market Page 6

Development Schedule

The estimated development timeline is as follows.

	Milestones	Es	timated Dates
•	California Tax Credit Allocation Committee (CTCAC) and		
	CDLAC application	•	July 2016
•	CTCAC and CDLAC allocation/approvals	•	September 2016
•	Housing Authority proposed final bond/note authorization	•	October 2016
•	Estimated bond/note issuance and escrow closing	•	December 2016
•	Estimated start of construction work	•	January 2017
•	Estimated completion of construction work	•	Fall 2018

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action are included in the Housing Authority-approved Fiscal Year (FY) 2017 Housing Commission Budget. Approving this action will not change the FY 2017 total budget.

Funding sources approved by this action will be as follows: Bond Issuance Fees - \$270,265

Funding uses approved by this action will be as follows: Rental Housing Finance Program Administration Costs - \$270,265

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

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

The Exclusive Negotiation Agreement between the developer and CivicSD provides that the developer conduct a series of public outreach meetings, a minimum of two, prior to finalizing the Site Plan and executing the DDA. HPG will conduct these meetings prior to final bond authorization.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include Holland Partner Group, North America Sekisui House, CivicSD, the City of San Diego, and the East Village Community. Development of the property is expected to have a positive impact on the community because it will redevelop the site and provide affordable housing opportunities to future tenants.

ENVIRONMENTAL REVIEW

This activity is not a "project" and is therefore not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15060(c)(3). This determination is predicated on Section 15004 of the Guidelines, which provides direction to lead agencies on the appropriate timing for

June 9, 2016 Preliminary Bond Authorization for Park & Market Page 7

environmental review. This action does not constitute approval of a project. Approval will occur once the environmental review has been completed in accordance with CEQA Section 15004. This action will not foreclose review of alternatives or mitigation measures by the public as part of the CEOA process. The proposed actions are approval of preliminary steps to issue bonds and do not constitute approval of the development activity or authorization for the issuance of bonds. Future actions to consider and approve development entitlement approvals related to the future development of the site will require additional review under the provisions of CEQA by the lead agency. Processing under the National Environmental Policy Act is not required as no federal funds are involved in this action. Respectfully submitted, Approved by,

Ted Miyahara

Ted Miyahara **Director Housing Finance** Real Estate Division

Deborah N. Ruane Senior Vice President Real Estate Division

Deborah N. Ruane

- Attachments: 1) Development Summary
 - 2) Site Map
 - 3) Developer Disclosure Statements
 - 4) Developer's Project Pro forma
 - 5) Multifamily Housing Revenue Bond Program
 - 6) E-mail to SDHC Commissioners (added June 15, 2016)

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.

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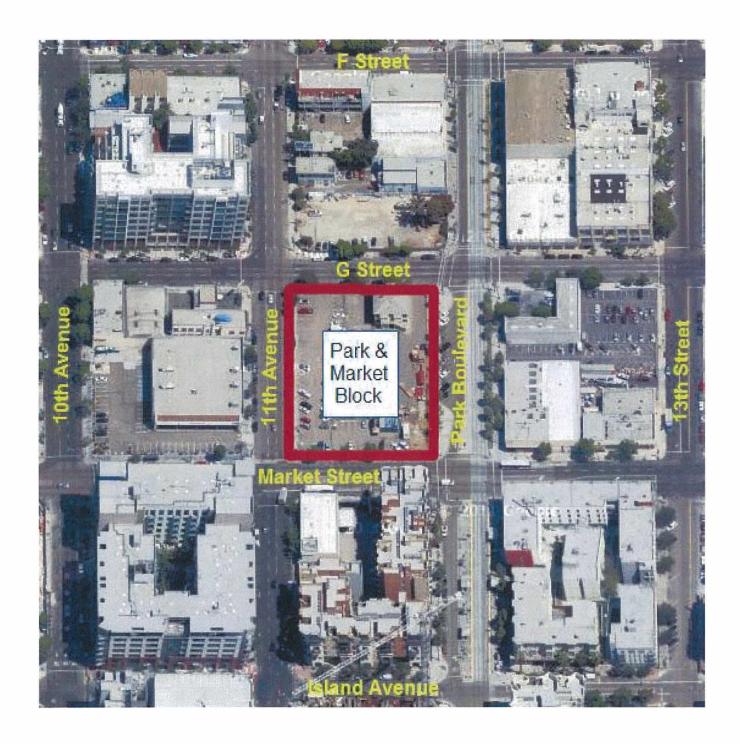
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3-bedroom	Market	-	35	-	-	-
Total			427			

ATTACHMENT 2



ATTACHMENT E

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

1.	Name of CONTRACTOR:
	Holland Development, LLC, a Washington limited liability company
2.	Address and Zip Code:
	5000 East Spring Street, Suite 500 Long Beach, CA 90815
3.	Telephone Number:
	(562) 285-5301 - office (206) 465-4569 - cell
4.	Name of Principal Contact for CONTRACTOR:
	Thomas D. Warren
5.	Federal Identification Number or Social Security Number of CONTRACTOR:
١	26-3377579
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.

X Other (explain)

CONTRACTOR is a limited liability company domesticated in the State of Washington. Its Certificate of Formation and amendment to the certificate changing name from Holland Development I, LLC to Holland Development, LLC are attached as <u>Exhibit 6</u>. CONTRACTOR is registered to conduct business in the State of California. A copy of its California Certificate of Registration is also included in Exhibit 6.

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

CONTRACTOR was organized on September 11, 2008 (See Exhibit 6)

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

CONTRACTOR is managed by an affiliated company Holland Partner \roup Management, Inc. ("HPG Management"). The relationship is visualized on the organizational chart attached as Exhibit 8A.

The beneficial owners of CONTRACTOR and HPGI are:

Name	Address	Ownership of CONTRACTOR	Ownership of HPGI
Clyde Holland*	1111 Main Street, Suite 700 Vancouver, WA 98660	99%	100%
Rena Holland*	1111 Main Street, Suite 700 Vancouver, WA 98660	1%	0%

^{*} Note: Clyde and Rena Holland are married.

CONTRACTOR is a "manager-managed" limited liability company. Its manager, HPG Management, is governed by an Executive Committee. The names of the members of the Executive Committee and the titles of each member are set forth in Exhibit 8B.

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

No changes in last twelve (12) months.

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

No changes are anticipated within next twelve (12) months or otherwise.

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

There are no such persons or entities.

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:

The names, address and telephone numbers of the members of the executive committee and of the officers of HPG Management are set forth below:

Name	Member Executive Committee?	Title	Address	Telephone
Clyde Holland	Yes	Chairman of the Board, Chief Executive Officer and President	1111 Main Street, Suite 700 Vancouver, WA 98660	(360) 992-7442
Rena Holland	No	Executive Vice President	1111 Main Street, Suite 700 Vancouver, WA 98660	(360) 992-7442
Tony D'Alto	Yes	President of Property Management	1111 Main Street, Suite 700 Vancouver, WA 98660	(360) 852-5340
Mark Bates	Yes	Executive Managing Director and Chief Financial Officer; Secretary; and Chairman of the Investment Committee	1111 Main Street, Suite 700 Vancouver, WA 98660	(360) 200-6547
Robert Coppess	Yes	Executive Managing Director of Redevelopment	1000 Dexter Ave N., Suite 201 Seattle, WA 98109	(206) 430-5947
Jeffery J. Dickerson	Yes	President of Construction	1111 Main Street, Suite 700 Vancouver, WA 98660	(360) 597-2046
Sam Giannini	Yes	Senior Vice President of Field Operations	1111 Main Street, Suite 700 Vancouver, WA 98660	(503) 572-2804

Yes	President of Investments and Asset Management	600 S. Cherry Street, Suite 700 Denver, CO 80246	(720) 452-3033
Yes	Assistant Secretary	1675 SW Marlow Ave, Suite 404 Portland, OR 97225	(971) 285-4260
Yes	President of Development	1000 Dexter Ave N., Suite 201 Seattle, WA 98109	(206) 430-5965
Yes	Executive Managing Director, Resource Management	1111 Main Street, Suite 700 Vancouver, WA 98660	(360) 992-7453
Yes	Executive Managing Director of Development, Southern California	5000 East Spring St., Suite 630 Long Beach, CA 90615	(206) 465-4569
Yes	Executive Managing Director of Development, Northern California	4301 Hacienda Drive, Suite 250 Pleasanton, CA 94588	(925) 226-2466
No	Managing Director of Development, Portland	1111 Main Street, Suite 700 Vancouver, WA 98660	(360) 905-0104
No	Managing Director of Development, Colorado	600 S. Cherry Street, Suite 700 Denver, CO 80246	(720) 250-0542
	Yes Yes Yes Yes No	Asset Management Yes Assistant Secretary Yes President of Development Yes Executive Managing Director, Resource Management Yes Executive Managing Director of Development, Southern California Yes Executive Managing Director of Development, Northern California No Managing Director of Development, Portland No Managing Director of	Asset Management Penver, CO 80246 Yes Assistant Secretary 1675 SW Marlow Ave, Suite 404 Portland, OR 97225 Yes President of Development 1000 Dexter Ave N., Suite 201 Seattle, WA 98109 Yes Executive Managing Director, Resource Management Yes Executive Managing Director of Development, Southern California Yes Executive Managing Director of Development, Northern California No Managing Director of Development, Portland No Managing Director of Southern Street, Suite 700 Vancouver, WA 98660

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

See the affiliated entities in the organization chart (Exhibit 8A). Each entity in the organization chart is managed by HPG Management per the above list of officers.

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 <u>attached</u> financial statements, including, but not necessarily limited to, profit and loss statements and statements of financial position.

CONTRACTOR'S affiliate, Holland Partner Group Investments, LLC, a Washington limited liability company ("<u>HPG Investments</u>"), provides financing for projects undertaken by CONTRACTOR. Attached as <u>Exhibit 14</u> is the Statement of Net Worth and Liquidity of HPG Investments at December 31, 2015. HPG Investments does not prepare a profit and loss statement, although certain of its affiliates do.

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

The tentative plan for financing the project is summarized as follows:

- The project will be owned by a joint venture (either a limited partnership or limited liability company, to be determined) owned by two partners: (a) an affiliate of CONTRACTOR and (b) an affiliate of North America Sekisui House, LLC ("NASH"). NASH is a wholly own by Sekisui House, LTD ("SHL"), which is a public company in Japan and the largest developer of single family housing in that country.
- All or substantially all of the costs of the residential portion of the project will be financed with 80/20 tax exempt bonds. Credit enhancement will be supplied by a letter of credit from an appropriately rated financial institution. The letter of credit will be backed by NASH and/or SHL. Any costs of the residential portion not financed with the bonds will be funded with equity provided by the joint venture.
- The project will quality for 4% Low Income Housing tax credits. The tax credit will not be sold to an investor. Instead, CONTRACTOR and NASH will use the tax credits in their own tax returns as and when available.
- The office portion of the project will be financed by the joint venture with equity contributed by CONTRACTOR and NASH.
- 16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking:

The funding required to meet CONTRACTOR'S equity requirement will come from two sources:

- CONTRACTOR's affiliate, HPG Investments, will supply ten percent (10%) of the required equity. HPG Investment's Statement of Net Worth and Liquidity are included as <u>Exhibit 14</u>.
- NASH will supply ninety percent (90%) of the required equity. NASH is whollyowned by SHL, whose public company financial statement are publicly available.
- 17. Names and addresses of bank references, and name of contact at each reference:

Tyler Lowry PNC Bank 575 Market Street, 28th Floor Mailstop XX-XMSF-28-1 San Francisco, CA 94105

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 _XX_ No

19.			CTOR or anyone reference the past 10 years? Y			e CONTRACTO	R" been convicted of
		es, give for eac med necessary.	ch case (1) date, (2) cha	arge, (3) place	, (4) court, and (5)) action taken. A	ttach any explanation
20.	imp CO	rovement bond NTRACTOR in	(including, but not lads) comparable to size ncluding identification at legal action has been tal	ze of the pr and brief descr	oposed project v iption of each proj	vhich have been	n completed by the
	Тур	e Bond	Project <u>Description</u>		Date of Completion	Amount of Bond	Action on Bond
	Ple	ase refer to]	Exhibit 20.				
21.			TOR, or a parent corpor e development as a cons				
	a.	Name and add	dresses of such contracte	or or builder:			
		CONTRAC Street, Su	Construction, Inc., CTOR, will serve tite 700, Vancouve 5000 East Spring S	as the gene er, WA 98	ral contractor	. HCl's addr Southern Ca	ess is 1111 Main lifornia office is
	b.	to enter into	ntractor or builder within a contract after an awar Yes <u>XX</u> No				
	c.		t of construction or devers: \$ 953,485,307	elopment worl	c performed by su	ch contractor or l	ouilder during the last
		General descr	ription of such work:				
		bonding com- state whether	pject, including location, panies involved, amour r any change orders v ne project, including a de	nt of contract, were sought,	date of commendamount of change	ement of project e orders, was l	, date of completion, itigation commenced
		Please refe	er to <u>Exhibit 21C.</u>				

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

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

			Date to be
Development	Location	<u>Amount</u>	Completed
8 th & Spring	Los Angeles, CA	\$110.7M	August 2018
732 & Spring	Los Angeles, CA	\$110.5M	November 2018
Apex Phase II	Los Angeles, CA	\$117.4M	January 2019
Bixel	Los Angeles, CA	\$139.7M	February 2018
St Vibiana	Los Angeles, CA	\$ 51.2M	April 2017
970 Denny	Seattle, WA	\$162.1M	October 2018
Westlake	Seattle, WA	\$163.8M	September 2017
810 Dexter	Seattle, WA	\$ 67.8M	June 2016
17 Wewatta	\Denver, CO	\$178.5M	March 2018
Orenco West	Hillsboro, OR	\$ 41.5M	July 2016
Parkside	Denver, CO	\$ 36.9M	May 2018
135th & Scholls Ferry	Tigard, OR	\$ 30.7M	November 2017
1202 Harrison	Seattle, WA	\$ 60.0M	October 2017

Date to be

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

Awarding Agency Amount Date Opened
None

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

Holland Construction, Inc. ("HCI") is a full service general contracting firm, specializing in multi-family and commercial construction activities, while operating in an owner-builder model. Its operations are supported by a team of approximately 190 industry leading construction professionals, located in its five operating regions of Denver, Northern CA, Portland, Seattle and Southern CA. Several of its Executive team members have in excess of 20 years' operating in the model. HCI subcontracts the work to a prequalified team of subcontractors in each of its regions. It leads all preconstruction planning, design and document control activities in the owner-builder model, then followed by well managed construction activities. Through an affiliate, Holland Construction Management, LLC, it also provides construction management services in the owner-builder project delivery model.

