



REPORT

DATE ISSUED: September 1, 2016

REPORT NO: HCR16-075

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of September 9, 2016

SUBJECT: Final Bond Authorization for Vista Terrace Hills

COUNCIL DISTRICT: 8

REQUESTED ACTION

Authorize the issuance of Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds, which are allocated by the State, to fund the acquisition and rehabilitation of Vista Terrace Hills, a 262-unit multifamily affordable housing rental development, located in the San Ysidro community, which will remain affordable for 55 years.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) recommends that the Housing Authority of the City of San Diego (Housing Authority) authorize the issuance of up to \$99,995,347 in tax-exempt Multifamily Housing Revenue Bonds, which are allocated by the State, to fund the acquisition and the rehabilitation of Vista Terrace Hills, a 262-unit multifamily affordable housing rental development, located at 1790 Del Sur Boulevard in the San Ysidro community, which will remain affordable for 55 years.

SUMMARY

A development summary is included as Attachment 1.

Table 1 – Development Details

Address	1790 Del Sur Boulevard
Council District	8
Community Plan Area	San Ysidro
Development Type	Rehabilitation
Construction Type	Type V
Parking Type	Surface Parking
Housing Type	Multifamily
Lot Size	Approximately 8.6 acres, 374,616 square feet
Units	262
Density	30.5 dwelling units per acre
Affordable Unit Mix	208 three-bedroom units, 52 four-bedroom units, and 2 three-bedroom managers' units
Gross Building Area	287,585 square feet
Net Rentable Area	277,003 square feet

The Development

Vista Terrace Hills is an existing 262-unit multifamily rental development located at 1790 Del Sur Boulevard in the San Ysidro Community Plan Area (Attachment 2 – Site Map). The development consists of 30 two- and three-story walk-up, wood frame and stucco apartment buildings. Vista Terrace Hills includes 210 three-bedroom units and 52 four-bedroom units. Current amenities include a leasing office, laundry facilities, a fitness room, as well as an outdoor recreational area consisting of a barbeque, picnic areas, a basketball court and a tot lot. The neighborhood is composed of predominantly single-family and multifamily dwelling units situated north of Beyer Boulevard and along Del Sur Boulevard. There are several parks, schools and neighborhood shopping located within one to two miles of the property.

Building Condition/Proposed Rehabilitation Work

The property was constructed in 2001 and is showing signs of aging. The developer is requesting the issuance of up to \$99,995,347 in bonds to finance the rehabilitation of the property to extend its useful life and maintain its marketability. The scope of the proposed rehabilitation includes improvements to unit interiors and common areas, as well as improvements to building electrical, plumbing, and mechanical systems. The full scope of work, including a list of specific green measures, is included as Attachment 3.

Project Sustainability

Vista Terrace Hills will comply with the California Tax Credit Allocation Committee's (TCAC) minimum energy efficiency standards for rehabilitation projects, which require demonstrating at least 10 percent post-rehabilitation improvement in energy efficiency over existing conditions. In addition, the developer will be installing a large solar photovoltaic system to reduce the electrical load.

Development Team

During the 15-year tax credit compliance period, Vista Terrace Hills will be owned by a California limited partnership (a single-asset limited partnership) that will include: an affiliate of Eden Housing (Eden) as the general partner, and a to-be-determined tax-credit investor limited partner. A statement for public disclosure for Eden is included in Attachment 4.

Eden is a nonprofit based in Northern California with a mission to build and maintain high-quality, well-managed, service-enhanced affordable housing communities that meet the needs of lower income families, seniors, and persons with disabilities. Since 1968, when it was founded, Eden has developed or acquired more than 7,500 affordable housing units in 100 properties that have provided homes for more than 65,000 people across 13 counties in California. In the mid-1990s, Eden expanded the scope of its affordable housing developments to include the provision of free on-site support services and programs for its residents.

Table 2 - Development Team Summary

ROLE	FIRM/CONTRACT
Owner	Eden Vista Terrace 2, L.P.
General Partner	Eden Vista Terrace GP, LLC
Limited Partner	US Bancorp Community Development Corporation
Developer	Eden Housing, Inc.
Construction Lender	JP Morgan Chase Bank
Permanent Lender	Cornerstone Real Estate Advisors, LLC
Architect	Basis Architecture & Consulting
General Contractor	Precision General Contracting
Property Management	Eden Housing Management, Inc.
Land Owner/Seller	Eden Vista Terrace, L.P.

Developer Contributions

Eden is committed to building and maintaining high-quality, well-managed, service enhanced affordable housing communities that meet the needs of lower income families, seniors and persons with disabilities. In an effort to continue their mission, Eden has committed to providing the following:

- Allocating a minimum of \$100,000 in annual cash flow to support resident services at Vista Terrace Hills. The expanded services will include financial literacy programs, homeownership counseling, tutoring for grade-level reading proficiency and funding for Eden's scholarship program.
- Restricting 10 percent of the units to households with incomes at or below 30 percent of the Area Median Income (AMI). The entire development is currently restricted to households with income between 50 percent-60 percent of AMI.
- Contributing \$6,000,000 of sales proceeds to another San Diego affordable housing rental development owned and operated by an affiliate of Eden. Coronado Terrace is an existing 312-unit multifamily rental development located at 1151 25th Street in the San Ysidro Community Plan Area. Eden or an affiliate will contribute no less than \$6,000,000 of construction and permanent financing to rehabilitate Coronado Terrace.

Property Management

Vista Terrace Hills will continue to be managed by Eden Housing Management Inc., an affiliate of Eden. Since it was founded in 1984, Eden's property management affiliate, Eden Housing Management, Inc., has provided professional management for Eden's properties and residents. Eden currently manages 7,000 affordable rental units in more than 70 developments for Eden and third party owners.

Financing Structure

Vista Terrace Hills has an estimated total development cost of \$114,207,265 and an estimated total per unit cost of \$435,906 per unit. It will be financed with a combination of 4 percent tax credits, tax-exempt Multifamily Housing Revenue Bonds, seller carryback note, accrued interest during construction, income from operations, General Partner (GP) capital contributions and a deferred developer fee.

There will be no Housing Commission loan on this rehabilitation project.

Estimated permanent sources and uses of financing are provided in Table 3. A full project pro forma is also provided as Attachment 5.

Table 3 – Vista Terrace Hills Estimated Sources and Uses of Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts
Tax-Exempt Permanent Loan	\$61,759,400	Acquisition Costs	\$70,810,489
4% Tax Credit Equity	\$39,037,948	Hard Costs	\$18,300,000
		Hard Cost Contingency	\$1,830,000
Seller Carryback	\$419,371	Soft Costs	\$8,288,990
Accrued Interest during Construction	\$30,754	Financing Costs	\$1,703,049
Withdrawal from Existing Reserves	\$675,489	Developer Fee	\$13,274,737
Income from Operations	\$2,846,406		
Deferred Developer Fee	\$9,174,737		
GP Capital Contributions	\$263,160		
Total Development Cost	\$114,207,265	Total Development Cost	\$114,207,265

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	$\$114,207,265 \div 262 \text{ units} =$	\$435,906
Land Cost Per Unit	$\$70,810,489 \div 262 \text{ units} =$	\$270,269
Gross Building Square Foot Hard Cost	$\$20,130,000 \div 287,585 \text{ sq. ft.} =$	\$70
Net Rentable Square Foot Hard Cost	$\$20,130,000 \div 277,003 \text{ sq. ft.} =$	\$73

**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 rental 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 of San Diego 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 recent developments of the same construction type and project size.

Table 5 – Comparable Development Projects

Project Name	Year	Construction Type	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit.	Gross Hard Cost Per Sq.Ft.
Vista La Rosa	2016	V	240	\$78,954,250	\$328,976	\$0	\$53
Coronado Terrace	2016	V	312	\$117,226,660	\$375,726	\$0	\$80
Subject	2016	V	262	\$114,207,265	\$435,906	\$0	\$70

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. These actions were previously completed for Vista Terrace Hills on April 8, 2016.

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 6.

On May 20, 2016, the developer for Vista Terrace Hills applied to CDLAC for a bond allocation of up to \$99,995,347. The California Tax-Credit Allocation Committee (TCAC) and CDLAC subsequently approved an allocation of 4 percent tax credits and tax-exempt Multifamily Housing Revenue Bonds on July 20, 2016. The developer proposes to issue the bonds through a tax-exempt private 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 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/bonds will be used for construction financing and permanent financing.

Public Disclosure and Authorization for Issuance of Tax-Exempt Bonds

Description of the Proposed Issuance Documents

The bonds will be sold through a private placement purchased directly by JP Morgan Chase Bank. JP Morgan is considered a “qualified institutional buyer” within the meaning of U.S. securities laws. At closing, JP Morgan will sign an “Investor’s Letter” certifying, among other things, that they are buying the bonds for their own accounts and not for public distribution. The bonds are being sold through a private placement and an Official Statement will not be used. In addition, the bonds will not be subject to continuing disclosure requirements, nor will they be credit enhanced or rated. JP Morgan will hold the Bonds for its own account during rehabilitation. After rehabilitation is complete, the amount of outstanding bonds will be reduced and will be purchased by the Cornerstone Real Estate Advisors LLC.

The transfer of the bonds to any subsequent bondholder will comply with Housing Commission policy number PO300.301. Moreover, any subsequent bondholder would be required to represent to the Housing Authority that they are a qualified institutional buyer or accredited investor who is buying the bonds for investment purposes and not for resale, and that they have made due investigation of any material information necessary in connection with the purchase of the bonds. The following documents will be executed on behalf of the Housing Authority: Indenture, Loan Agreement, Assignment of Deed of Trust, Regulatory Agreement, and other loan documents. At the time of docketing, bond documents in substantially final form will be presented to members of the Housing Authority. Any changes to the documents following Housing Authority approval require the consent of the City Attorney's Office and bond counsel.

The bonds will be issued pursuant to an Indenture between the Housing Authority and US Bank (acting as the Trustee). Based upon instructions contained in the Indenture, the Trustee will disburse bond proceeds for eligible costs, collect project revenues and make payments to the bondholder. Under the terms of the Loan Agreement, the Housing Authority will loan the proceeds of the bonds to the borrower in order to develop the project. The Loan Agreement sets out the terms of repayment and the security for the loan, and the Housing Authority assigns its rights to receive repayments under the loan to the Trustee.

An Assignment of Deed of Trust and other Loan Documents, which assigns the Housing Authority's rights and responsibilities as the bond issuer to US Bank, is signed by the Housing Authority and US Bank. Rights and responsibilities that are assigned to US Bank include the right to collect and enforce the collection of loan payments, monitor project construction and related budgets, and enforce insurance and other requirements. These rights will be used by US Bank as Trustee to protect its financial interests as the Trustee.

The Regulatory Agreement will be recorded against the property in order to ensure the long-term use of the project as affordable housing. The Regulatory Agreement will also ensure that the project complies with all applicable federal and state laws.

Financial Advisor's Recommendation

As previously approved by the Housing Commission (on April 8, 2016, HCR16-036) and by the Housing Authority (on May 17, 2016, HAR16-013), CSG Advisors will be the bond financial advisor and Jones Hall will be the bond counsel to work on the development. After evaluating the terms of the proposed financing and the public benefits to be achieved, it is the financial advisor's recommendation that the Housing Authority proceed with the issuance of the bonds. The financial advisor's analysis and recommendation is included as Attachment 7.

Estimated Development Schedule

The estimated development timeline is as follows.

Milestones	Estimated Dates
<ul style="list-style-type: none"> Housing Commission proposed final bond authorization Housing Authority proposed final bond authorization Estimated bond issuance and escrow closing Estimated start of rehabilitation Estimated completion of rehabilitation 	<ul style="list-style-type: none"> September 9, 2016 September 20, 2016 September 2016 September 2016 September 2017

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, Vista Terrace Hills would restrict:

- 10 percent of its units to households with incomes at or below 30 percent of San Diego Area Median Income (AMI), currently \$25,500 per year for a family of four;
- 30 percent of its units to households with incomes at or below 50 percent of AMI, currently \$42,500 per year for a family of four; and
- 60 percent of its units to households at or below 60 percent of AMI, currently \$51,000 per year for a family of four.

Vista Terrace Hills will be affordable for a 55-year term. Table 6 summarizes the affordability:

Table 6 – Vista Terrace Hills Affordability & Monthly Estimated Rent Table

Unit Type	Restrictions	AMI	Number of Units	Proposed Gross Rents
3-bedroom	Bond	30% AMI	21	\$638
3-bedroom	Bond	50% AMI	58	\$1,063
3-bedroom	Bond	60% AMI	129	\$1,275
4-bedroom	Bond	30% AMI	5	\$711
4-bedroom	Bond	50% AMI	20	\$1,148
4-bedroom	Bond	60% AMI	27	\$1,377
3 Bedroom–Manager		n/a	2	-
Total			262	

In addition to the bond and tax credit regulatory restrictions, the development is subject to an existing Declaration of Covenants, Conditions, and Restrictions from a previous Housing Commission loan that has been fully repaid. The more stringent of the various rent restrictions will take precedence during the term of their applicability.

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 - \$249,988

Funding uses approved by this action will be as follows:
Rental Housing Finance Program Administration Costs - \$249,988

Approval of the bond inducement and TEFRA resolutions does not commit the Housing Authority to issue bonds. The bonds would not constitute a debt of the City. 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's annual administrative fee, as well as Housing Commission Bond Counsel and Financial Advisor fees.

PREVIOUS COUNCIL AND COMMITTEE ACTIONS:

The Housing Commission on November 17, 2000, (HCR00-111) and the Housing Authority on December 12, 2000, (HA Resolution No. 1077) approved a \$1,200,000 residual receipts loan for Vista Terrace Hills, which has been repaid.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

Vista Terrace Hills is located within the San Ysidro Community Plan Area. Eden will present the development as an informational item to the San Ysidro Planning Group on September 19, 2016.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include Eden Housing, the San Ysidro community and residents. Rehabilitation of the property is expected to have a positive impact on the community because it will provide the needed capital improvements to the property and preserve the affordability of Vista Terrace Hills.

ENVIRONMENTAL REVIEW

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

Respectfully submitted,

Cameron Shariati

Cameron Shariati
Real Estate Manager
Real Estate Division

Approved by,

Deborah N. Ruane

Deborah N. Ruane
Executive Vice President & Chief Strategy Officer
Real Estate Division

Attachments: 1) Development Summary
2) Site Map
3) Proposed Scope of Work
4) Developer Disclosure Statements
5) Project Pro Forma
6) Multifamily Housing Revenue Bond Program
7) Financial Advisor's Analysis

Hard copies are available for review during business hours at the security information desk in the main lobby and at the fifth floor reception desk at 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.