HCI's current annual in-place revenues are projected to be in excess of \$400M in the near term years (plus CM project oversight in excess of \$100M per year.) Its current GC backlog of contracted work yet to be performed is approximately \$860M, plus CM related construction management. Its current net worth is approximately \$13.5M.

HCI has substantial experience in the construction of residential properties. Since 2011, HCI has completed construction of 29 residential projects with a total of 6,466 units, have another 13 projects with a total of 4,658 units under construction and another 13

projects with a total of 3,331 units under pre-construction activities. It has also constructed a 150,000 sf office building and a 320,000 sf warehouse distribution facility in this time period. Many of its tenured staff have equal or greater experience in commercial construction, while also in an owner-builder model.

HCI was recently named the 7th largest apartment general contractor by the National Multifamily Housing Council. As a result of its 2014 in place production, it ranked number 180 in the nationally ranked ENR Top 400 Contractors and number 39 in the ENR Top 100 Green Contractors.

HCI has NEVER failed to complete the construction of a project.

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

Please refer to the response provided for Item 22.

25. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation? ____Yes _XX_ No

None

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

CONTRACTOR'S INSURANCE AGENT:

Lockton Companies 8110 E. Union Ave., Suite 700 Denver, CO 80237 Attn: Matt Goss (303) 414-6215

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

Check coverage(s) carried:

Please refer to Exhibit 26A for a copy of an Insurance Certificate naming San Diego Housing Commission as additional insured.

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)]
Che	ck coverage(s) carried:
	Comprehensive Form Owned Hired Non-Owned
c.	Workers Compensation [Attach certificate of insurance showing the amount of coverage and coverage period(s)]
d.	Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)]
e.	Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]
f.	Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]
CON pers hand emp mari follo	NTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, NTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, on, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, dicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are loyed, and that employees are treated during employment, without regard to their race, age, sexual orientation, ital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the owing: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and ction for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places,

28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the COMMISSION, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the COMMISSION, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.

available to employees and applicants for employment, notices to be provided by the COMMISSION setting forth

29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the COMMISSION, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the

the provisions of this nondiscrimination clause.

27.

assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

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

Government Entity

Making Complaint

None

Resolution

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

None

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:

Governmental	Description	License	Date Issued Status	Revoca	ation
Agency	of License	<u>Number</u>	<u>(original)</u>	(current)	yes/no)
State of Californ	ia Class B	944880	3-25-2010	current	no
Contractor's Stat	te				
License Board					

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

None

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

CONTRACTOR and its affiliates have substantial experience in the development, construction, operating and management of residential properties. Since 2011, CONTRACTORS and its affiliates, have completed construction of 29 residential projects with a total of 6,466 units, have another 13 projects with a total of 4,658 units under construction and another 13 projects with a total of 3,331 units under preconstruction activities. It has also constructed a 150,000 sf office building and a 320,000 sf warehouse distribution facility in this time period. Many of its tenured staff have

equal or greater experience in commercial construction, while also in an owner-builder model.

CONTRACTOR and its affiliates have successful financed construction of 13 residential projects and two office projects with NASH. The two firms have a healthy working relationship that will benefit this project.

CONTRACTOR's affiliated group of companies was recently named the 8th largest apartment developer and 7th largest apartment general contractor by the National Multifamily Housing Council.

CONTRACTOR and its affiliates have NEVER failed to close on the purchase of land after going hard on deposits and have NEVER failed to complete the construction of the project.

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

None

Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, been the subject of a complaint filed with the Contractor's State License Board (CSLB)? ___ Yes _X_ No

Proposed subcontractors have not been identified.

If yes, explain:

None

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?

Proposed subcontractors have not been identified.

Yes	XX	No

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

Name: Michael Johnson

Address: 1301 3rd Ave, San Diego, CA 92101

Phone: (619) 239-2353

Project Name and Description: 15th & Market. This is a 235 unit multifamily project located in East Village neighborhood in downtown San Diego.

Name: Clint Walker

Address: 17752 Metzler Ln, Huntington Beach, CA 92647

Phone: (714) 709-6131

Project Name and Description: Bella Terra, 1111 Wilshire, La Brea Gateway

Name: Jim Gates

Address: 232 E Arrow HWY San Dimas, CA 91773

Phone: <u>(951)</u> 453-3999

Project Name and Description: 1111 Wilshire, Bella Terra, 15th & Market, La Brea Gate Way

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

Please refer to response provided for Item 22.

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

Joseph Policicchio: Lead Superintendent

Joseph has 34 years' experience in the construction industry, ranging from parking structures, hotels and high-rise residential with over 1,200 units of condo's, offices to prisons and casinos, both steel and concrete. He has extensive field and management experience with a variety of multi-million dollar projects and is a tradesman having been in the carpenters union for 23 years. In addition, he works extremely well with clients, state/local agencies, community members and architectural professionals, as well as trade contractors.

Joe, in his role as Lead Superintendent, is responsible for the successful field execution of the construction phase of a project. This includes scheduling of materials, labor and monitoring field personnel and subcontractors' performance. He is directly involved in the coordination of manpower assignments and implementation of the corporate safety program. He delivers satisfied clients by engaging all stakeholders and managing quality of work that leads to timely completion of Punch List and fast Project Closeout, providing effective communication that results in no surprises to Owner, and meeting schedule obligations (and updating schedule in a timely manner).

Project list available upon request.

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

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

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

Executed this 11th day of May, 2016, at San Diego, California.

Holland Development, LLC

By: Holland Partner Group Management, LLC its Manager

Thomas D. Warren

Executive Managing Director

ACKNOWLEDGMENT

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 Californ	nia)					
On May 11, 2016	before me. Lisa Est	trada McGuire, Notary Public				
	(inse	ert name and title of the officer)				
personally appeared The	omas D. Warren					
who proved to me on the b subscribed to the within ins his/her/their authorized cap	who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same i his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.					
I certify under PENALTY C paragraph is true and corre		of the State of California that the foregoing				
WITNESS my hand and of	ficial seal.	LISA ESTRADA MCGUIRE Commission # 2065001 Notary Public - California Los Angeles County My Comm. Expires Apr 19, 2018				
Signature ###	· v //// (Sea	al)				

EXHIBIT 6



Secretary of State

I, SAM REED, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF FORMATION

to

HOLLAND DEVELOPMENT I, LLC

a/an WA Limited Liability Company. Charter documents are effective on the date indicated below.

Date: 9/11/2008

UBI Number: 602-862-859

APPID: 1248750



Given under my hand and the Seal of the State of Washington at Olympia, the State Capital

Sam Reed, Secretary of State

Address

CORPORATIONS DIVISION 801 CAPITOL WAY SOUTH • PO BOX 40234 OLYMPIA, WA 98504-0234

BE SURE TO INCLUDE FILING FEE. Checks ATE OF WARRED: CORPO

CORPORATION NUMBER

Important! Person to contact about this filing Daytime Phone Number (with area code) Kenneth R. Haglund, Jr.

State _

(503) 221-7306

CERTIFICATE OF FORMATION

NAME OF LIMITED LIABILITY COMPANY (LLC) (Must contain the word	"Limited Liability Company" "Limited Liability Co " "L L C " or "LLC")		
Holland Development I, LLC			
ADDRESS OF LLC'S PRINCIPAL PLACE OF BUSINESS			
Street Address (Required) 1111 Main Street, Suite 7	50 _{City} Vancouver state WA _{ZiP} 98660		
PO Box (Optional Must be in same city as street address)	ZIP (II different than street ZIP)		
EFFECTIVE DATE OF LLC (Specified effective date may be up to 90 day	s AFTER receipt of the document by the Secretary of State)		
Specific Date: X Upon I	ling by the Secretary of State		
DATE OF DISSOLUTION (If applicable)	MANAGEMENT OF LLC IS VESTED IN ONE OR MORE MANAGERS		
	X Yes No		
>>> PLEASE ATTACH ANY OTHER PROVISIONS THE LLC ELECTS TO INCLUDE <<<			
NAME AND ADDRESS OF WASHINGTON STATE REGISTERED AGEN	Т		
Name FPS Corporate Services, Inc.			
Street Address (Required) 1111 3rd Ave., Suite 340	00 City Seattle State WA ZIP 98101		
PO Box (Optional – Must be in same city as street address)	ZIP (If different than street ZIP)		
I consent to serve as Registered Agent in the State of Washington for the above named LLC. I understand it will be my responsibility to accept Service of Process on behalf of the LLC; to forward mail to the LLC; and to immediately notify the Office of the Secretary of State if I resign or change the Registered Office Address.			
FPS Corporate Services, Inc.			
By: Drew	Ognall, Vice President 9/3/08 ted Name Date		
Signature of Nobel Prin	ied Name Daie		
NAMES ADDRESSES OF EACH PERSON EXECUTING THIS CERTIFICATE (II necessary, altach additional names and addresses)			
	Signature Kannoo & Holland		
601 SW 2nd Avenue, Suite 1800	City Portland State OR ZIP 97204		
Printed Name	Signature		
Address	City State ZIP		

City

02.17

Secretary of State

I, SAM REED, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF EXISTENCE/AUTHORIZATION OF

HOLLAND DEVELOPMENT, LLC

I FURTHER CERTIFY that the records on file in this office show that the above named Limited Liability Company was formed under the laws of the State of WA and was issued a Certificate Of Formation in Washington on 9/11/2008.

I FURTHER CERTIFY that as of the date of this certificate, HOLLAND DEVELOPMENT, LLC remains active and has complied with the filing requirements of this office.

Date: March 14, 2011

UBI: 602-862-859

Given under my hand and the Seal of the State of Washington at Olympia, the State Capital

-1)

Sam Reed, Secretary of State

STATE OF WASHINGTON



HOLLAND DEVELOPMENT, LLC

FPS CORPORATE SERVICES INC 1111 3RD AVE STE 3400 SEATTLE WA 98101-3299

AMENDMENT

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal, hereby certify that documents meeting Washington statutory requirements have been filed and processed with the Secretary of State on behalf of:

HOLLAND DEVELOPMENT, LLC

A Washington Limited Liability Company

UBI: 602 862 859

Filing Date: September 17, 2008 Effective Date: September 17, 2008

Previous Name:

HOLLAND DEVELOPMENT I, LLC



Given under my hand and the seal of the State of Washington at Olympia, the State Capital.

Sam Reed, Secretary of State

ARTICLES OF AMENDMENT LIMITED LIABILITY COMPANY

FILED

rPer Chapter 25 15 FC Wi FEE: \$30.00

CORPORATIONS DIVISION

FILEU

- rill type or print in black ink

- Checks made payable to 'Secretary of State'

- Sign, date and return original to SEP 1 7 2000 EXPEDITED (24-HOUR) SERVICE AVAILABLE - \$20 PER ENTITY INCLUDE FEE AND WRITE "EXPEDITE" IN BOLD LETTERS ON OUTSIDE OF ENVELOPE

E01 CAFITOL WAY SOUTH • PO BOX 40234 OLYMPIA WA 98504-0234 STATE OF WASHINGTON

Daytime Phone Number (with area code) IMPORTANT! Person to contact accur this filing 503-221-7790 Kenneth R. Haglund Jr. Emas Andress haglk@fosterpdx.com ARTICLES OF AMENDMENT US! NUMBER NAME OF LIMITED LIABILITY COMPANY 602-862-859 Holland Development I, LLC AMENDMENT(S) The text of each adopted amendment is as follows Article 1: The name of this limited liability company is Holland Development, LLC EFFECTIVE DATE OF AMENDMENT (Specified effective date may be up to 90 days AFTER receipt of the document by the Secretary of State) Specific Date Upon Filing by the Secretary of Stare SIGNATURE OF MEMBER OR MANAGER penalities of perjury, and is, to the best of my knowledge, true and correct. This document is hereby executed unger Clyde P. Holland, Jr. Member

IMPORTANT! This form must be filled out in its entirety and returned with the appropriate payment for filing, if you have questions about the requested information on the form please contact our customer assistance at:

Printed Title

Printed Name

nber or Manager

CUSTOMER ASSISTANCE - http://secstate.wa.gov/corps/ or 360/753-7115 (TDD - 360/753-1485)

State of California

Secretary of State

CERTIFICATE OF REGISTRATION

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That on the 14th day of March, 2011, HOLLAND DEVELOPMENT, LLC, complied with the requirements of California law in effect on that date for the purpose of registering to transact intrastate business in the State of California; and further purports to be a limited liability company organized and existing under the laws of Delaware as HOLLAND DEVELOPMENT, LLC and that as of said date said limited liability company became and now is duly registered and authorized to transact intrastate business in the State of California, subject, however, to any licensing requirements otherwise imposed by the laws of this State.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of April 5, 2011.



Jehn Bowen

DEBRA BOWEN Secretary of State

LLC-5

Application to Register a Foreign Limited Liability Company (LLC)

To register an LLC from another state or country in California, fill out this form, and submit for filing along with:

- A \$70 filing fee,
- A certificate of good standing from the agency where your LLC was formed originally, and
- A separate, non-refundable \$15 service fee, if you drop off the completed form.

Importanti LLCs in California may have to pay a minimum \$800 yearly tax to the Franchise Tax Board.

LLCs that provide professional services cannot register in California.

201108910147

in the office of the Secretary of State of the State of California

MAR 1 4 2011

. This Space For Office Use Only

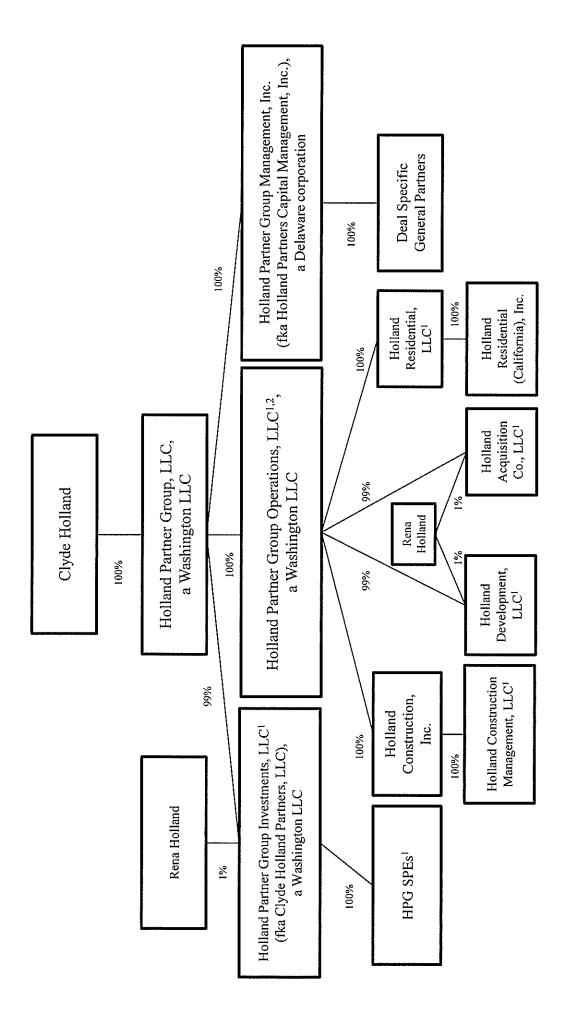
_	n, go to www.sos.ca.gov/business/be/fil.	ing-tips.htm	
Name to be used for this LLC in Callforni	la		
Holland Development, LLC			
"Limited Liability Co.," "bank," "trust," "truste	ime: must end with <u>one</u> of these terms: "LLC," "L " "Ltd. Liability Co." or "Ltd. Liability Company;" a e," "incorporated," "inc.," "corporation," or "corp.," '	and may not include the	iese words:
② LLC History			. ,
 a. If the proposed LLC name you listed above if of good standing), list the complete LLC name. 	is different than the LLC name you use no ne used now:	w (as listed on you	r certificate
b. Date your LLC was formed (MM, DD, YYYY)	: September 11,	2008	
c. State or country where your LLC was formed	:Washingtor)	
d. Your LLC currently has powers and privilege:	s to conduct business in the state or count	ry listed above.	
Service of Process List a California resident or a qualified 1505 comprocess in case your LLC is sued. You may list an	ny adult who lives in Califomia. You may n	our agent to accept not list an LLC as yo	service of ur agent.
a. Agent's name: National Registered Agents,	Inc.		
If the agent you listed above is a California reside	ent (not a corporation), list that person's ad	dress:	
b. Agent's address:		CA	
street address	city (no abbraviations)	state zıp	_
If the agent listed above has resigned or cannot of State will be appointed the agent for service of	process for your LLC.	npts, the California	Secretary
LLC Address	p		
a. List address for your LLC's headquarters:			
1111 Main Street, Suite 750	Vancouver	WA	98660
street address	city (no abbrevialions)	state zip	
b. List address for your LLC's main office in Cali	ifornia, if any:	·	
·	•	CA	
street address	city (no abbreviations)	state zip	
S Read and sign below:	7		
I declare that I am the person who signed this fe	orm, and that I am authorized to do so u	nder the laws of the	e state or
country where this LLC was formed.			
100	March 10, 2011		
Sign here	Date		
Ciyde Holland	Manager		
Print your name here	Your business title		
Make check/money order payable to: Secretary of State	By Mali	Drop-Off	
We can give you up to 2 free certified copies of	Secretary of State	Secretary of S	State
your filed form if you submit up to 2 completed	Business Entities, P.O. Box 944228,	1500 11th St., 3r	d Floor,

Sacramento, CA 94244-2280

copies of this form (with all attachments).

Sacramento, CA 95814

EXHIBIT 8A



Managed by Holland Partner Group Management, Inc. HPG Operations has elected to be taxed as an S corporation, but remains an LLC in structure. -: ~:



UNANIMOUS WRITTEN CONSENT TO ACTIONS

BY THE BOARD OF DIRECTORS OF

HOLLAND PARTNER GROUP MANAGEMENT, INC.

The undersigned, being all of the members of the Board of Directors of Holland Partner Group Management, Inc., a Delaware corporation (the "<u>Corporation</u>"), desire to take the actions set forth below without a duly and legally called meeting, effective as of January 29, 2016:

1. The following twelve persons are hereby elected and confirmed as members of the Investment Committee and Executive Committee, with each to serve at the pleasure of the Board of Directors, until removed by the Board of Directors:

Clyde P. Holland, Jr.	Mark Bates	Bob Coppess
Tony D'Alto	Jeffery J. Dickerson	Sam Giannini
Mike Grippi	Joel S. Kaplan	Tom Parsons
Judy Schneider	Thomas D. Warren	John Wayland

2. The following persons are hereby elected and confirmed as officers of the Corporation, with each to serve at the pleasure of the Board of Directors, until removed by the Board of Directors:

<u>Name</u>		Offices
Clyde P. Holland, Jr.	*	Chairman of the Board, Chief Executive Officer and President
Rena Holland	*	Executive Vice President
Tony D'Alto	+	President of Property Management
Mark Bates	*	Executive Managing Director and Chief Financial Officer; Secretary; and Chairman of the Investment Committee
Robert Coppess	+	Executive Managing Director of Redevelopment
Jeffery J. Dickerson	+	President of Construction
Sam Giannini	+	Senior Vice President of Field Operations
Mike Grippi	*	President of Investments and Asset Management
Joel S. Kaplan	N/A	Assistant Secretary

4813-1937-9746, v. 1

<u>Name</u>		<u>Offices</u>
Tom Parsons	*	President of Development
Judy Schneider	*	Executive Managing Director, Resource Management
Thomas D. Warren	*	Executive Managing Director of Development, Southern California
John Wayland	+	Executive Managing Director of Development, Northern California
Dennis Allen	+	Managing Director of Development, Portland
Reed Ruck	+	Managing Director of Development, Colorado

- 3. The Investment Committee shall have the sole authority, on behalf of the Corporation to approve: (a) all acquisitions and dispositions of real property, decisions to develop or redevelop real property, decisions to finance or refinance real property, and other substantial projects to be undertaken by the Corporation and any of its affiliates, whether in its own capacity or in its capacity as a member, manager, general partner, limited partner or other capacity of one or more intermediate entities (each an "Project"); and (b) the final development or redevelopment budget for each Approved Project (each an "Budget").
- 4. A Project may be approved (each an "Approved Project") and a Budget may be approved (each an "Approved Budget") only by a Quorum of the Investment Committee. A Quorum of the Investment Committee requires either (a) a meeting (including participation in person, by telephone or by video conference) of not less than nine members of the Investment Committee, provided that Clyde P. Holland, Jr. is one of the attendees or (b) a unanimous written consent of all of the members of the Investment Committee. A meeting (including participation in person, by telephone or by video conference) of the Investment Committee may be called by any member of the Investment Committee on not less than 24 hours' written notice (including by email).
- 5. Each officer designated with an asterisk (*) is authorized and directed to cause the Corporation (and any affiliates of the Corporation) to take all actions required to enable the Corporation, in its own capacity and in its capacity as a member, manager, general partner, limited partner or other capacity of one or more affiliated and/or intermediate entities, to enter into and to execute and deliver all documents, agreements and instruments evidencing, governing, securing or relating to each Approved Project, consistent with the applicable Approved Budget. The foregoing authority of each such officer includes, without limitation, authority with respect to the acquisition, financing, development, construction, management, operation and disposition of each Approved Project, and the authority to determine the form and substance of all instruments, documents, or certificates which may be required or advisable in connection with the Approved Project, which approval shall be evidenced conclusively by such officer's execution thereto.

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4813-1937-9746, v. 1

- 6. Each officer designated with a plus sign (+) is authorized and directed to cause the Corporation (and any affiliates of the Corporation) to take all actions required to enable the Corporation, in its own capacity and in its capacity as a member, manager, general partner, limited partner or other capacity of one or more affiliated and/or intermediate entities, to enter into and to execute and deliver all documents, agreements and instruments evidencing, governing, securing or relating to the development, construction, redevelopment or operation of each Approved Project that is within the named officer's geographic region or area of responsibility, consistent with the applicable Approved Budget. The foregoing authority of each such named Vice President includes, without limitation, authority with respect to the acquisition, development, construction, redevelopment and operation (but not financing or refinancing) of each Approved Project and the authority to determine the form and substance of all instruments, documents, or certificates which may be required or advisable in connection with the acquisition, development and construction of an Approved Project, which approval shall be evidenced conclusively by the Vice President's execution thereto.
- 7. Each Secretary and Assistant Secretary is authorized to certify and verify: (a) the form of specimen signatures of any officer; (b) true copies of written consents related to Approved Projects and Approved Budgets and other resolutions of the Corporation and any of its affiliated and/or intermediate entities; and (c) true copies of any document or instrument related to an Approved Project.
- 8. All prior resolutions and actions of the Corporation concerning the election or appointment of officers, and related to their respective authority, are hereby superseded, and persons who in the past have been elected or appointed officers but are not listed above are deemed to be removed from all offices and capacities related to the Corporation and its affiliates.

[Signature Page Follows]

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Robert Coppess	Tony D'Alto
Jeffery J. Dickerson	Sam Giannini
Mike Grippi	Joel S. Kaplan
Tom Parsons	Judy Schneider
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Jeffery J. Dickerson	Sam Giannini
Mike Grippi	Joel S. Kaplan
Tom Parsons	Judy Schneider
Thomas D. Warren	John Wayland

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Robert Coppess	Tony D'Alto				
Jeffery J. Dickerson	Sam Giannini				
Mike Grippi	Joel S. Kaplan				
Tom Parsons	Judy Schneider				
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Mike Grippi	Joel S. Kaplan
Tom Parsons	Judy Schneider
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EXHIBIT 14



HOLLAND PARTNER GROUP INVESTMENTS, LLC STATEMENT OF NET WORTH AND LIQUIDITY AS OF DECEMBER 31, 2015

HOLLAND PARTNER GROUP INVESTMENTS, LLC STATEMENT OF NET WORTH AND LIQUIDITY SUMMARY COMBINING SCHEDULE AS OF DECEMBER 31, 2015 (UNAUDITED)

	Holland Partner Group Investments, LLC Holding Company		Real Estate Operating Properties		Real Estate Under Development		Combined	
Current assets								
Cash	\$	13,076,352	\$	2,913,428	\$	288,847	\$	16,278,627
Restricted cash		-		807,324		-		807,324
A/R, net		_		452,431		247,862		700,293
Other current assets		-		390,366		-		390,366
Total current assets		13,076,352		4,563,549		536,709		18,176,610
Investments in real estate, at estimated fair value		-		359,737,342		139,049,820		498,787,162
Total assets	\$	13,076,352	\$	364,300,891	\$	139,586,529	\$	516,963,772
Current liabilities	\$	-	\$	3,667,171	\$	81,528	\$	3,748,699
Mortgages and notes payable		-		272,095,484	·	44,688,026	•	316,783,510
Total liabilities		*		275,762,655		44,769,554		320,532,209
Collateral value available to support								
guarantee obligations		13,076,352		88,538,236		94,816,975		196,431,563
	\$	13,076,352	\$	364,300,891	\$	139,586,529	\$	516,963,772

HOLLAND PARTNER GROUP INVESTMENTS, LLC STATEMENT OF NET WORTH AND LIQUIDITY INVESTMENTS IN REAL ESTATE OPERATING PROPERTIES AS OF DECEMBER 31, 2015 (UNAUDITED)

	Holland Investment Fund IV	Holland Partners 191 li	Bixel House Apartments	Bellagio Apartments	1111 Wilshire Apartments	Coppins Well	Line 28 at LoHi	Platform 14
Current assets Cash Restricted cash A/R, net Other current assets Total current assets	\$ 254,991 145,936 5,898 29,296 436,121	\$ 76,252 109,119 3,093 11,401 199,865	\$ 127,290 85,779 176,682 8,056 397,807	\$ 23,938 2,822 167 1,870 28,797	\$ 97,971 105,390 2,745 15,115 221,220	S 119,653 (21,386) 79,096 68,536 245,899	\$ 146,892 173,675 5,140 17,469 343,176	\$ 47,000 \$ 13,094 421 13,350 73,866
Investments in real estate, at estimated fair value Total assets	14,817,500 \$ 15,253,621	7,500,238	4,913,567 \$ 5,311,374	3,063,227	17,215,887 \$ 17,437,107	74,392,269 \$ 74,638,168	26,696,539 \$ 27,039,715	5,913,938 S 5,987,804 S
Current liabilities Mortgages and notes payable	\$ 163,296 8,557,999	\$ 100,542 4,531,750	\$ 39,528 974,471	\$ 11,746 983,510	S 123,687 11,527,522	\$ 1,398,271 74,392,269	\$ 377,750 19,600,000	S 23,913 S 1,699,784
Total liabilities Collateral value available to support guarantee obligations	6,532,326 \$ 15,253,621	3,067,811 \$ 7,700,103	1,013,999 4,297,375 S 5,311,374	995,256 2,096,768 \$ 3,092,024	5.785,898 5 17,437,107	75,790,540 (1,152,372) \$ 74,638,168	7,061,965 S 27,039,715	1.723,697 4,264,107 \$ 5,987,804