ATTACHMENT 1 – DEVELOPMENT SUMMARY

Table 1 – Development Details

Address	1790 Del Sur Boulevard
Council District	8
Community Plan Area	San Ysidro
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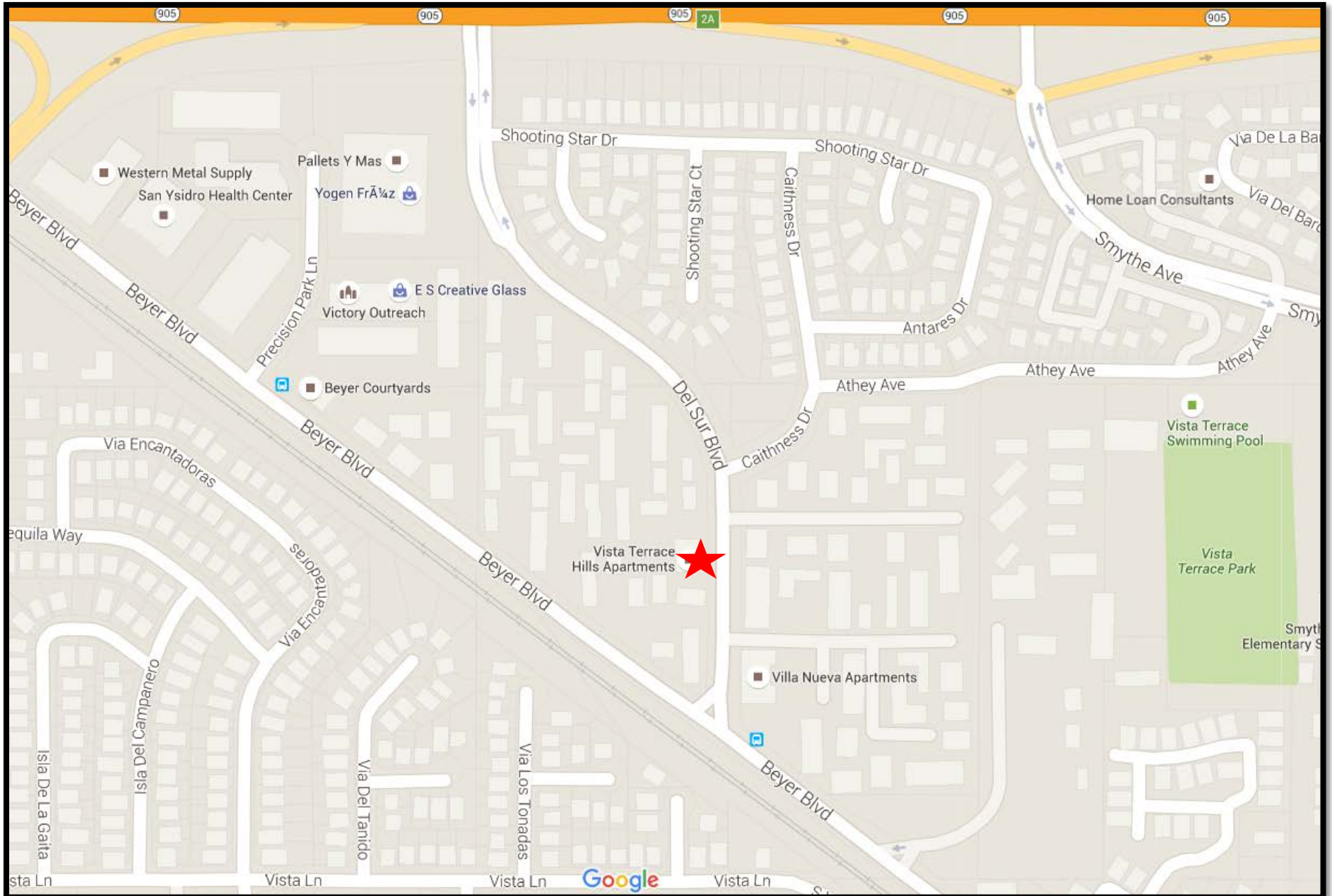
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4-bedroom	Bond	50% AMI	20	\$1,148
4-bedroom	Bond	60% AMI	27	\$1,377
3 Bedroom–Manager		n/a	2	-
Total			262	

ATTACHMENT 2 – SITE MAP





Scope Narrative

Vista Terrace Hills
1606 Del Sur Boulevard
San Diego, CA 92713

Eden Housing

Specific Green Measures

- All existing toilets in all units will be replaced with fixtures that use .8 gallons or less water per flush.
- All showerheads, kitchen and bathroom faucets will be replaced and will meet San Diego Water Sense programs.
- Existing Range, refrigerator, and water heater will be replaced with Energy Star-labeled appliances in all units.
- Energy Star-labeled lighting fixtures or high-efficiency fixtures in all exterior entry ways and terraces.
- Apartment unit wall furnaces will be replaced with energy efficient gas units.
- Existing water heaters will all be replaced with gas heaters exceeding .95 EF.
- Urea-Free Formaldehyde plywood will be used for all base cabinets
- Only non- urea-formaldehyde wood, construction materials and floor coverings which do not emit other harmful gases will be used.
- All interior paints, primers, adhesives and sealants will contain low or no Volatile Organic Compounds (VOC).
- New Energy Star rated bathroom exhaust fan and light.
- Overall projected energy savings over existing is projected to exceed 10%
- Cool Roof asphalt shingles to replace existing roofing.

General Acquisition Rehabilitation Scope

Common Area

1. Eden Housing Monument Sign
2. New Mail box near Community Center
3. Building directory
4. Handicap & ADA parking signage
5. Landscape accents and highlights near building entries and other common areas.
6. Repair existing grading and drainage issues
7. Hardscape adjustments to accommodate 13 ADA units and their associated path of travel requirements.
8. Remove and replace concrete walkway to selective ADA units
9. Repair concrete pathway areas with slope or alignment issues that have been impacted by tree roots or other damage throughout the site.
10. Repair any handrail, stair rails or guardrails onsite
11. Add cane rail detection under all upper floor stairways and riser blocks at all stairway treads in accordance with Chapter 11B – California Accessibility Code.
12. Replace existing site lighting with energy efficient heads on the existing poles.
13. Upgrade 5 existing Laundry Buildings with energy efficient lighting with occupancy sensors.
14. Remove and/or trim selected trees to reduce shading near the Solar panels and alleviate concrete sidewalk heaving in specific areas do to tree root intrusion.
15. Sealcoat parking area and restripe parking stalls.

Apartment Units

1. Remove and replace all existing kitchen cabinets countertops and bath vanities with cabinetry exceeding KCMA/ANSI A161.1 with solid face frame cabinets and all plywood boxes.
2. Replace existing medicine cabinets with new.
3. Replacement of 25% of VCT and carpet with 20 year warranty vinyl plank in all areas except the bedrooms which will receive new carpet.
4. Replace existing range (stove/oven), range hood, refrigerator with Energy Star appliances.
5. Minor sheetrock repair as required in each unit.
6. Repaint and touch up existing apartment paint in the kitchen and bathrooms, or as needed.
7. All new window blinds at windows and sliding doors.
8. Replace the glass shower doors in selected units with new as required.
9. Convert 12 existing units to ADA units.

Apartment Unit and Building Mechanical

1. Remove and replace existing gas furnace with 95% efficient unit with programmable thermostats.
2. Passive ventilation added to each apartment unit to increase circulation and air quality.

Mechanical (continued)

3. Replace all bathroom exhaust fan with Energy Star fan with humidistat.

Apartment Unit and Building Electrical

1. 200 – 300 kW Solar PV array to offset the property and apartment unit electrical usage.
2. Upgrade all lighting to energy efficient lighting on the interior and exterior of the apartment building.
3. Replace existing ceiling fans in the dining room in half the units.
4. Building electrical panel modifications as required for Solar PV array.
5. Provide Wi-Fi access to all buildings.

Plumbing

1. Remove and replace the existing toilets with .8 gallon per flush HET toilets.
2. Replace all the bathroom tub/shower faucets and shower heads with low flow devices
3. Replace all bathroom sinks and faucets with low flow devices
4. Replace the kitchen sink, faucet, and garbage disposal with new fixtures.
5. Recoat fiberglass shower and bathtub and surrounds to provide new finish in all units.
6. Replace existing shower / tub mixing valves in all units.
7. Replace the existing common building hot water boiler with high efficiency unit.
8. Replace angle stops as required in each unit.
9. Flush out existing sewer laterals.

Building Envelope

1. Remove and replace existing roofing with 20 year Cool Roof Asphalt shingle roofing
2. Add attic ventilation on all buildings
3. Add under deck and stair landing passive ventilation to limit dry-rot and structural decay.
4. Remove and replace existing sliding door in each unit with double pane insulated vinyl unit.
5. Waterproof the front landings/porch to all the townhome units.
6. Replace existing exterior door to the lower floor bedrooms.
7. Minor wood or stucco repair as needed. *(All building exteriors were repainted in 2012)*

Solar PV

1. 200 - 300 kw Solar PV system to offset tenant electrical loads

ATTACHMENT E

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

1. Name of CONTRACTOR:

Eden Vista Terrace 2, LP.

2. Address and Zip Code:

Eden Housing, Inc.
22645 Grand Street
Hayward, CA 94541

3. Telephone Number:

510-582-1460

4. Name of Principal Contact for CONTRACTOR:

Linda Mandolini, President

5. Federal Identification Number or Social Security Number of CONTRACTOR:

81-1018732

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: Eden Vista Terrace 2, L.P.
(Name)

Check one

☐ General Partnership (Attach statement of General Partnership)☒ Limited Partnership (Attach Certificate of Limited Partnership) LP-1 Attached

☐ A business association or a joint venture known as:
_____ (Attach joint venture or business association agreement)

☐ A Federal, State or local government or instrumentality thereof.☐ Other (explain)**7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:**

1-6-2016

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

- a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
- b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
- c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.