HOLLAND PARTNER GROUP INVESTMENTS, LLC STATEMENT OF NET WORTH AND LIQUIDITY INVESTMENTS IN REAL ESTATE OPERATING PROPERTIES AS OF DECEMBER 31, 2015 (UNAUDITED) - CONTINUED

Current assets	Wyndham ! &	<u> </u>	Domaine		Brenchley Estates		arrick Bend		Platform at nion Station		MileHouse	_	Orenco Podiums	Lin	coln Station	
Cash Restricted cash A/R, net Other current assets Total current assets	\$ 83,61 14,11 3,30 14,42 115,45	4 3 9	56,189 106,054 1,121 - 163,365	\$	334,565 3,850 (170) 5,032 343,267	\$	16,141 - 39,646 - 55,787	\$	77,874 2,693 160 - 80,727	\$	66,804 7,178 765 2,267 77,014	\$	36,060 2,411 91 1,551 40,113	\$	87,180 6,012 61,562 7,643 162,397	\$
investments in real estate, at estimated fair value	6,560,57		2,425,500		4,231,500		9,059,055		3,927,576		7,481,453		5,549,046		17,722,980	
Total assets	\$ 6,676,03	<u>s</u>	2,588,865	\$	4,574,767	\$	9,114,842	\$	4,008,303	S	7,558,467	\$	5,589,159	s	17,885,377	S
Current liabilities Mortgages and notes payable	\$ 51,22 2,159,19		37,713 1,696,500	s	60,998 1,711,743	s	2,161,546	\$	11,620 1,037,886	\$	51,064 510,184	\$	3,520 1,005,500	s	125,177 16,178,658	s
Total liabilities	2,210,42	3 _	1,734,213		1,772,741		2,161,546	_	1,049,506		561,247	_	1,009,020	_	16,303,835	
Collateral value available to support guarantee obligations	4,465,61 \$ 6,676,03		854,651 2,588,865	\$	2,802,026 4,574,767	\$	6,953,296 9,114,842	\$	2,958,798 4,008,303	<u>s</u>	6,997,220 7,558,467	\$	4,580,139 5,589,159	s	1,581,542 17,885,377	<u>s</u>

HOLLAND PARTNER GROUP INVESTMENTS, LLC STATEMENT OF NET WORTH AND LIQUIDITY INVESTMENTS IN REAL ESTATE UNDER DEVELOPMENT AS OF DECEMBER 31, 2015 (UNAUDITED)

	S	pring Street		Cameron	;	St. Vibiana	Belleview ation Block B		Apex		810 Dexter	
Current assets								_	<u> </u>			_
Cash	\$	6,054	s	16,057	\$	6,131	\$ 10,064	\$	76,300	\$	10,139	\$
Restricted cash		-		-		=	•		-		-	
A/R, net		25,459		89,565		27,336	8,937		-		10,223	
Other current assets				-		-			-		-	
Total current assets		31,514		105,622		33,467	19,002		76,300		20,363	
Investments in real estate, at estimated fair value		17,922,426		1,720,844		1,699,971	3,191,587		28,523,603		23,575,759	
Total assets	\$	17,953,940	\$	1,826,466	\$	1,733,438	\$ 3,210,589	\$	28,599,903	\$	23,596,122	<u>\$</u>
Current liabilities	\$	4,398	s	-	\$	3,754	\$ 4,541	\$	52	\$	12,619	\$
Mortgages and notes payable		409,099		1,020,229		117,180	567,240		21,110,003		1,003,400	
Total liabilities		413,498		1,020,229		120,933	 571,781		21,110,055		1,016,019	_
Collateral value available to support												
guarantee obligations		17,540,442		806,237		1,612,505	2,638,807		7,489,848		22,580,103	
	\$	17,953,940	\$	1,826,466	\$	1,733,438	\$ 3,210,589	\$	28,599,903	S	23,596,122	<u>\$</u>

HOLLAND PARTNER GROUP INVESTMENTS, LLC STATEMENT OF NET WORTH AND LIQUIDITY INVESTMENTS IN REAL ESTATE UNDER DEVELOPMENT AS OF DECEMBER 31, 2015 (UNAUDITED) - CONTINUED

	В	lixel & Lucas	We	estiake Steps	enco Station /est Podium	•	970 Denny	Mino	or & Pontius	ı	Parkside	
Current assets												_
Cash	\$	16,052	\$	79,980	\$ 10,068	\$	1,692	s	2,697	s	2,250	\$
Restricted cash		•			-		-		-			·
A/R, net		14,101		48,664	6,678		-					
Other current assets		-		-	-		-		•		-	
Total current assets		30,152		128,644	16,747		1,692		2,697		2,250	
Investments in real estate, at estimated fair value		17,071,410		9,846,443	2,946,974		4,669,587		751,121		813,303	
Total assets	\$	17,101,562	\$	9,975,087	\$ 2,963,721	\$	4,671,279	\$	753,818	s	815,553	\$
Current liabilities	\$	6,230	\$	10,016	\$ 4,163	\$	15	s	_	s	-	\$
Mortgages and notes payable		999,433		613,266	372,130		167,246		181,515	-	355,438	Ť
Total liabilities		1,005,663		623,282	 376,293		167,261		181,515		355,438	_
									-			
Collateral value available to support guarantee obligations		16,095,899		9,351,806	2,587,427		4,504,018		572,303		460,115	
	\$	17,101,562	\$	9,975,087	\$ 2,963,721	\$	4,671,279	\$	753,818	\$	815,553	-\$

NOTE 1 - BUSINESS ACTIVITIES

Holland Partner Group Investments, LLC ("HPGI" or the "Company") is in the business of developing, constructing, owning, repositioning and managing real estate projects. Each real estate partnership that HPGI owns a direct interest in a multi-family community is reported and valued as outlined below.

NOTE 2 - BASIS OF PRESENTATION

This Statement of Net Worth and Liquidity ("Statement") does not purport to present assets, liabilities and net worth in accordance with accounting principles generally accepted in the United States of America, nor does it purport to present fair market value.

This Statement reflects only HPGI's interest in available collateral value entities and related liabilities of HPGI. It does not reflect any other business transactions or personal assets or liabilities of any member of the Company, including income tax liabilities.

For purposes of this Statement, assets are presented at an estimated value as described in Note 5. Actual market values may vary depending on local market conditions. The collateral value for an entity has been decreased for significant liabilities of the entity known to have been incurred but not yet recorded. The collateral value for an entity has also been increased or decreased for return on capital promoted interest agreement amounts, if applicable, based upon the investment's estimated value. Additionally, collateral values for entities have been increased or decreased based on the fair value of the mortgages and notes payable associated with the entity as the associated mortgages and notes payable have an impact on the fair value of the investment in real estate properties.

NOTE 3 - RESTRICTED CASH

Restricted cash consists of tenant security deposits held, lender required replacement reserves and reserves for property taxes and insurance.

NOTE 4 – OTHER CURRENT ASSETS

Other current assets consist of prepaid expenses and deposits.

NOTE 5 - INVESTMENTS IN REAL ESTATE PROPERTIES

HPGI's interest in each entity listed on the Statement reflects its proportionate share of the net value of the real estate project and other assets owned by the entity or another entity in which it has an interest, as applicable. HPGI's interest in an entity may be subject to agreements restricting or prohibiting the transfer of HPGI's interest. In addition, the disposition of a non-controlling interest in an entity could generate proceeds less than the proportionate net asset value of the entity, reflecting a discount for lack of control over the entity. No adjustments to the collateral values have been made on account of transfer restrictions or discounts for lack of control. The valuations of HPGI's interest in each entity has, however, been adjusted to reflect preferential returns, if any.

In determining the value of HPGI's interest in each entity, the assets were valued at their book or estimated value (as indicated below) when held by a going concern in a stabilized market, net of the fair value of debt or equity investment that is to be returned on a preferred basis, and HPGI's ownership percentage was applied to the resulting value. In estimating the asset values, the following valuation policies were used:

NOTE 5 - INVESTMENTS IN REAL ESTATE PROPERTIES (continued)

Investments in multi-family real estate properties - Investments in multi-family real estate assets are reported at estimated normalized fair values and, as such, depreciation is not recorded. Collateral values are determined by management based on a valuation policy approved by the members. Management has, and on an ongoing basis will review the real estate portfolio to determine fair value based on the financial performance of individual assets and general market conditions. For significant real estate holdings, management may seek appraisals or external updates of previous appraisals for any given year. In determining fair value, appropriate considerations are given to capitalization rates, sales comparables, replacement costs and other estimates of value. The estimation of expected net cash flows is inherently uncertain and is based predominantly on assumptions regarding current and future economic and market conditions. Except as noted below, all stabilized multi-family real estate assets are valued by means of an internal valuation using the considerations described above as of December 31, 2015. Values for development assets that have received certificate of full occupancy but are not stabilized are determined based on the estimated normalized fair market value as of the valuation date, as indicated below. The estimated fair values used to determine the collateral values do not necessarily represent the prices at which the real estate would sell since the market prices of the real estate investments are determined by negotiation between a willing buyer and seller. Actual prices may differ from these fair value estimates. Although the estimated fair values and resulting collateral values represent subjective estimates, HPGI believes these estimated values are reasonable approximations of a stabilized market price for the Company's real estate investments.

The following is a summary of HPGI's investment in multi-family real estate assets:

<u>Holland Investment Fund IV</u> is invested in Holland Holdings IV, LLC a twelve-property portfolio that has acquired properties in Denver, Colorado, Vancouver, Lacey and Everett, Washington, Portland, Oregon and Phoenix, Arizona.

Holland Partners 191 II invested in Holland 191 II, LLC a four-property portfolio that has acquired properties in Portland, Oregon, Denver, Colorado, and Phoenix, Arizona.

<u>Bixel House Apartments</u> is a 77-unit property located in Los Angeles, California. This is a completed redevelopment project which used a tax free-grant from the California Tax Credit Allocation Committee under the US Treasury's TARP program to fully renovate the property. The grant is subject to maintaining compliance with applicable low-income housing tax credit requirements. This investment was valued at cost as of December 31, 2015.

Bellagio Apartments is a 202-unit property located in Scottsdale, Arizona.

1111 Wilshire Apartments is a 210-unit mid-rise project located in the City Central West district of Los Angeles, California. The total net rentable area for residential use is 162,643 square feet. The apartment property consists of a seven-story building (six residential floors over ground floor retail with four levels of parking). There are two levels of above grade parking and two levels of subterranean parking. In addition, there is 7,743 square feet of first floor retail space. The improvements will be situated on 1.09 acres, or 47,480 square feet of land. The final certificate of occupancy was received in the 4th quarter of 2013. Collateral value was determined assuming a sale at the first date after a contractual lockout based on waterfall calculations expected to be in place.

HOLLAND PARTNER GROUP INVESTMENTS, LLC NOTES TO STATEMENT OF NET WORTH AND LIQUIDITY DECEMBER 31, 2015

NOTE 5 - INVESTMENTS IN REAL ESTATE PROPERTIES (continued)

Coppins Well (formerly known as 1200 Madison) is located in the First Hill neighborhood of Seattle, Washington and is a 17-story mixed-use apartment building that contains 237 residential units and 6,824 square feet of street level commercial space. The project also includes 109 parking stalls located in a secured below grade garage. Collateral value was determined assuming a sale at the first date after a contractual lockout based on waterfall calculations expected to be in place.

<u>Line 28 at LoHi</u> (formerly known as Highland Bridge Lofts) is a 130-unit mixed use development in Denver, Colorado. The site is located within the lower Highlands neighborhood, 1 block west of Interstate 25 and ½ mile from the Downtown Denver Light Rail station and the \$5 billion redevelopment of Union Station. Collateral value was determined assuming a sale at the first date after a contractual lockout based on waterfall calculations expected to be in place.

<u>Platform 14</u> (formerly known as Living Green at Orenco Station) is one phase of the Orenco Station Master Association. This project consists of one four-story building containing 166 units and approximately 27,645 square feet of street level commercial space.

Rivet (formerly known as 1201 Mercer) is a 131-unit project located in the South Lake Union area of Seattle. The project features 60 storage lockers and 50 bicycle storage units available for tenants to rent. Final certificate of occupancy was received during the 1st guarter of 2014.

Form 15 (formerly known as 15th & Market) is a 241-unit project located in the East Village of Downtown San Diego within easy walking distance of the Gaslamp District, Petco Park and San Diego CBD.

<u>Ballantyne</u> is a 219-unit project located in Englewood, Colorado, southeast of Denver in Arapahoe County.

Wyndham I & II are two properties totaling 423 units located in Beaverton, Oregon.

Domaine is a 274-unit property located in Wilsonville, Oregon.

<u>Brenchley Estates</u> consists of a 112-unit age restricted property in Wilsonville, Oregon, which received final certificate of occupancy in March of 2015. Collateral value was determined by using the fair value at stabilization as determined by respective 3rd party appraisals based on the waterfall calculations in place.

<u>Carrick Bend</u> (formerly known as Northglenn) is located on 9.01 acres of land and consists of 228 units in nine buildings along with one community building. Carrick Bend received final certificate of occupancy in March of 2015. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

<u>Platform at Union Station</u> (formerly known as Union Station) is a 21-story class-A high-rise project comprised of 288 apartment units with two levels of subterranean parking and 6,000 square feet of ground-level retail space. The project is located at the front door of Union Station in downtown Denver, CO and is within walking distance to the CBD, light rail station and Denver's main bus station. Platform at Union Station received final certificate of occupancy in July of 2015. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

MileHouse (formerly known as Belleview Station) is a 353-unit mixed use project with 32,689 square feet of retail space located in Denver, CO. The project consists of one five-story apartment building with ground-level retail and a parking structure. Final certificate of occupancy was received in July of 2015. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

HOLLAND PARTNER GROUP INVESTMENTS, LLC NOTES TO STATEMENT OF NET WORTH AND LIQUIDITY DECEMBER 31, 2015

NOTE 5 - INVESTMENTS IN REAL ESTATE PROPERTIES (continued)

Orenco Podiums represents two six-story podium style mixed-use buildings with four stories of apartments over two stories of parking and retail space on the street level within the Orenco Station Master Association in Hillsboro, OR. Final certificate of occupancy was received in August of 2015. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

<u>Lincoln Station</u> is a 230-unit class-A apartment building located in Lone Tree, CO. There will be a 4.5-level parking structure and four stories of residential construction. Lincoln Station received final certificate of occupancy in October of 2015. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

<u>Belmar</u> is a 220-unit project located in Lakewood, CO. The project site covers approximately three acres of land and is slated to be a wrap style multi-family complex. Belmar received final certificate of occupancy in December of 2015. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

<u>Brand & Wilson</u> is a 401-unit project consisting of two phases located in Glendale, California. Final certificates of occupancy were received in June of 2015 and January of 2016. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place upon first option to sale.

Investments in real estate projects under renovation or development – Projects under renovation or development were valued at the cost of land plus development costs incurred or the estimated normalized fair market value as of the valuation date, as indicated below.

The following is a summary of HPGI's investment in real estate projects under development:

Spring Street consists of two luxury high-rise apartment complexes totaling 589 units located in Los Angeles, CA, which will also contain 18,090 square feet of retail space. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

<u>Cameron</u> is a 320,795 square foot distribution/manufacturing building located in Portland, OR with good access to Portland International Airport. Collateral value was determined by the cost of acquisition plus development costs incurred as of December 31, 2015.

St. Vibiana is a 6-story luxury apartment development located in Los Angeles, CA, comprised of 238 ground-up units with two levels of sub-grade concrete parking and 4,650 square feet of retail. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

Belleview Station Block B is a 4-story podium project comprised of 325 units and 47,250 square feet of retail space located in Denver, CO. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

Apex is a 26-story high rise project comprised of 341 units with subterranean concrete parking and 11,700 square feet of retail located in Los Angeles, CA. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

HOLLAND PARTNER GROUP INVESTMENTS, LLC NOTES TO STATEMENT OF NET WORTH AND LIQUIDITY DECEMBER 31. 2015

NOTE 5 - INVESTMENTS IN REAL ESTATE PROPERTIES (continued)

810 Dexter is a mid-rise project comprised of 361 units with parking located on 1.43 acres in Seattle, WA. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

<u>La Brea</u> is a 179-unit mixed-use project with 33,274 square feet of retail space located in Los Angeles, CA. This project consists of one four-story, wood framed apartment building with retail at grade and a subterranean concrete parking structure. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

<u>17 Wewatta</u> is a mixed-use development project consisting of 640 residential units in three separate towers and 66,926 square feet of retail space located in the Union Station neighborhood of downtown Denver, CO. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

<u>Bixel & Lucas</u> is an investment in over four acres of land across four separate Los Angeles County Assessor parcels that will consist of 606 ground-up residential units, 42 adaptive reuse units and 20,900 SF of retail space. There is slated to be two levels of subterranean parking and five stories of residential construction. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

Westlake Steps is a 5.5 acre site, with planned development of over 700 units of podium housing, 150,000 square feet of office, and a 79,000 square-foot existing office building to be renovated and repositioned. The site is directly across from South Lake Union with unobstructed views of the lake starting at the 2nd story of the planned development. The existing office building was sold in the 1st quarter of 2015. Collateral value was determined by using the fair value of the remaining phases of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

Orenco Station West Podium represents the West Podium phase of the Orenco Station Master Association in Hillsboro, OR. This project consists of one six-story podium style mixed-use building with four stories of apartments over two stories of parking and retail space on the street level. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

<u>970 Denny</u> is a 40-story high rise project comprised of 461 units with subterranean concrete parking and 11,700 square feet of retail located at the southern edge of the South Lake Union neighborhood in Seattle, WA. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

<u>Minor & Pontius</u> is a 276-unit project consisting of two podium structures located in the Cascade neighborhood of South Lake Union in Seattle, WA. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

<u>Parkside</u> is a mid-rise project comprised of 161 units located in Denver, CO. Collateral value was determined by using the fair value of the project at stabilization as determined by a 3rd party appraisal based on the waterfall calculations expected to be in place.

NOTE 5 - INVESTMENTS IN REAL ESTATE PROPERTIES (continued)

The following Investments were sold to arms-length third parties in 2015. The table lists these Investments, their contracted sale value, along with the valuation used for that Investment in the quarter immediately preceding the Investment using the contracted sale value:

				aluation per Model in attement of Net Worth		ransacted Sale alue Premium /
Property	Tran	sacted Sale Value	O.	and Liquidity	V	(Discount)
Brenchley Estates - Jory Trail	\$	59,000,000	\$	59,000,000	\$	₩
Stone Mountain		51,500,000		51,100,000		400,000
Waters Edge		40,200,000		40,700,000		(500,000)
Monterey		60,000,000		59,900,000		100,000
Union SLU		112,300,000		106,900,000		5,400,000
Tessera		77,900,000		67,500,000		10,400,000
Premiere on Pine		243,350,000		238,150,000		5,200,000
Walden Pond		46,248,000		46,500,000		(252,000)
Silverbrook		23,500,000		23,500,000		-
Hue		41,000,000		37,400,000		3,600,000
Arnada Point		28,100,000		26,900,000		1,200,000
Taluswood		80,465,000		82,400,000		(1,935,000)
Terrene		59,500,000		59,400,000		100,000
True North		125,000,000		107,000,000		18,000,000
Waterhouse		55,000,000		52,400,000		2,600,000
The Berkshire		46,600,000		41,000,000		5,600,000
Totals	\$	1,149,663,000	\$	1,099,750,000	\$	49,913,000

In summary, the sales which occurred did so at a total premium of \$49,913,000 or 4.5% over the estimated value used in the quarter immediately preceding the Investment using the contracted sale value.

NOTE 6 - TAX ON DISPOSITION OF ASSETS

If all of HPGI's interest in the entities listed in the Statement were sold, the members of HPGI might incur a significant federal and state tax liability in the year of sale. Those liabilities have not been estimated in connection with the preparation of this Statement. Any tax liabilities that HPGI may incur would be liabilities of HPGI, not liabilities of the related entities, although HPGI's interest in these entities could be taken to satisfy those liabilities. In addition, determining the potential tax liability that HPGI may incur would involve, among other things, determining HPGI's tax basis in each of the entities, the amount of past operating losses and unused tax credits carried over by HPGI, and HPGI's current income, expenses, gains and losses from assets and activities outside the entities listed in the Statement. Not all of this information was available for the preparation of this Statement.

HOLLAND PARTNER GROUP INVESTMENTS, LLC NOTES TO STATEMENT OF NET WORTH AND LIQUIDITY DECEMBER 31, 2015

NOTE 7 -- CONTINGENT LIABILITY

As an owner of the entities described above, and from time to time as a guarantor of certain debts and other obligations of these entities, HPGI is contingently liable for certain of the obligations of the entities. The obligations for which HPGI is liable could exceed HPGI's estimated collateral value and could deplete those assets if HPGI were called upon to honor these guarantees. No provision is made in this Statement for contingent liabilities.

NOTE 8 - CONFIDENTIALITY AND BUSINESS PURPOSE

This Statement should be considered strictly confidential and is not to be used for any purpose unrelated to financing of HPGI or any related entity.

NOTE 9 - VALUATION

Valuation is an inaccurate science and actual values today and particularly values that may be realized in the future from the ultimate disposition of these assets may differ significantly from those reflected herein. Obviously, the values set forth above are only as valid as the assumptions and limitations set forth in these notes. In addition, because of the size and complexity of the assets described above, some omissions and inaccuracies may well exist.

Subject to the limitations and conditions set forth above, to the best of the Company's knowledge, this Statement is, in all material respects, an accurate statement of the business assets and liabilities in collateral value entities in HPGI as of December 31, 2015.

Clyde P. Holland, Jr. Sole Member of

Holland Partner Group Investments, LLC

2-04

Date

EXHIBIT 20

Exhibit 20

Performance & Payment Bonds active during 3-year period provided by Lockton Companies, LLC

						Current				
Bond	Principal			Bond		Effective	Expiration	Start	Completion	
Number	Name	Obligee	Location	Description	Bond Amount	Date	Date	Date	Date	Litigation
SU1113718	Holland	801	Seattle,	Multifamily	\$48,706,709.00	7/25/2012	10/7/2014	8/15/12	5/1/14	None
	Construction,		WA	Apartment						
	lnc.	Investors,		Building -						
		L.P.		801 Dexter						
SU1113720 Holland	Holland	Union	Denver,	Union	\$63,551,000.00	12/13/2012	12/13/2014	1/24/13	5/22/15	None
	Construction,		8	Station						
	Inc.	Investors,		Apartments						
		L.P.								
SU1113719 Holland	Holland	Belleview	Denver,	Belleview	\$54,983,117.00	10/11/2012 7/24/2015	7/24/2015	11/15/12	3/13/15	None
	Construction,	Block A	9	Station A -						
	lnc.	Retail		5-Level, 353			W25-			
		Investors,		Living Unit						
		L.P.		Multifamily						
				Apartment		OUT OF STREET				
				Building						
					\$167,240,826.00					

EXHIBIT 21C

ProjectName	Region	Type	Name of Owner	Address of Owner	(ED Certification	Onginal Contract	Cange Orden	Start bate	Titleh Date	Trigation
Line 28 Rea: Flightland	Denver	Mkd Rise	RECAP/Hölland Highland Bridge Investors, L.P.	1111 Main St, Ste 700 Vancouver, WA 98660	None	\$	777,206 \$	10/17/11	03/29/13	None
Milehouse fka: Balleview Station Block A	Denver	Mid Rise	Belleview Block A Retail Investors, L.P.	1111 Main St, Ste 700 Vancouver, WA 98660	Residential Silver	\$ \$4.67	\$ 1,093,198	11/15/12	03/15/25	None
The Platform (ka: Union Station	Denver	High Rise	Union Station Investors, L.P.	1111 Main St, Ste 700 Vancouver, WA 98660	1EED GOK	\$ \$	1,856,589	01/24/13	05/22/15	None
Carrick Bend fka: Stone Mountain	Denver	Garden	Keffer Holfand Morthglenn Investors, L.P.	1111 Main St, Ste 700 Vancouver, WA 98660	None	\$ 26.86	\$ 604,240	09/18/13	03/31/15	Mone
Aspect (ka: Uncoln Station	Велуег	Wrap	Lincola Station Investment Partners, LP.	111 Main St, Ste 700 Vancouver, WA .98660	None	31.68	\$ 1,214,766	01/13/14	09/28/15	Nane
Trifecta fra: Belkiar	Бепчег	Wrap & Tuck Under	Belmar Investors, L.P.	1111 Main St, Ste 700 Vancouver, WA 98660	LEED Certified	\$ 30.15	\$ 105,881	04/07/14	10/29/15	None
Terrene at the Grove. flat: Brenchley II	Portland	Garden	Brenchiey Estates Partners Phase 2, L.P.	1111 Main St, Ste 700 Vancouver, WA 98660	None	\$	\$	07/16/12	12/17/33	None
Brenchley SF Lots (South)	Portland	Single Family		1111 Main St. Ste 700 Vancouver, WA 98660	None	\$ 45.01		08/28/12	67/51/50	None
Tessera fkar Orenco Wrap	Portland	Wrap	Orenco Hilisboro Wrap, LP	1111 Main St, Ste 700 Vancouver, WA 98660	Earth Advantage	\$ 40.25	· ·	10/08/12	04/15/14	None
Portera .fla: Brenchley 3	Portland	Mid Rise	Brenchley Estates Partners Phase 3, L.P.	1111 Main St, Ste 700 Vancouver, WA 98660	None	3. (1.17)	·	10/07/13	03/27/15	None
Hub 9 fra: Orenco Central Podium	Portland	Mid Rise	Nash-Holland Orenco Poslum Investors, LLC	1111 Main St, Ste 700 Vancouver, WA 98660	None	\$.	\$ 393,016	10/28/13	51/51/50	None
Rowlock Ker Orenco Podium East	Portland	Mid Rise	Nash-Holland Orenco Posium Investors, LLC	1111 Main St, Ste 700 Vancouver, WA 98660	None	\$	\$ 1,085,958	12/23/13	08/21/15	None
Cameron Sta: Entercom Industrial	Portland	Industrial	Amstar Holland Cameron DC, U.C	1111 Main St. Ste 700 Vancouver, WA 98669	None	\$	\$ 12,083,000	09/01/14	11/13/15	None
Uniton ffa: 901 Dexter	Seattle	Mid Rise	Holland 191 II Dexter LP	1111 Main St, Ste 700 Vancouver, WA 98660	Certified (LEED for Mid-Rise)	45.01		05/23/11	63/00/13	None
Hue. Haz. 717 Dexter	Seattle	Mid Rise	717 Dexter Investors, LLC	1111 Main St, Ste 700 Vancouver, WA 98660	LEED Certified	19'SE \$		10/31/11	51/11/50	None
Premiere on Pine fra:\$15 Pine	Seattle	High Rise	815 Pine Investors, LP.	1111 Main St, Ste 700 Vancouver, WA 98660	Silver	5 1248		21/51/80	02/06/15	None
True North fla: 801 Dexter	Seattle	Mid Rise.	801 Dexter Investors. P.P.	1111 Main St, Ste 700 Vancouver, WA 98660	LEED Certifled	OEES S		21/51/80	PL/10/50	None
Rivet: Ra: 1201 Mercer	Seartle	Mid Rise	1201 Mercer Investors, L.P.	1111 Main St, Ste 700 Vancouver, WA 98660	LEED Cartifled	5.24.88		21/01/60	\$1/E1/E0	None
1111 Washire	Socal	MidRise	RECAP/Holland 1111 Wilshire Investors, LP.	1111 Main St, Ste 700 Vancouver, WA 98660	None	33.96		11/50/90	63/28/13	Nose
The Residence. Ra: Bella Terra	Socal	Wrap	Belfa Terra Villa, LLC	1111 Main St, Ste 700 Vancouver, WA . 98560	Retail Only LEED Silver Page 1 of S.	\$		11/15/01	10/22/13	None