Eden Vista Terrace LLC GP .01%/Limited Partner US Bank 99.99%

See Board List for Eden Investments, Inc. EIN 94-2995223 (the sole member of Eden Vista Terrace LLC GP EIN 47-3220005) & Board List for Eden Housing, Inc. (Developer/Sponsor/Guarantor).

- d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

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

- 9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months. If yes, please explain in detail. NO
- 10. Is it anticipated that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail. NO
- 11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8 which gives such person or entity more than a computed 10% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR):

Name, Address and Zip Code _____	Position Title (if any and extent of interest
-------------------------------------	--

- 12. Names, addresses and telephone numbers (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 8 or Item 11 above: See 8.
- 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.

The sole member of the General Partner LLC – Eden Investments, Inc. – is an affiliate of Eden Housing, Inc.

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

See attached EHI Combined 2015 Financial Statements

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

Low income 4% housing tax credits and tax exempt financing.

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

- a. In banks/savings and loans:

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

Amount: \$

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

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

Amount: \$

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

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
--------------------	---------------------	---------------------------

\$

\$

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

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

 Yes X No

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

19. Has the CONTRACTOR or anyone referred to above as "principals of the CONTRACTOR" been convicted of any felony within the past 10 years? Yes X No

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

20. List undertakings (including, but not limited to, bid bonds, performance bonds, payment bonds and/or improvement bonds) comparable to size of the proposed project which have been completed by the CONTRACTOR including identification and brief description of each project, date of completion, and amount of bond, whether any legal action has been taken on the bond:

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

See Eden Housing, Inc. Statement of Qualifications

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

a. Name and addresses of such contractor or builder:

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

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

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

General description of such work:

List each project, including location, nature of work performed, name, address of the owner of the project, bonding companies involved, amount of contract, date of commencement of project, date of completion, state whether any change orders were sought, amount of change orders, was litigation commenced concerning the project, including a designation of where, when and the outcome of the litigation.

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

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

<u>Awarding Agency</u>	<u>Amount</u>	<u>Date Opened</u>
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22. Provide a detailed and complete statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor: N/A

23. Does any member of the governing body of the San Diego Housing Commission ("COMMISSION"), Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of the COMMISSION, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor? ___ Yes X No

If yes, explain.

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

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

If yes, explain:

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

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

Check coverage(s) carried:

- ☐ Comprehensive Form
- ☐ Premises - Operations
- ☐ Explosion and Collapse Hazard
- ☐ Underground Hazard
- ☐ Products/Completed Operations Hazard
- ☐ Contractual Insurance
- ☐ Broad Form Property Damage
- ☐ Independent Contractors
- ☐ Personal Injury

- b. Automobile Public Liability/Property Damage [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

Check coverage(s) carried:

- ☐ Comprehensive Form
- ☐ Owned
- ☐ Hired
- ☐ Non-Owned

- c. Workers Compensation [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

- d. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

- e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]
 - f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]
-
- 27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the COMMISSION setting forth the provisions of this nondiscrimination clause.
 - 28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the COMMISSION, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the COMMISSION, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
 - 29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the COMMISSION, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

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

Government Entity
Making Complaint

Date

Resolution

31. Has the CONTRACTOR ever been disqualified, removed from or otherwise prevented from bidding on or completing a federal, state, or local government project because of a violation of law or a safety regulation. If so, please explain the circumstances in detail. If none, please so state: NO

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

<u>Governmental Agency</u>	<u>Description License</u>	<u>License Number</u>	<u>Date Issued (original)</u>	<u>Status (current)</u>	<u>Revocation (yes/no)</u>
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33. Describe in detail any and all other facts, factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the COMMISSION. NONE

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.

Eden Housing, Inc. is an experienced non profit housing developer having developed over 7,300 units and currently manages 5,200 units.

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

<u>Date</u>	<u>Entity Involved</u> (i.e., CITY, COMMISSION, etc.)	<u>Status</u> (Current, delinquent repaid, etc.)	<u>Dollar</u> <u>Amount</u>
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36. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, been the subject of a complaint filed with the Contractor's State License Board (CSLB)? ___ Yes X No

If yes, explain:

37. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, had a revocation or suspension of a CONTRACTOR's License?
___ Yes X No

If yes, explain:

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

Name:

Address:

Phone:

Project Name and Description:

Name:

Address:

Phone:

Project Name and Description:

Name:

Address:

Phone:

Project Name and Description:

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

See Eden SOQ's.

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

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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

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

Executed this 17 day of March, 20 16, at Hayward, California.

CONTRACTOR

By:

Signature

Title: President

CERTIFICATION

The CONTRACTOR, Eden Vista Terrace 2, L.P., hereby certifies that this CONTRACTOR's Statement for Public Disclosure and the attached information/evidence of the CONTRACTOR's qualifications and financial responsibility, including financial statements, are true and correct to the best of CONTRACTOR's knowledge and belief.

By: [Signature] By: _____
Title: President Title: _____
Dated: 03/17/2016 Dated: _____

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious or fraudulent statement or entry, in any matter within the jurisdiction or any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

JURAT

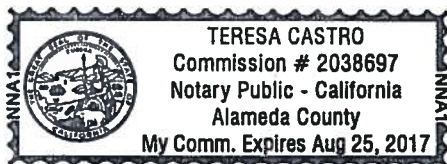
State of California

County of Alameda

Subscribed and sworn to (or affirmed) before me on this 17 day of March, 20 16

by Linda Mandolini personally known to me or proved to me on the basis of satisfactory

evidence to be the person(s) who appeared before me.



[Signature]
Signature of Notary

SEAL

VISTA TERRACE

Prepared For:
Prepared By:
Version:

Eden Housing
California Housing Partnership Corporation
Additional \$1 million to Coronado

Revised: 19-Aug-16 9:30 AM

PAGE 1

SOURCES OF FUNDS

SOURCES OF FUNDS - PERMANENT

	AMOUNT	TOTAL INTEREST COST	OID INTEREST RATE	TERM (Yr)	COMMENTS
Tax-Exempt Perm Loan (Direct Placement)	61,759,400	5.07%		35	100 bps cushion over 10 year T-bills plus 2.22% (22 mon forward)
Tax Exempt Perm Loan - B Tranche	0	5.07%		15	
Seller Carryback	419,371	4.00%	4.00%	55	Per Unit: 1,601
Accrued/Deferred Interest during Const	30,754				
Withdrawal from Existing Project Reserves	675,489				
Income from Operations prior to Conversion	2,846,406				
Deferred Developer Fee	9,174,737	4.00%			
Capital Contributions					
GP Capital for Short Term Work	263,160				
General Partner	0				% ownership: 0.01%
Limited Partners	39,037,948				% ownership: 99.99%
TOTAL SOURCES	114,207,265				Adjusted Equity Pricing: 1.1200
Surplus/(Shortfall)	0				Equity Pricing in Original LOL: 1.1600

Term Bond Rate Stack:

Bond/Swap Rate	4.820%	
Issuer	0.250%	4,500 min per annum
Total	5.070%	

SELLER FINANCING CALCULATION

Assumed sale date 09/15/16

Existing Reserves (projected to 8/1/16)	675,489
Purchase Price (Appraised Value) + Reserves	70,675,489
Total Purchase Price	70,675,489
Less: Cash to Seller for Acq Loan Payoff	(38,000,000)
Less: Cash to Seller (to Coronado)	(6,000,000)
Less: Cash to Seller for Equity Investor Payoff	(23,120,686)
Less: Cash to Seller for Equity Investor Return	(1,872,272)
Less: Cash to Seller for Eden Equity Payoff	(1,000,000)
Less: Cash to Seller to pay for Short Term Work	(263,160)
Seller Financing Amount	419,371

ESTIMATE OF PROPERTY VALUE AND PRICE, 2016

Gregg Palmer Appraisal

Building @ 90% of Est Value	63,069,000
Land @ 10% of Est Value	6,931,000
Total As-Is Value	70,000,000

MINIMUM REHAB BASIS TEST

Total Acquisition Basis	72,678,721
20% of Acquisition Basis	14,535,744
Total Rehab Basis	29,094,265
Excess (Deficit) Rehab Basis Over 20% of Acq Basis	14,558,521

SOURCES OF FUNDS - CONSTRUCTION

	AMOUNT	INT RATE	TERM (Mo.)	
Tax-Exempt Const Loan	96,210,880	3.250%	22	50% Test (see pg 4a): 88.50%
Seller Carryback	419,371	4.000%	22	1.25%+30 day LIBOR+150 bps cush.
Accrued/Deferred Interest during Const	30,754			Estimated long-term AFR in 2017
Withdrawal from Existing Project Reserves	675,489			See page 1-A - right column
Costs Deferred Until Permanent Loan Closing	3,529,079			
Income from Operations	0			
Deferred Developer Fee	9,174,737			
Capital Contributions				
GP Capital for Short Term Work	263,160			
General Partner	0			
Limited Partners	3,903,795			% of total pay-in: 10.00%
TOTAL SOURCES	114,207,265			
Surplus/(Shortfall)	0			

Const. Loan Valuation

Restricted NOI	4,422,493
OAR	4.50%
Perm Loan Amount	98,277,618
Credit Value @ 1.12	38,969,044
Beneficial Value of BMR Financing	0
Total Value	137,246,661
LTV:	80.00%
Max. Const. Loan Amount	109,797,329
Est. Commitment Amount	96,210,880

VISTA TERRACE

NET EQUITY CALCULATION (per TCAC Regulation 10302(c))

SELLER: EDEN VISTA TERRACE LP
BUYER: EDEN VISTA TERRACE II LP

PROPOSED SELLER SETTLEMENT:

Credits	Debits	Notes:
Purchase Price-Real Estate	38,000,000	Loan proceeds used to acquire property on 4/2015
Purchase Price-Existing Reserves	24,992,958	Equity proceeds used to acquire property on 4/2015
	1,000,000	Equity proceeds used to acquire property on 4/2015
	263,160	Estimate from capital needs assessment
	6,000,000	Equity proceeds to be used for other aff hsg work
TOTAL CREDITS	70,675,489	
TOTAL DEBITS	70,256,118	
NET PROJECT EQUITY	7,263,160	\$1,000,000 to return equity investment to Eden Housing; \$263,160 to pay for Short Term Capital Needs \$5,067,004 to pay for other affordable hsg work

VISTA TERRACE
USES OF FUNDS

PAGE 1-A

VERSION: Additional \$1 million to Coronado

Revised: 19-Aug-16

9:30 AM

USES OF FUNDS										Deferred Until Perm Conv.
		TOTAL	NON- DEPREC	DEPRECIABLE				100.00% TAX CREDIT ELIGIBLE		
	TOTAL	RESIDENTIAL		RESIDENTIAL	NON-RES	EXPENSE	AMORTIZE	CONST/ REHAB	ACQUIS.	
ACQUISITION COSTS										
Total Purchase Price:										
70,000,000										
Land (incl. prepay fee)	6,931,000	6,931,000	6,931,000							
Building (incl. prepay fee)	63,069,000	63,069,000	0	63,069,000	0				63,069,000	
Acquisition of Existing Reserves	675,489	675,489	675,489							
Title/Rec/Escrow/Transfer Tax/Broker - Acquisition	135,000	135,000	14,070	120,930	0				120,930	
Const. contract:										
18,300,000										
GENERAL DEVELOPMENT COSTS										
Hard Costs-Unit Construction	16,500,000	16,500,000		16,500,000	0		0	16,500,000		
Photo/Voltaic System	1,800,000	1,800,000	0	1,800,000	0		0	1,800,000		
Construction Contingency	1,830,000	1,830,000	0	1,830,000	0			1,830,000		
Contractor Overhead and Profit	0	0	0	0	0			0		
Local Permits/Fees	75,000	75,000		75,000	0			75,000		0
Site Improvements/Landscape	0	0		0	0			0		
Architecture	275,000	275,000		275,000	0			275,000		
Survey/Engineering/PNA	200,000	200,000		200,000	0			200,000		
Appraisal	12,000	12,000	0	12,000	0		0	12,000		
Market Study (TCAC)	10,000	10,000					10,000	0		
Construction Supervision	150,000	150,000		150,000	0			150,000		
Relocation-Temporary	850,000	850,000		850,000	0			850,000		
Construction Loan Interest	3,960,681	3,960,681		2,657,826	0	1,302,856		2,657,826	0	
Const. Loan Interest - Seller Carryback	30,754	30,754		0	0	30,754		0	0	
Title/Recording/Escrow - Construction	25,000	25,000		25,000	0			25,000	0	
Title/Recording/Escrow - Permanent	55,000	55,000					55,000			55,000
Soft Cost Contingency	324,362	324,362	0	324,362	0			324,362		
TCAC Application/Res/Monitoring Fee	144,214	144,214					144,214			106,600
Legal: Acquisition	10,000	10,000	1,042	8,958	0				8,958	
Construction Closing	35,000	35,000		35,000	0			35,000	0	
Permanent Closing	10,000	10,000					10,000	0		10,000
Organization of Ptnrshp	4,000	4,000					4,000			
Syndication - GP	40,500	40,500	40,500							
Syndication - LP	0	0	0							
Syndication Consulting-CHPC	50,000	50,000	50,000					0	0	
Audit/Cost Certification	20,000	20,000				20,000	0			
Furnishings	200,000	200,000		200,000	0			200,000		0
Rent-up/Marketing	50,000	50,000	0			50,000				262,000
Initial Deposit to Replacement Reserve	262,000	262,000	262,000							1,295,479
Capitalized Operating Reserve (3 mos.)	1,295,479	1,295,479	1,295,479							200,000
Services Reserve	200,000	200,000	200,000							1,600,000
Developer Fee	13,274,737	13,274,737		13,274,737	0			3,794,904	9,479,833	
COSTS OF ISSUANCE/FINANCING FEES										
Bond Counsel	55,000	55,000		0	0		55,000	0		
Borrower Counsel	20,000	20,000		0	0		20,000	0		
Issuer FA	50,000	50,000		12,015	0			37,985	12,015	
Issuer Counsel	10,000	10,000		0	0			10,000	0	
Issuer Application Fee (incl deposit)	13,000	13,000		0	0			13,000	0	
Issuer Fee-Upfront (City)	240,527	240,527		0	0			240,527	0	
Issuer Fee - Ann'l during Const (City)	440,967	440,967		0	0			440,967	0	
Lender Origination - Construction	384,844	384,844		258,250	0	126,593		258,250		
Lender Expenses - Construction	75,000	75,000		50,329	0	24,671		50,329		
Lender Counsel - Construction	65,000	65,000		43,618	0	21,382		43,618		
Lender Origination - Permanent	247,038	247,038		0	0			247,038	0	
Lender Expense - Permanent	20,000	20,000		0	0			20,000	0	
Lender Counsel - Permanent	30,000	30,000		0	0			30,000	0	
Trustee Fee	4,000	4,000		961	0			3,039	961	
CDLAC Fee	33,674	33,674		0	0			33,674	0	
CDIAC Fee	4,000	4,000		0	0			4,000	0	
COI Contingency	10,000	10,000		0	0			10,000	0	
Subtotal - Financing/Costs of Issuance	1,703,049	1,703,049	0	365,173	0	172,646	1,165,229	365,173	0	0
TOTAL DEVELOPMENT COSTS										
	114,207,265	114,207,265	9,469,581	101,772,986	0	1,576,255	1,388,443	29,094,265	72,678,721	3,529,079
TDC Per Unit	435,788	100.00%								

Developer Fee Payment Schedule:	
Construction Close	2,500,000
During Construction	0
Conversion	1,100,000
Final LP Pay-in	500,000
Plus: Deferred	9,174,737
Plus: GP Capital	0
Total Developer Fee	13,274,737

DEVELOPER FEE CALCULATION			
	CONST. 15.0%	ACQ. 15.0%	total
Maximum Potential Fee per TCAC Formula	3,794,904	9,479,833	13,274,737
Percent of Total	28.59%	71.41%	100.00%
Developer Fee Taken			4,100,000
\$10,000/unit above 100 units			1,600,000
TCAC Allowable Fee Paid to Developer			4,100,000
Max Recontrib. Dev. Fee (GP Cap Contr/Deferred Fee)			9,174,737
Per Unit Construction			69,962
<i>Notes: TCAC developer fee cap for 4% acq/rehab projects is 15% of rehab basis plus 15% of acq basis.</i>			
<i>Amount of fee above \$2.5 million plus \$10,000/tax credit unit must be recontributed to project.</i>			