Holland Partner Group Development Deal Flow Updated April 2016

Founts Founts Type Valence of Dwelst Address of Dwelst TERP Centification Original Contract Counter Original Contract Counter Original Contract Counter Original Contract Counter Original Contract Security or Mail Rise Tembrio or Address of Dwelst Tembrio or Address of Address of Dwelst Tembrio or Address of Ad					2	l						
Project Trips Name of Dwinter LEED Cartifications Original Contract Counte Orders Start Date Finish Date SoCal Midd Rise 15th and Market 1111 Main St, Ste 700 Apartments, UP Mone \$ 45.02 10/15/12 10/15/12 10/07/14 SoCal Midd Rise 120 W. Wilson Ave. Apartments, UP 1111 Main St, Ste 700 Apartments, UP Planning for LEED Silver \$ 30.85 \$ 1,925.111 06/01/13 06/30/15	None	04/30/15	03/04/13	3,304,321	44.40	₩.	Planning for LEED Silver	1111 Main St. Ste 700 Vancouver, WA 98660	120 W. Wilson Ave. Apartments, LP	Mid Rise	SoCal	The Brand fka: Phase I Brand & Wilson
Region Trips Name of Dwinter Address of Dwinter LEED Confilication Original Contract Counte Orders Start Date Final Date Social Mild Rice 15th and Market 1111 Main St. Ste 700 Investors, LP None \$ 45.02 10/15/12 10/15/12 10/07/14	None	51/06/90	61/19/99	1,925,111	30.85	ŧ.	Planning for LEED Silver	1111 Main St, Ste 700 Vancouver, WA 98660	120 W. Wilson Ave. Apartments, LP	Mid Rise	SoCal	The Brand fka: Phase II : Orange, & Wilson
Pojet Name Inglon The Name of Owner Advises of Commercial Contract Commercial Sear Date Ingestion Dispersion Sear Date Ingestion	None	10/07/14	10/15/12		45.02	v	None	1111 Main St, Ste 700 Vancouver, WA 98660	15th and Market Investors, LP	Mid Rise	socal	Form 15 Ra: 15th Ave & Market
	Interior	Finish Date	Stations	Crange Orders	Original Contract		(2) LEED Cortification	Address of Damer	Name of Dunier	Typk	Report	Project fame.

EXHIBIT 26A



CERTIFICATE OF LIABILITY INSURANCE

9/1/2016

DATE (MM/DD/YYYY) 5/11/2016

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

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to

	e terms and conditions of the policy ertificate holder in lieu of such endo				ndorse	ment. A stat	ement on th	is certificate does not confe	rights to the
PRO	DUCER Lockton Companies				CONTAI NAME:		,		
	8110 E Union Avenue				PHONE (A/C, No	Evt).		FAX (A/C, No):	
	Suite 700				E-MAIL ADDRE			100011100	
	Denver CO 80237				ADDITE		URER(S) AFFOR	DING COVERAGE	NAIC#
	(303) 414-6000				INSURE		·····	ance Company	27960
INSU	RED Holland Construction Inc.							Inderwriters Inc	19917
139	1087 I 111 Main Street, Suite 500					Rc:Federal			20281
	Vancouver, WA 98660				INSURE		Mistranio	Сотрану	
	,				INSURE		***************************************		
					INSURE				
CO	VERAGES HOLCO00 CER	TIFI	CATE	NUMBER: 1404994				REVISION NUMBER: X	XXXXXX
IN C	HIS IS TO CERTIFY THAT THE POLICIES IDICATED. NOTWITHSTANDING ANY R ERTIFICATE MAY BE ISSUED OR MAY KCLUSIONS AND CONDITIONS OF SUCH	EQUIF PERT	REMEI AIN,	NT, TERM OR CONDITION THE INSURANCE AFFORD	OF AN'	Y CONTRACT THE POLICIES REDUCED BY I	OR OTHER I S DESCRIBED PAID CLAIMS.	OCUMENT WITH RESPECT TO	WHICH THIS
INSR LTR	TYPE OF INSURANCE	ADDL	SUBR	POLICY NUMBER		POLICY EFF (MM/DD/YYYY)	POLICY EXP	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	N	N	G24208928005		9/1/2015	9/1/2016	EACH OCCURRENCE \$ 1.	000,000
л	CLAIMS-MADE X OCCUR			Q24206926003		3/1/2013	J/1/2010	DAMAGE TO DENITED	000,000
								MED EXP (Any one person) \$ 5,	•
	www.ninistee							~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:							GENERAL AGGREGATE \$ 2,	000,000
	POLICY X PRO-								000,000
	OTHER:							\$	
A	AUTOMOBILE LIABILITY	N	N	G24208928005		9/1/2015	9/1/2016	COMBINED SINGLE LIMIT \$ 1,	000,000
	ANY AUTO							1	XXXXXX
	ALL OWNED SCHEDULED AUTOS						:	BODILY INJURY (Per accident) \$ X	XXXXXX
	X HIRED AUTOS X NON-OWNED AUTOS							ODOOCOTI/OMAILOR	XXXXXX
	7.0100								XXXXXX
В	UMBRELLA LIAB X OCCUR	N	N	100005922805		9/1/2015	9/1/2016	EACH OCCURRENCE \$ 2:	5,000,000
	X EXCESS LIAB CLAIMS-MADE								5,000,000
	DED RETENTIONS								XXXXXX
С	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		N	71733391		1/1/2016	1/1/2017	X PER OTH-	
-	ANY PROPRIETOR/PARTNER/EXECUTIVE	N/A						E.L. EACH ACCIDENT \$],	000,000
	(Mandatory in NH)	1111						E.L. DISEASE - EA EMPLOYEE \$ 1.	000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below							E.L. DISEASE - POLICY LIMIT \$ 1,	000,000
DES	CRIPTION OF OPERATIONS / LOCATIONS / VEHIC	LES (A	ACORD	101, Additional Remarks Schedu	le, may b	e attached If mor	e space Is requir	ad)	
CE	RTIFICATE HOLDER				CANO	CELLATION	See Atta	chments	
	14049944 SAN DIEGO HOUSING COMI	MISS	ION		SHO THE	OULD ANY OF	THE ABOVE D	ESCRIBED POLICIES BE CANCE REOF, NOTICE WILL BE DE Y PROVISIONS.	
					AUTHO	RIZED REPRESS	narle	M. MEDamel	

COMMERCIAL GENERAL LIABILITY CG 20 10 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s)
Or Organization(s)

Location(s) Of Covered Operations

Where allowed by law and if required by written contract.

POLICY NUMBER: G2420892804

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- 1. Your acts or omissions; or
- 2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

- The insurance afforded to such additional insured only applies to the extent permitted by law; and
- If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.
- B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- 2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
- C. With respect to the insurance afforded to these additional insureds, the following is added to Section III Limits Of Insurance:
- If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:
- 1. Required by the contract or agreement; or
- Available under the applicable Limits of Insurance shown in the Declarations; whichever is lees.
 This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

Miscellaneous Attachment: M512980 Master ID: 1391087, Certificate ID: 14049944

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

WC 124 (4-84)

WC 00 03 13

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on 01/01/16 at 12:01 A. M. standard time, forms a part of

Policy No. (17)7173-33-91 of the FEDERAL INSURANCE COMPANY (NAME OF INSURANCE COMPANY)

issued to HOLLAND CONSTRUCTION INC.

Endorsement No.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.*

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

Schedule

ANY PERSON OR ORGANIZATION FOR WHOM THE NAMED INSURED HAS AGREED BY WRITTEN CONTRACT TO FURNISH THIS WAIVER.

WC 124 (4-84) WC 00 03 13

Copyright 1983 National Council on Compensation Insurance

Miscellaneous Attachment: M512954

Master ID: 1391087, Certificate ID: 14049944

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

WC 99 03 04 (Ed. 7-08)

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT- CALIFORNIA

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on

01/01/16 (DATE) at 12:01 A. M. standard time, forms a part of

Policy No. (17)7173-33-91

of the FEDERAL INSURANCE COMPANY (NAME OF INSURANCE COMPANY)

issued to HOLLAND CONSTRUCTION INC.

Endorsement No.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. The additional premium for the blanket waiver offered by this endorsement shall be% of total California premium.

Schedule

Person or Organization

Job Description

BLANKET WAIVER- ANY PERSON OR ORGANIZATION FOR WHOM THE NAMED INSURED HAS AGREED BY WRITTEN CONTRACT TO FURNISH THIS WAIVER ALL CALIFORNIA OPERATIONS

Miscellaneous Attachment: M512958

Master ID: 1391087, Certificate ID: 14049944

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

Location And Description Of Completed Operations

All parties where required by a written contract.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

- 1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- 2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.
- B. With respect to the insurance afforded to these additional insureds, the following is added to Section III
 Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- 1. Required by the contract or agreement; or
- 2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

Insurance Services Office, Inc.

Miscellaneous Attachment: M512983

Master ID: 1391087, Certificate ID: 14049944

COMMERCIAL GENERAL

POLICY NUMBER: GLO 6555508-05

LIABILITY

CG 20 12 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED STATE OR GOVERNMENTAL AGENCY OR SUBDIVISION OR POLITICAL SUBDIVISION PERMITS OR AUTHORIZATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

State Or Governmental Agency Or Subdivision Or Political Subdivision:

ANY STATE OR POLITICAL SUBDIVISIONS WITH WHOM YOU HAVE AGREED, THROUGH WRITTEN CONTRACT, AGREEMENT OR PERMIT EXECUTED PRIOR TO THE LOSS, TO PROVIDE ADDITIONAL INSURED COVERAGE

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A. Section II Who Is An Insured is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision shown in the Schedule, subject to the following provisions:
 - 1. This insurance applies only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization.

However:

- a. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

- 2. This insurance does not apply to:
 - a. "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or
 - Bodily injury" or "property damage" included within the "products-completed operations hazard".
- B. With respect to the insurance afforded to these additional insureds, the following is added to Section III Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- Required by the contract or agreement; or
- Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the

427 UNITS 5/16/2016

'CURRENT' UNIT DATA & RENTS - 2017 DOLLARS

Unit Type			Unit	Total Net	Average Monthly		verage Rent	Total Monthly		
Beds/Baths			Area (SF)	Area (SF)	Rent	P	er SF		Rent	
STUDIO	113	26%	623	70,378	2,515		4.04		284,164	
1 BDRM	91	21%	740	67,340	3,033		4.10		276,023	
2 BDRM	102	24%	1,180	120,360	4,039		3.42		411,990	
3 BDRM	35	8%	1,400	49,000	4,615		3.30		161,513	
Market Total/Avg.	341	80%	901	307,078	\$ 3,325	\$	3.69	\$	1,133,690	
Apartment Income - A	ffordable									
STUDIO	28	7%	623	17,439	670		1.08		18,760	
1 BDRM	23	5%	740	17,020	721		0.97		16,583	
2 BDRM	26	6%	1,180	30,680	873		0.74		22,698	
3 BDRM	9	2%	1,400	12,600	1,015		0.73		9,135	
Affordable Total/Avg.	86	20%	904	77,739	\$ 781	\$	0.86	\$	67,176	
Total/Avg.	427	100%	901	384,816	\$ 2,812	\$	3.12	\$	1,200,866	
Gross Annual Rent Income								\$	14,410,391	
Apartment Amenitie	s			Qty.			Price		Tota	
Single Reserved Stall (Un	_			427	@	\$		\$		
Single Shared Stall (Under				184	<u>@</u>	\$	100		18,400	
Future Resident Stalls	,			6	<u>@</u>	\$	_		_	
Storage				107	<u>@</u>	\$	35		3,745	
Bike Storage				214	<u>@</u>	\$	10		2,140	
Monthly Amenity Resider	ntial Income	e			O			\$	24,285	
Gross Annual Amenity								\$	291,420	
Gross Annual Apartmen	t Income							\$	14,701,811	
Commercial Income										
			Gross SF	Rentable SF	Rent psf/yr		Vacancy		Ren	
Office Income (includes 5			48,142	45,735	\$48.00		5.0%		\$2,085,516	
Retail Income (includes 5.	.0% vacanc	y)	24,068	22,865	\$28.64		5.0%		\$622,048	
Annual Commercial Ren	ıt		72,211	68,600	\$41.55		5.00%		\$2,707,564	
Commercial Ameniti	<u>ies</u>			Qty.			Price		Tota	
Commercial Parking Spac	es (daytime	use of sha	red residential)	138	@	\$	150		20,700	
Monthly Commercial Park						\$	20,700			
Gross Annual Amenity	-							\$	248,400	
Gross Annual Commerci	ial Income								\$2,955,964	
Total Gross Annual Inco	ome							\$	17,657,775	

- 1. Parking Income assumes one stall per unit is included in the rents and remaining parking shared with office use.
- 2. Retail income is presented triple-net, and equals \$622,048 per year.
- 3. Office income is presented modified gross, and equals \$2,333,916 per year.