AVERAGE AFFORDABILITY FOR QUALIFIED UNITS (% of Median)		53.6%	UTILITY DEDUCTIONS:		1 BR	\$0
					2 BR	\$0
					3 BR	\$0
					4 BR	\$0

RESIDENTIAL INCOME

TAX-CREDIT ELIGIBLE - TIER 1		30% AMI		PERCENT OF TARGETED UNITS		10.0%		TCAC AFFORDABILITY POINTS:		0.0	
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT			
3 BR - Small TH	21	1,020	21,420	30.0%	638	638	13,388	160,650			
4 BR	5	1,247	6,235	31.0%	711	711	3,555	42,660			
TOTAL	26		27,655				16,943	203,310			

TAX-CREDIT ELIGIBLE - TIER 2		50% AMI		PERCENT OF TARGETED UNITS		30.0%		TCAC AFFORDABILITY POINTS:		0.0	
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT			
3 BR - Flat	58	1,019	59,102	50.0%	1,063	1,063	61,625	739,500			
4 BR	20	1,247	24,940	50.0%	1,148	1,148	22,950	275,400			
TOTAL	78		84,042				84,575	1,014,900			

TAX-CREDIT ELIGIBLE - TIER 3		60% AMI		PERCENT OF TARGETED UNITS		33.1%		TCAC AFFORDABILITY POINTS:		0.0	
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT			
3 BR - Flat	12	1,019	12,228	60.0%	1,275	1,275	15,300	183,600			
3 BR - Small TH	47	1,009	47,423	60.0%	1,275	1,275	59,925	719,100			
4 BR	27	1,247	33,669	60.0%	1,377	1,377	37,179	446,148			
TOTAL	86		93,320				112,404	1,348,848			

TAX-CREDIT ELIGIBLE - TIER 3		60% AMI		PERCENT OF TARGETED UNITS		26.9%		TCAC AFFORDABILITY POINTS:		0.0	
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT			
3 BR- Flat	0	884	0	0.0%	0	1,178	0	0			
3 BR- Large TH	70	1,032	72,240	60.0%	1,275	1,275	89,250	1,071,000			
4 BR	0	1,247	0	0.0%	0	1,377	0	0			
TOTAL	70		72,240				89,250	1,071,000			

MANAGER UNITS		UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
		3 BR - Small TH	2	1,032	2,064	0.0%	0	0	0	0
		TOTAL	2		2,064				0	0

TOTAL RESIDENTIAL INCOME				TOTAL UNITS	TOTAL MONTHLY (Net)	TOTAL ANNUAL
TOTAL SQ FT - TAX CREDIT ELIGIBLE				262	303,172	3,638,058
TOTAL SQ FT - NON-TAX CREDIT ELIGIBLE						
TOTAL RENTABLE SQ FT					TOTAL TCAC AFF. POINTS:	0.0

MISC. INCOME		PER-UNIT MONTHLY	TOTAL MONTHLY	TOTAL ANNUAL
Laundry/Vending		12.72	3,333	40,000
Financial/Misc.		0.00	0	0

PROJECT-BASED SECTION 8			ASSUMED TERM (Yr): 15		(Rents from Novogradac RCS, 11/6/15)				
			% MEDIAN INCOME	PER UNIT NET BASE RENT	PER UNIT NET SECT. 8	INCREMENTAL PER UNIT RENT	MONTHLY INCRMTL	ANNUAL INCRMTL	
UNIT TYPE	NUMBER	INCOME TIER	AFFORDABLE	(W/O SECT. 8)	MO. RENT	FROM SECT. 8	SECT. 8 RENT	SECT. 8 RENT	
3 BR - Small TH	21	30% AMI	30.00%	638	1,905	1,268	26,618	319,410	
3 BR - Flat	58	50% AMI	50.00%	1,063	1,915	853	49,445	593,340	
3 BR - Flat	12	60% AMI	60.00%	1,275	1,840	565	6,780	81,360	
3 BR - Small TH	47	60% AMI	60.00%	1,275	1,905	630	29,610	355,320	
3 BR- Large TH	70	60% AMI	60.00%	1,275	1,930	655	45,850	550,200	
4 BR	5	30% AMI	30.98%	711	2,230	1,519	7,595	91,140	
4 BR	20	50% AMI	50.00%	1,148	2,230	1,083	21,650	259,800	
4 BR	27	60% AMI	60.00%	1,377	2,230	853	23,031	276,372	
TOTAL	260						210,579	2,526,942	
TOTAL RENTAL INCOME INCLUDING SECTION 8								6,205,000	

		PAID FROM BOND PROCEEDS	BOND/CONSTRUCTION CLOSING							PERMANENT CONVERSION					8609
			Tax-Exempt Const Loan	Seller Carryback	Accrued/ Def Interest	Existing Reserves	Income from Operations	Deferred Dev Fee	GP Capital Short Term Work	1st LP Cap Contrib	Tranche A Tax-Exempt Perm Loan	Tranche B Tax-Exempt Perm Loan	Income from Operations	3rd LP Cap Contrib	
Uses of Funds	TOTAL		96,210,880	419,371	30,754	675,489	0	9,174,737	263,160	3,903,795	61,759,400	0	2,846,406	34,634,153	500,000
ACQUISITION COSTS															
Land (incl. prepay fee)	6,931,000	6,511,629		419,371											
Building (incl. prepay fee)	63,069,000	63,069,000													
Acquisition of Existing Reserves	675,489	0				675,489									
Title/Rec/Escrow/Transfer Tax/Broker - Acqui	135,000	135,000													
GENERAL DEVELOPMENT COSTS															
Hard Costs-Unit Construction	16,500,000	0													
PhotoVotac System	1,800,000	16,236,840							263,160						
Construction Contingency	1,830,000	1,800,000													
Contractor Overhead and Profit	0	1,830,000													
Local Permits/Fees	75,000	75,000													
Site Improvements/Landscape	0	0													
Architecture	275,000	275,000													
Survey/Engineering/PNA	200,000	200,000		0											
Appraisal	12,000	0													
Market Study (TCAC)	10,000	0													
Construction Supervision	150,000	150,000													
Relocation-Temporary	850,000	850,000													
Construction Loan Interest	3,960,681	3,960,681		0	30,754										
Const Loan Interest - Seller Carryback	30,754	0													
Title/Recording/Escrow - Construction	25,000	25,000												55,000	
Title/Recording/Escrow - Permanent	55,000	0													
Soft Cost Contingency	324,362	324,362												106,600	
TCAC Application/Res/Monitoring Fee	144,214	0													
Legal: Acquisition	10,000	0													
Construction Closing	35,000	0													
Permanent Closing	10,000	0													
Organization of Ptnship	4,000	0												10,000	
Syndication - GP	40,500	0													
Syndication Consulting-CHPC	50,000	0													
Audit/Cost Certification	20,000	0													
Furnishings	200,000	200,000													
Rent-up/Marketing	50,000	0													
Initial Deposit to Replacement Reserve	262,000	0												262,000	
Capitalized Operating Reserve (3 mos.)	1,295,479	0												1,295,479	
Services Reserve	200,000	0												200,000	
Developer Fee	13,274,737	568,368						9,174,737		1,931,632				1,100,000	500,000
COSTS OF ISSUANCE/FINANCING FEES															
Bond Counsel	55,000	0													
Borrower Counsel	20,000	0													
Issuer FA	50,000	0													
Issuer Counsel	10,000	0													
Issuer Application Fee (incl deposit)	13,000	0													
Issuer Fee-Upfront (City)	240,527	0													
Issuer Fee - Ann'l during Const (City)	440,967	0													
Lender Origination - Construction	384,844	0													
Lender Expenses - Construction	75,000	0													
Lender Counsel - Construction	65,000	0													
Lender Origination - Permanent	247,038	0													
Lender Expense - Permanent	20,000	0													
Lender Counsel - Permanent	30,000	0													
Trustee Fee	4,000	0													
CDIAC Fee	33,674	0													
COI Contingency	10,000	0													
Repayment of Construction Loan	96,210,880	0								0	61,759,400	0	2,846,406	31,605,074	0
TOTAL DEVELOPMENT COSTS	210,418,145	96,210,880	96,210,880	419,371	30,754	675,489	0	9,174,737	263,160	3,903,795	61,759,400	0	2,846,406	34,634,153	500,000