TOTAL DEVELOPMENT BUDGET

Uses of Funds	Total	Per Unit	Per Apt. SF	
Land	\$14,650,904	\$34,311	\$38.07	
Hard Costs	179,421,156	420,190	466.25	
Hard Costs Contingency	5,382,635	12,606	13.99	
Construction Management Overhead	3,696,076	8,656	9.60	
Architecture and Engineering	7,500,000	17,564	19.49	
Construction Interest (net of interim NOI)	9,068,934	21,239	23.57	
Loan Fees	3,247,500	7,605	8.44	
Legal, Closing, and Other	3,750,000	8,782	9.74	
Reserves and Operating Deficits	113,216	265	0.29	
Real Estate Taxes	3,643,644	8,533	9.47	
Municipal Fees & Mitigations	9,116,324	21,350	23.69	
Marketing, Pre-leasing and FFE	2,000,000	4,684	5.20	
Non-Res Leasing Commissions	1,333,832	3,124	3.47	
Non-Residential TI	5,181,700	12,135	13.47	
Developer Fee	7,673,379	17,970	19.94	
Contingency	7,673,379	17,970	19.94	
Total Uses	\$263,452,679	\$616,985	\$684.62	
Contingency Summary	** • • • • •	442.50		
Hard Cost Contingency	\$5,382,635	\$12,606	\$13.99	
Soft Cost Contingency	7,673,379	17,970	19.94	
Combined Contingency	\$13,056,014	\$30,576	\$33.93	

- 1. Hard costs include general conditions and contractor fee.
- 2. Construction Management O/H is calculated at 2.0% of hard costs.
- 3. Development Fee is calculated at 3% of eligible development costs.
- 4. Construction interest assumes \$216,500,000 (82.2% of costs) would be funded by tax exempt bonds starting at 2.0% and increasing to 3.0% by 2021. The remaining \$46,952,679 (17.8%) would be funded with equity.
- 5. Assumes addition of 65% LTC loan on commercial building upon TCO and lease commencement in month 36. Loan Fees line includes cost of 65% LTC loan fee.
- 6. Commissions calculated at 6.0% first 5 years, 3.0% second 5 years, and TIs are \$76 per sq. ft. on average calculated on 45,735 sq. ft. of office, 17,665 sq. ft. of retail, plus the 5,200 sq. ft. Remmen House.
- 7. Relocation and renovation costs for the Remmen House are included in the Hard Costs.
- 8. Loan Fees equal 1.5% of total \$216,500,000 bond amount, which includes "Cost of Issuance" fees.

PROJECTED OPERATING EXPENSES (as-if stablilzed)

TOTAL EXPENSES	Total	Per Unit	Per Apt SF
Payroll	\$854,000	\$2,000	\$2.22
On-site Administration	111,874	262	0.29
Landscape/Contract Services	172,935	405	0.45
Unit Turnover	102,480	240	0.27
Utilities (net)	256,200	600	0.67
Leasing and Marketing	91,805	215	0.24
Repairs and Replacement	125,965	295	0.33
¹ Management Fee	516,135	1,209	1.34
Insurance	256,200	600	0.67
Controllable Expenses	\$2,487,594	\$5,826	\$6.46
² Property Taxes	\$2,110,754	\$4,943	\$5.49
Retail Triple Nets	(368,279)	(862)	(0.96)
Non-Controllable Expenses	\$1,742,475	\$4,081	\$4.53
Total Operating Expenses	<u>\$4,230,070</u>	\$9,906	\$10.99

- 1. The Management Fee is 3.00% of the Gross Rental Income
- 2. The Property Tax projections assume the affordable units qualify for abatement under the Homestead Tax Exemption.
- 3. Capital Reserves are included as a capital expense in the Cash Flow tab starting immediately after construction and flow through to the IRR calculations

5/16/2016

	'Cons	struction Start' 2017 As If	'Proposed' 2021 Stabilized at			
		Stabilized	9:	5.0% Econ.		
Gross Residential Rental Income	\$	14,701,811	\$	16,902,504		
Vacancy		(735,091) 5.0%		(856,286) 5.09		
Net Residential Rental Income	\$	13,966,720	\$	16,046,217		
Shared Tenant Communications Income		25,620		27,760		
Other Income		256,200		277,603		
Total Fee Income	\$	281,820	\$	305,363		
Office Income (includes 5.0% vacancy)		2,085,516		2,168,665		
Retail Income (includes 5.0% vacancy)		622,048		622,048		
Commercial Amenities		248,400		248,400		
Total Commercial Income	\$	2,955,964	\$	3,039,113		
Income from Annual Sale of Tax Credits		1,306,220		1,306,220		
Total Fee Income	\$	1,306,220	\$	1,306,220		
Effective Gross Income	\$	18,510,724	\$	20,696,914		
Less Operating Expenses:						
Controllable Expenses		(2,487,594)		(2,797,609)		
Non-controllable Expenses		(1,742,475)		(2,162,756)		
Total Operating Expenses	\$	(4,230,070)	\$	(4,960,365)		
Net Operating Income	\$	14,280,655	\$	15,736,549		
Project Yield on Leveraged Costs of \$263,452,679		5.42%		5.97%		
Project Yield on Unleveraged Costs of \$251,136,245		5.69%		6.27%		
Average Rent Per Unit	\$	2.812	\$	3 276		
<u> </u>						
	Ψ		Ψ			
Average Rent Per Unit Average Rent Per Square Foot Percentage of Current Rents	\$ \$	2,812 3.12 100%	\$ \$	3,276 3.64 116%		

- 1. 'Other Income' includes application, cancellation, redecorating and pet fees of \$50 per unit per month and is based on historical operations from other urban projects managed by Holland Residential.
- 2. The 'Proposed' income figures at stabilization reflect a growth rate of 4.20% in 2017, 4.30% in 2018, 3.80% in 2019, 3.50% in 2020, 3.50% in 2021, and 3.00% in 2022.
- 3. The expense figures at stabilization reflect a growth rate of 3.00% in year one, 3.00% in year two and 3.00% in year three. Capital reserves increase at 3.00% per annum from C of O, and taxes increase at 2.00% from C of O.
- 4. Property taxes are estimated as of final completion.
- 5. Tax credit income assumes sale on an annual basis at 100 cents on the dollar.

	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
Unleveraged Cash Flow														
Gross Purchase Price	(\$14,650,904)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Purchase Cash Flow	(\$14,650,904)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenues														
Optimum Rent	\$14,823,161	\$15,454,394	\$16,064,559	\$16,641,737	\$17,222,435	\$17,765,772	\$18,298,745	\$18,847,708	\$19,413,139	\$19,995,533	\$20,595,399	\$21,213,261	\$21,849,659	\$22,505,148
Loss to Lease Gross Potential Rent	0 14,823,161	0 15,454,394	0 16,064,559	(67,326) 16,574,411	(229,846) 16,992,589	(209,387) 17,556,385	(211,727) 18,087,018	(218,252) 18,629,455	(224,983) 19,188,155	(231,927) 19,763,606	(239,089) 20,356,310	(246,478) 20,966,783	(254,099) 21,595,559	(261,962) 22,243,186
Vacancy	(14,823,161)	(15,454,394)	(16,064,559)	(9,405,762)	(861,122)	(888,289)	(914,937)	(942,385)	(970,657)	(999,777)	(1,029,770)	(1,060,663)	(1,092,483)	(1,125,257)
Net Rental Income	0	0	0	5,944,514	16,034,191	16,668,097	17,172,081	17,687,070	18,217,498	18,763,830	19,326,540	19,906,120	20,503,076	21,117,929
Other Income	0	0	0	138,413	312,899	322,159	331,694	341,510	351,617	362,023	372,738	383,769	395,127	406,820
Total Apartment Income	0	0	0	6,082,927	16,347,090	16,990,256	17,503,774	18,028,580	18,569,116	19,125,853	19,699,277	20,289,889	20,898,203	21,524,749
Office Income	0	0	0	1,916,430	2,186,044	2,295,347	2,410,114	2,530,620	2,657,151	2,881,348	3,064,241	3,164,708	3,164,708	3,164,708
Retail Income	0	0	0	571,615	622,048	646,317	646,930	672,169	672,807	718,930	747,417	747,417	747,417	747,417
Comm Amenity Income	0	0	0	227,700	248,400	248,400	248,400	248,400	248,400	248,400	248,400	248,400	248,400	248,400
CAM Reimbursements	0	0	0	352,195	395,407	407,109	419,158	431,563	444,335	457,485	471,025	484,965	499,318	514,095
Total Commercial Income	0	0	0	3,067,940	3,451,900	3,597,173	3,724,602	3,882,752	4,022,693	4,306,164	4,531,083	4,645,490	4,659,842	4,674,620
Total Gross Revenues	\$0	\$0	\$0	\$9,150,866	\$19,798,990	\$20,587,429	\$21,228,376	\$21,911,332	\$22,591,809	\$23,432,017	\$24,230,360	\$24,935,379	\$25,558,045	\$26,199,369
Expenses														
Apartment Expenses (less property tax)	0	0	(56,608)	(2,696,631)	(2,811,408)	(2,894,613)	(2,980,279)	(3,068,481)	(3,159,294)	(3,252,794)	(3,349,061)	(3,448,177)	(3,550,227)	(3,655,297)
Apartment Property Tax & Land Lease	0	0	0	(1,515,279)	(2,169,965)	(2,213,365)	(2,257,632)	(2,302,785)	(2,348,840)	(2,395,817)	(2,443,733)	(2,492,608)	(2,542,460)	(2,593,309)
Total Expenses	\$0	\$0	(\$56,608)	(\$4,211,910)	(\$4,981,374)	(\$5,107,977)	(\$5,237,911)	(\$5,371,266)	(\$5,508,134)	(\$5,648,611)	(\$5,792,795)	(\$5,940,785)	(\$6,092,687)	(\$6,248,606)
Net Operating Income	\$0	\$0	(\$56,608)	\$4,938,957	\$14,817,616	\$15,479,451	\$15,990,465	\$16,540,066	\$17,083,675	\$17,783,406	\$18,437,566	\$18,994,593	\$19,465,358	\$19,950,763
Capital Expenditures														
Development Costs	(\$44,557,593)	(\$92,297,936)	(\$74,917,478)	(\$18,083,586)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tenant Improvements	0	0	(5,181,700)	0	0	0	0	0	0	0	0	0	0	0
Leasing Commissions	0	0	(666,916)	(666,916)	0	0	0	0	0	0	0	0	0	0
Capital Reserves Total Capital Expenditures	(\$44,557,593)	(\$92,297,936)	(\$80,766,094)	(60,937) (\$18,811,439)	(92,983) (\$92,983)	(95,735) (\$95,735)	(98,569) (\$98,569)	(101,486) (\$101,486)	(104,489) (\$104,489)	(107,582) (\$107,582)	(\$110,766) (\$110,766)	(114,044) (\$114,044)	(117,419) (\$117,419)	(\$120,894) (\$120,894)
rotal Capital Experiultures	(\$44,557,595)	(\$92,297,930)	(\$80,760,094)	(\$10,011,439)	(\$92,963)	(\$95,755)	(\$90,309)	(\$101,400)	(\$104,469)	(\$107,362)	(\$110,700)	(\$114,044)	(\$117,419)	(\$120,094)
Sales Proceeds														
Gross Apartment Sale Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Commercial Sale Proceeds LIHTC \$ 13,062,201	0	0	0	0 1,306,220	0 1,306,220	0 1,306,220	0 1,306,220	0 1,306,220	0 1.306.220	0 1.306.220	0 1,306,220	0 1,306,220	0 1,306,220	0
Total Sale Proceeds	0	0	0	1,306,220	1,306,220	1,306,220	1,306,220	1,306,220	1,306,220	1,306,220	1,306,220	1,306,220	1,306,220	0
Disposition Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Sales Proceeds	\$0	\$0	\$0	\$1,306,220	\$1,306,220	\$1,306,220	\$1,306,220	\$1,306,220	\$1,306,220	\$1,306,220	\$1,306,220	\$1,306,220	\$1,306,220	\$0
Unleveraged Cash Flow	(\$59,208,497)	(\$92,297,936)	(\$80,822,702)	(\$12,566,262)	\$16,030,853	\$16,689,936	\$17,198,117	\$17,744,800	\$18,285,405	\$18,982,044	\$19,633,020	\$20,186,770	\$20,654,159	\$19,829,869
Unleveraged IRR 8.5%	(\$39,208,497)	(\$92,297,930)	(\$80,822,702)	(\$12,500,202)	\$10,030,633	\$10,009,930	\$17,196,117	\$17,744,800	\$18,265,405	\$10,962,044	\$19,633,020	\$20,186,770	\$20,034,139	\$19,029,009
Debt Calculations														
<u>Total Financing</u> Beginning Balance	\$0	\$51.842.554	\$129,287,195	\$215,248,023	\$232,330,610	\$232,081,425	\$231,819,491	\$231,544,156	\$231,254,734	\$230.950.506	\$230,630,712	\$230,294,557	\$229,941,203	\$229,569,772
New Loan Proceeds	\$51,212,825	\$75,502,401	\$81,732,534	\$15,050,973	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Costs	(\$3,247,500)	\$0	(\$40,169)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service	(\$629,730)	(\$1,942,239)	(\$4,228,295)	(\$6,964,184)	(\$7,530,057)	(\$7,530,057)	(\$7,530,057)	(\$7,530,057)	(\$7,530,057)	(\$7,530,057)	(\$7,530,057)	(\$7,530,057)	(\$7,530,057)	(\$7,530,057)
Interest Paid	\$0	\$0	\$0	(\$4,458,457)	(\$7,280,871)	(\$7,268,123)	(\$7,254,722)	(\$7,240,635)	(\$7,225,828)	(\$7,210,263)	(\$7,193,901)	(\$7,176,703)	(\$7,158,625)	(\$7,139,622)
Interest Capitalized	\$629,730 \$0	\$1,942,239 \$0	\$4,228,295 \$0	\$2,268,670	\$0 (\$249,185)	(\$264.024)	\$0 (\$275,335)	\$0 (\$289,422)	\$0 (\$304,229)	\$0 (\$310.704)	\$0 (\$336,155)	\$0 (\$353,353)	\$0 (\$274,422)	\$0 (\$390,435)
Principal Amortization Repayment	\$0 \$0	\$0 \$0	\$0 \$0	(\$237,057) \$0	(\$249,185)	(\$261,934) \$0	(\$275,335)	(\$209,422)	(\$304,229)	(\$319,794) \$0	(\$336,155)	(\$353,353)	(\$371,432) \$0	(\$390,435)
Ending Balance	\$51,842,554	\$129,287,195	\$215,248,023	\$232,330,610	\$232,081,425	\$231,819,491	\$231,544,156	\$231,254,734	\$230,950,506	\$230,630,712	\$230,294,557	\$229,941,203	\$229,569,772	\$229,179,337
Leveraged Cash Flow	(\$11,243,171)	(\$16,795,535)	\$869,661	(\$2,210,803)	\$8,500,798	\$9,159,879	\$9,668,060	\$10,214,743	\$10,755,348	\$11,451,987	\$12,102,963	\$12,656,714	\$13,124,102	\$12,299,813
22.43%		_					_	_	_		_		_	
Construction Period Cash Flow Reserve Leveraged Cash Flow	(\$11,243,171)	(\$16.795.535)	9 \$869.661	(\$2.210.803)	\$8.500.798	\$9.159.879	\$9.668.060	\$10.214.743	\$10.755.348	\$11.451.987	\$12.102.963	\$12.656.714	\$13.124.102	\$12,299,813
Leveraged Cash Flow Leveraged IRR 22.43%	(Ψ11,243,1/1)	(\$10,130,000)	φυσσ,σσ1	(φ∠,∠ 10,003)	φυ,300,198	φσ, 133,013	φ <i>σ</i> ,000,000	φ10,214,143	φ10,133,346	ψ11, 4 31,30/	φ12,102, 3 03	φ12,030,114	φ13,124,10Z	₹12,233,013

Deal Multiple (ROI)

Mar-32	Mar-33	Mar-34	Mar-35	Mar-36	Mar-37	Mar-38	Mar-39	Mar-40	Mar-41	Mar-42	Mar-43	Mar-44	Mar-45	Mar-46	Mar-47
Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
\$0	\$0	\$0	\$0 \$0	\$0 \$0	\$0	\$0	\$0	\$0 \$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$23,180,303	\$23,875,712	\$24,591,983	\$25,329,743	\$26,089,635	\$26,872,324	\$27,678,494	\$28,508,849	\$29,364,114	\$30,245,038	\$31,152,389	\$32,086,960	\$33,049,569	\$34,041,056	\$35,062,288	\$36,114,157
(270,073)	(275,834)	(284,323)	(293,080)	(302,112)	(311,430)	(321,041)	(330,955)	(341,183)	(351,733)	(362,617)	(373,845)	(381,819)	(393,570)	(405,691)	(418,194)
22,910,230	23,599,878	24,307,660	25,036,663	25,787,523	26,560,895	27,357,453	28,177,894	29,022,932	29,893,305	30,789,772	31,713,116	32,667,751	33,647,487	34,656,597	35,695,962
(1,159,015) 21,751,214	(1,193,786) 22,406,093	(1,229,599) 23,078,061	(1,266,487) 23,770,176	(1,304,482) 24,483,041	(1,343,616) 25,217,278	(1,383,925) 25,973,528	(1,425,442) 26,752,451	(1,468,206) 27,554,726	(1,512,252) 28,381,053	(1,557,619) 29,232,153	(1,604,348) 30,108,768	(1,652,478) 31,015,272	(1,702,053) 31,945,434	(1,753,114) 32,903,483	(1,805,708) 33,890,255
418,860	431,257	444,020	457,161	470,690	484,621	498,963	513,730	528,934	544,588	560,705	577,299	594,385	611,976	630,087	648,735
22,170,075	22,837,349	23,522,081	24,227,337	24,953,731	25,701,899	26,472,492	27,266,181	28,083,660	28,925,641	29,792,858	30,686,067	31,609,657	32,557,409	33,533,570	34,538,989
3,164,708	3,164,708	3,164,708	3,164,708	3,164,708	3,164,708	3,164,708	3,164,708	3,164,708	3,164,708	3,164,708	3,164,708	3,164,708	3,164,708	3,164,708	3,164,708
747,417	747,417	747,417	747,417	747,417	747,417	747,417	747,417	747,417	747,417	747,417	747,417	747,417	747,417	747,417	747,417
248,400	248,400	248,400	248,400	248,400	248,400	248,400	248,400	248,400	248,400	248,400	248,400	248,400	248,400	248,400	248,400
529,310 4,689,834	544,975 4,705,500	561,103 4,721,628	577,709 4,738,234	594,807 4,755,332	612,410 4,772,935	630,535 4,791,059	649,196 4,809,720	668,409 4,828,933	688,190 4,848,715	708,558 4,869,082	729,527 4,890,052	751,118 4,911,643	773,347 4,933,872	796,235 4,956,760	819,800 4,980,324
4,009,034	4,705,500	4,721,020	4,730,234	4,755,552	4,772,933	4,791,009	4,009,720	4,020,933	4,040,713	4,009,002	4,690,032	4,911,043	4,933,672	4,930,700	4,960,324
\$26,859,909	\$27,542,849	\$28,243,709	\$28,965,571	\$29,709,063	\$30,474,834	\$31,263,551	\$32,075,901	\$32,912,593	\$33,774,356	\$34,661,940	\$35,576,119	\$36,521,300	\$37,491,282	\$38,490,329	\$39,519,314
(3,763,476)	(3,874,857)	(3,989,535)	(4,107,606)	(4,229,171)	(4,354,335)	(4,483,202)	(4,615,884)	(4,752,492)	(4,893,143)	(5,037,957)	(5,187,056)	(5,340,568)	(5,498,624)	(5,661,357)	(5,828,906)
(2,645,176) (\$6,408,652)	(2,698,079) (\$6,572,936)	(2,752,041) (\$6,741,575)	(\$6,914,687)	(2,863,223) (\$7,092,394)	(2,920,488) (\$7,274,822)	(2,978,897) (\$7,462,100)	(\$7,654,359)	(3,099,245) (\$7,851,737)	(3,161,230) (\$8,054,373)	(3,224,454) (\$8,262,411)	(\$8,476,000)	(\$8,695,291)	(3,421,817) (\$8,920,440)	(\$9,151,610)	(\$9,388,964)
(\$0,400,032)	(\$0,372,330)	(\$0,741,373)	(\$0,514,007)	(\$1,032,334)	(\$1,214,022)	(\$7,402,100)	(\$1,034,333)	(\$1,031,131)	(\$0,034,373)	(\$0,202,411)	(\$0,470,000)	(\$0,033,231)	(\$0,320,440)	(\$3,131,010)	(\$9,300,304)
\$20,451,257	\$20,969,912	\$21,502,134	\$22,050,883	\$22,616,669	\$23,200,012	\$23,801,451	\$24,421,542	\$25,060,857	\$25,719,983	\$26,399,529	\$27,100,120	\$27,826,009	\$28,570,841	\$29,338,720	\$30,130,350
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(124,472)	(128.155)	(131.948)	(135.853)	(139.874)	(144.014)	(148.276)	(152.664)	(157,182)	(161.834)	(166.623)	(171.555)	(176.632)	(181.859)	(187.241)	(192,783)
(\$124,472)	(\$128,155)	(\$131,948)	(\$135,853)	(\$139,874)	(\$144,014)	(\$148,276)	(\$152,664)	(\$157,182)	(\$161,834)	(\$166,623)	(\$171,555)	(\$176,632)	(\$181,859)	(\$187,241)	(\$192,783)
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	576,486,041
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	90,992,484
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	667,478,525
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(6,674,785)
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$660,803,740
\$20,326,786	\$20,841,757	\$21,370,185	\$21,915,030	\$22,476,795	\$23,055,998	\$23,653,176	\$24,268,879	\$24,903,675	\$25,558,149	\$26,232,906	\$26,928,565	\$27,649,377	\$28,388,982	\$29,151,478	\$690,741,306
\$229,179,337	\$228,768,927	\$228,337,519	\$227,884,040	\$227,407,360	\$226,906,292	\$226,379,589	\$225,825,938	\$225,243,962	\$224,632,210	\$223,989,161	\$223,313,211	\$222,602,679	\$221,855,794	\$221,070,698	\$220,245,434
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0 (\$7,530,057)	\$0 (\$7,530,057)	\$0 (\$7,530,057)	\$0 (\$7,530,057)	\$0 (\$7,530,057)	\$0 (\$7,530,057)	\$0 (\$7,530,057)	\$0 (\$7,530,057)	\$0 (\$7,530,057)	\$0 (\$7,530,057)	\$0 (\$7,530,057)	\$0 (\$7,530,057)	\$0 (\$7,530,057)	\$0 (\$7,530,057)	\$0 (\$7,530,057)	\$0 (\$7,530,057)
(\$7,119,646)	(\$7,098,649)	(\$7,076,577)	(\$7,053,376)	(\$7,028,989)	(\$7,003,353)	(\$6,976,406)	(\$6,948,080)	(\$6,918,305)	(\$6,887,007)	(\$6,854,107)	(\$6,819,524)	(\$6,783,172)	(\$6,744,960)	(\$6,704,793)	(\$6,662,571)
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0,819,324)	\$0,703,172)	\$0,744,300)	\$0	\$0
(\$410,410)	(\$431,408)	(\$453,479)	(\$476,680)	(\$501,068)	(\$526,703)	(\$553,651)	(\$581,976)	(\$611,751)	(\$643,050)	(\$675,949)	(\$710,532)	(\$746,884)	(\$785,096)	(\$825,264)	(\$867,486)
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$219,377,949)
\$228,768,927	\$228,337,519	\$227,884,040	\$227,407,360	\$226,906,292	\$226,379,589	\$225,825,938	\$225,243,962	\$224,632,210	\$223,989,161	\$223,313,211	\$222,602,679	\$221,855,794	\$221,070,698	\$220,245,434	\$0
\$12,796,729	\$13,311,699	\$13,840,128	\$14,384,972	\$14,946,739	\$15,525,942	\$16,123,119	\$16,738,821	\$17,373,616	\$18,028,092	\$18,702,850	\$19,398,509	\$20,119,321	\$20,858,925	\$21,621,423	\$463,833,301
ψ12,130,129	¥10,011,039	ψ10,0 1 0,120	ψ1 -1,004,31 2	ψ1 1,040,103	¥10,020,042	ψ10,123,113	ψ10,130,021	ψ17,073,010	ψ10,020,03Z	ψ10,102,030	ψ10,000,009	ψ <u>ευ, ε13,3ε1</u>	ψ <u>ε</u> υ,υυ,σ <u>ε</u> υ	Ψ£1,0£1,4£3	ψ 1 00,000,001
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
\$12,796,729	\$13,311,699	\$13,840,128	\$14,384,972	\$14,946,739	\$15,525,942	\$16,123,119	\$16,738,821	\$17,373,616	\$18,028,092	\$18,702,850	\$19,398,509	\$20,119,321	\$20,858,925	\$21,621,423	\$463,833,301
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ATTACHMENT 5 HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM SUMMARY

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

Bond Issuer: Housing Authority of the City of San Diego. There is no direct legal liability to the City, the Housing Authority or the Housing Commission in connection with the issuance or repayment of bonds. There is no pledge of the City's faith, credit or taxing power nor of the Housing Authority's faith or credit. The bonds do not constitute a general obligation of the issuer because security for repayment of the bonds is limited to specific private revenue sources, such as project revenues. The developer is responsible for the payment of costs of issuance and all other costs under each financing.

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

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

Approval Process:

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

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

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

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

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

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

From: SDHCdocketinfo

Sent: Tuesday, June 14, 2016 10:06 AM **Cc:** Maria Velasquez < <u>mariav@sdhc.org</u>>

Subject: SDHC Board Meeting Agenda Item 104 Park & Market - Additional Information

Good morning, Commissioners -

At the SDHC Board of Commissioners Meeting this Friday, you will be considering **HCR16-056 Preliminary Bond Authorization for Park & Market**, a 427-unit mixed-use development in the East Village that will be co-developed by affiliates of North America Sekisui House, LLC (NASH).

Chairman Gramling has asked that you review additional information about the development (website links below):

- NASH http://www.nashcommunities.com/
- SEKISUI HOUSE LTD https://sekisuihouse.co.jp/english/financial/library/annual/

Thank you.

Scott Marshall Director of Communications

San Diego Housing Commission 1122 Broadway, Suite 500, San Diego, CA 92101 619-578-7138 (o) scottm@sdhc.org Closed every other Friday

<u>Disclosure:</u> This email communication may be subject to the California Public Records Act and may be viewed by third parties upon request.