	FEDERAL			CALIFORNIA		
	ACQUIS	CONST/ REHAB	TOTAL	ACQUIS	CONST/ REHAB	TOTAL
TOTAL ELIGIBLE COSTS	72,678,721	29,094,265	101,772,986	0	0	0
Less: 50% PV Tax Credit (Res. Portion)	0	(34,456)	(34,456)	0	0	0
ELIGIBLE BASIS	72,678,721	29,059,809	101,738,530	0	0	0
REQUESTED UNADJUSTED ELIGIBLE BASIS	72,678,721	29,059,809	101,738,530	0	0	0
HIGH COST ADJUSTMENT (Y or N) Y	100.0%	130.0%		100.0%	100.0%	
ADJUSTED ELIGIBLE BASIS	72,678,721	37,777,752	110,456,473	0	0	0
APPLICABLE FRACTION*	100.0%	100.0%		100.0%	100.0%	
QUALIFIED CREDIT BASIS	72,678,721	37,777,752	110,456,473	0	0	0
REQUESTED QUALIFIED BASIS (For Leveraging Points) % REDUCTION: 0.00%	100.0% 72,678,721	100.0% 37,777,752	110,456,473	100.0% 0	100.0% 0	0
CREDIT RATE (TCAC UNDERWRITING) State - Total Federal Annual/Yr 1-3 State Year 4 - State	3.15%	3.15%		13.00% 3.15% 3.55%	13.00% 3.15% 3.55%	
MAX. POTENTIAL FEDERAL CREDIT (No Vol Basic Reduct/Actual Rate) Credit Rates Potential Credit	3.15% 2,289,380	3.15% 1,189,999	3,479,379			
MAX. CREDIT AMOUNT PER TCAC UNDERWRITING Federal Annual/Yr 1State Yr 2 State Yr 3 State Yr 4 State Total	2,289,380	1,189,999	3,479,379	0 0 - 0 0	0 - - 0 -	0 0 0 0 0
ACTUAL TCAC CREDIT RESERVATION Federal Annual/Total State	N/A	N/A	N/A	N/A	N/A	N/A
MAXIMUM ALLOWABLE CREDITS (Lesser of above) Federal Annual/Total State	2,289,380	1,189,999	3,479,379			0
MAXIMUM ALLOWABLE - TEN YEAR TOTAL			34,793,789			0

ITC Credit Calculation		*APPLICABLE FRACTION			
Total PV Hard Costs	1,800,000	Number of Units		Total Sq Ft	Fraction
Hard Cost Contingency	180,000				
Soft Costs Related to PV					
Architect/Engineering	27,049	Tax Credit		279,321	100.00%
Developer Fee	270,000	Non-Tax Credit Eligible		0	0.00%
Other Soft Costs	20,000				
less: Grants/Rebates	0	TOTAL		279,321	100.00%
Total PV Basis	2,297,049				
PV Basis, Net of Tax-Exempt Portion	229,705	APPLICABLE FRACTION (Lesser of Low Income Units or Sq Ft %)		100.0000%	
Credit Percentage	30.00%				
Total PV Credit	68,911				

INCOME:		
Scheduled Gross Income - Residential		3,638,058
Section 8 PBA (Incremental Income)		2,526,942
Misc. Income (Fin'l/Misc)		0
Misc. Income (Laundry)		40,000
Vacancy Loss - Residential	5.00%	(181,903)
Vacancy Loss - Section 8	5.00%	(126,347)
EFFECTIVE GROSS INCOME		5,896,750
EXPENSES - RESIDENTIAL		
Administrative		
Advertising	0	
Legal	1,350	
Accounting/Audit	39,868	
Security	42,945	
Misc. Admin	36,887	
Total Administrative		121,050
Management Fee		123,694
Utilities		
Fuel	0	
Electricity	151,159	
Gas	48,465	
Utilities	0	
Total Utilities		199,624
Water/Sewer		266,730
Payroll/Payroll Taxes		
On-Site Manager/Office/Maintenance Salaries	133,921	
Maintenance Payroll	123,837	
Manager/Maint Unit Expense/(Credit)	0	
Payroll Taxes/Benefits	80,886	
Total Payroll/Payroll Taxes		338,644
Insurance		60,996
Real Estate Taxes		7,002
Maintenance		
Painting	0	
Repairs	125,427	
Trash Removal	22,924	
Exterminating	0	
Grounds	0	
Elevator	0	
Janitorial	0	
Total Maintenance		148,351
Replacement Reserve		131,000
Other		
Service Coordinator	69,080	
Misc. Tax/License	8,086	
	0	
	0	
Total Other		77,166
TOTAL EXPENSES - RESIDENTIAL		1,474,257
Per Unit Per Month (incl. Reserves)	5,627	
Per Unit Per Month (w/o taxes/res/svc))	4,837	
TCAC Minimum (w/o taxes/res/svc)	4,600	
NET AVAILABLE INCOME		4,422,493
Debt Service Coverage Ratio		1.17
AVAILABLE FOR DEBT SERVICE		3,773,458

LOAN 1

Financing Type: Tax-Exempt Perm Loan (Direct Placement)

	<u>Underwriting Constraint</u>	<u>Maximum Loan Amount</u>
Debt Service Coverage	1.17	61,759,400
Loan-to-Value	85.0%	93,327,730
Lender Commitment		62,400,000
MAXIMUM MORTGAGE		61,759,400

LOAN 2

Financing Type: Conventional Perm Loan
Lender: Tax Exempt Perm Loan - B Tranche
Section 8 Increment - 5.0%
Less: Vacancy -
Net Sect 8 Increment -
DSC 1.25
Available for DS (Ann'l): -

	<u>Underwriting Constraint</u>	<u>Maximum Loan Amount</u>
Debt Service Coverage	1.25	0
Loan-to-Value	NA	NA
Percent of Transaction Costs	NA	NA
Statutory Limit	NA	NA
Commitment Amount	NA	NA
MAXIMUM MORTGAGE		0

LOAN CONSTANT/TIC CALCULATION			
	FHA/CONV.	SERIES A	SERIES B
Bond/Loan Rate	7.00000%	4.82000%	0.00000%
Term (Yr)	35.00	35.00	10.00
LOC Fee	0.00000%	0.00000%	0.00000%
GNMA/Servicing	0.00000%	0.00000%	0.00000%
Annual Issuer Fee	0.00000%	0.25000%	0.00000%
Other Annual Bond Fees	0.00000%	0.00000%	0.00000%
Amort (P&I)	0.66628%	1.09920%	10.00000%
Loan Constant	7.66628%	6.16920%	10.00000%
Imputed Total Interest Cost (TIC)	7.00000%	5.14697%	0.00000%

BOND/REHABILITATION RATIOS

Tax-Exempt Financing Ratio	
Series A Bonds	0
Series B Bonds	0
Tax-Exempt Construction Loan	96,210,880
Tax-Exempt Bridge Loan	0
TOTAL TAX-EXEMPT FINANCING	96,210,880
TOTAL BASIS + LAND ALLOCATION	108,713,986
Percent Tax-Exempt Financing	88.50%

VISTA TERRACE
LEASE-UP/PLACED-IN-SERVICE SCHEDULE

Version: Additional \$1 million to Coronado

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Revised: 19-Aug-16

Schedule	
Start of Construction	09/15/16
Completion	02/01/18
100% Occupancy	03/01/18
Conversion	07/01/18
Receipt of 8609	01/01/19

LIHTC LEASE-UP SCHEDULE		
Lease-Up Start (Year):		2016
Completed Lease Up by Month		
<i>Month</i>	<i>No. Units</i>	<i>Percent</i>
Jan-16	0	0.0%
Feb-16	0	0.0%
Mar-16	0	0.0%
Apr-16	0	0.0%
May-16	0	0.0%
Jun-16	0	0.0%
Jul-16	0	0.0%
Aug-16	0	0.0%
Sep-16	0	0.0%
Oct-16	0	0.0%
Nov-16	0	0.0%
Dec-16	0	0.0%
TOTAL	0	0.0%
Total % Qual. Occ. in First Year		0.0%
YEAR 2 (cumulative)		
Jan-17	0	0.0%
Feb-17	220	84.6%
Mar-17	24	9.2%
Apr-17	0	0.0%
May-17	0	0.0%
Jun-17	0	0.0%
Jul-17	0	0.0%
Aug-17	0	0.0%
Sep-17	0	0.0%
Oct-17	0	0.0%
Nov-17	0	0.0%
Dec-17	0	0.0%
TOTAL	244	93.8%
Total Avg % Qual. Occ. Y2		85.26%
YEAR 3 (cumulative)		
Jan-18	244	93.8%
Feb-18	16	6.2%
Mar-18	0	0.0%
Apr-18	0	0.0%
May-18	0	0.0%
Jun-18	0	0.0%
Jul-18	0	0.0%
Aug-18	0	0.0%
Sep-18	0	0.0%
Oct-18	0	0.0%
Nov-18	0	0.0%
Dec-18	0	0.0%
TOTAL	260	100.0%
Total Avg % Qual. Occ. Y3		99.5%

REHAB COMPLETION SCHEDULE			
			2016
Bldg. PIS by Month			
<i>Month</i>	<i>Building No.</i>	<i>No. Units</i>	<i>Percent</i>
Jan-16	0	0	0.0%
Feb-16	0	0	0.0%
Mar-16	0	0	0.0%
Apr-16	0	0	0.0%
May-16	0	0	0.0%
Jun-16	0	0	0.0%
Jul-16	0	0	0.0%
Aug-16	0	0	0.0%
Sep-16	0	0	0.0%
Oct-16	1	0	0.0%
Nov-16	0	0	0.0%
Dec-16	0	0	0.0%
TOTAL		0	0.0%
Total % PIS in First Year			0.0%
YEAR 2 (cumulative)			
Jan-17	0	0	0.0%
Feb-17	0	0	0.0%
Mar-17	0	0	0.0%
Apr-17	0	0	0.0%
May-17	0	0	0.0%
Jun-17	0	0	0.0%
Jul-17	0	0	0.0%
Aug-17	0	0	0.0%
Sep-17	0	0	0.0%
Oct-17	0	246	93.9%
Nov-17	0	0	0.0%
Dec-17	0	0	0.0%
TOTAL		246	93.9%
Total Avg % PIS Y2			23.5%
YEAR 3 (cumulative)			
Jan-18	0	246	93.9%
Feb-18	0	16	6.1%
Mar-18	0	0	0.0%
Apr-18	0	0	0.0%
May-18	0	0	0.0%
Jun-18	0	0	0.0%
Jul-18	0	0	0.0%
Aug-18	0	0	0.0%
Sep-18	0	0	0.0%
Oct-18	0	0	0.0%
Nov-18	0	0	0.0%
Dec-18	0	0	0.0%
TOTAL		262	100.0%
Total Avg % PIS Y3			99.5%

OPERATIONS SCHEDULE		
		2016
Completed Lease Up by Month		
<i>Month</i>	<i>No. Units</i>	<i>Percent</i>
Jan-16	0	0.0%
Feb-16	0	0.0%
Mar-16	0	0.0%
Apr-16	0	0.0%
May-16	0	0.0%
Jun-16	0	0.0%
Jul-16	0	0.0%
Aug-16	0	0.0%
Sep-16	0	0.0%
Oct-16	262	100.0%
Nov-16	0	0.0%
Dec-16	0	0.0%
TOTAL	262	100.0%
Total % Operating in First Year		25.0%
YEAR 2 (cumulative)		
Jan-17	262	100.0%
Feb-17	0	0.0%
Mar-17	0	0.0%
Apr-17	0	0.0%
May-17	0	0.0%
Jun-17	0	0.0%
Jul-17	0	0.0%
Aug-17	0	0.0%
Sep-17	0	0.0%
Oct-17	0	0.0%
Nov-17	0	0.0%
Dec-17	0	0.0%
TOTAL	262	100.0%
Total % Operating in 2nd Year		100.0%
YEAR 3 (cumulative)		
Jan-18	262	100.0%
Feb-18	0	0.0%
Mar-18	0	0.0%
Apr-18	0	0.0%
May-18	0	0.0%
Jun-18	0	0.0%
Jul-18	0	0.0%
Aug-18	0	0.0%
Sep-18	0	0.0%
Oct-18	0	0.0%
Nov-18	0	0.0%
Dec-18	0	0.0%
TOTAL	262	100.0%
Total % Operating in 3rd Year		100.0%

VISTA TERRACE

Calculation of Net Syndication Proceeds

Version: Additional \$1 million to

Revised:

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CALCULATION OF SYNDICATION COSTS

Total Federal Credit (10 yr) & State Credit	34,793,789	
Gross Proceeds (Total)	39,037,948	
Gross Proceeds (net of bridge int/fees)	39,037,948	
Less		Comments
Upper Tier Costs		
Attorney	44,500	
Accountant	20,000	
Consulting	50,000	
Broker		
Bridge Loan Fee	0	
Syndicator	0	
Other		
Total Syndication Costs	114,500	
Total Syndication Costs/Gross Proceeds	0.00 %	(Syndication Load)
Net Proceeds	38,923,448	
Net Proceeds/Total Fed and State Credit	1.1187	tax credit factor
Gross Proceeds (Total)/Total Fed and State Credit	1.1220	tax credit factor
Gross Proceeds (w/o Bridge)/Total Fed and State Credit	1.1220	tax credit factor
Gross Proceeds - Federal/State Disaggregated		
Federal	1.1199	tax credit factor

County:San Diego

9% or 4% credits:4%

TCAC BASE LIMITS FOR GEOGRAPHIC REGION			TCAC BASIS LIMIT FOR THIS PROJECT			
Unit Type	9%	4%	Unit Type	# Units	Per Unit Basis Limit	TOTAL
0 BR	177,162	200,745	0 BR	0	200,745	0
1 BR	204,266	231,457	1 BR	0	231,457	0
2 BR	246,400	279,200	2 BR	0	279,200	0
3 BR	315,392	357,376	3 BR	210	357,376	75,048,960
4 BR	351,366	398,139	4 BR	52	398,139	20,703,228
				262		95,752,188
Additional Basis Adjustments:						
Local Development Impact Fees						0
Boost for Prevailing Wage						20.0% 0
Boost for Parking beneath Units						7.0% 0
Boost for elevator service						10.0% 0
BONDS: Boost for units betw. 50% & 36% AMI						1.0% 38,300,875
BONDS: Boost for units <= 35% AMI						2.0% 0
TOTAL THRESHOLD BASIS LIMIT						134,053,063
POTENTIAL ELIGIBLE BASIS						101,738,530
SURPLUS/DEFICIT						32,314,533

ASSUMPTIONS:																	
Rent Increase: TCAC Rents	2.00%								2016 Contract Rents:		Perm Loan - % Debt Svc Yr 1		0.0%				
Rent Increase: Sect 8 Rents	1.00%								3BR	1,396	Perm Loan - % Debt Svc Yr 2		0.0%				
Expenses Increase:	3.00%								4BR	1,629	Perm Loan - % Debt Svc Yr 3		50.0%				
Reserve Increase:	3.00%																
Credit Period Year:		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
		(post rehab rents)															
GROSS POTENTIAL INCOME - RESIDENTIAL		909,515	3,638,058	3,638,058	3,710,819	3,785,036	3,860,736	3,937,951	4,016,710	4,097,044	4,178,985	4,262,565	4,347,816	4,434,772	4,523,468	4,613,937	4,706,216
Section 8 PBA: Incremental Income		215,714	907,863	2,133,537	2,552,211	2,577,734	2,603,511	2,629,546	2,655,841	2,682,400	2,709,224	2,736,316	2,763,679	2,791,316	2,819,229	2,847,421	2,875,896
Misc. Income (Laundry)		10,000	40,100	40,902	41,720	42,554	43,406	44,274	45,159	46,062	46,984	47,923	48,882	49,859	50,856	51,874	52,911
Vacancy Loss - Residential	5.00%	(45,976)	(183,908)	(183,948)	(187,627)	(191,379)	(195,207)	(199,111)	(203,093)	(207,155)	(211,298)	(215,524)	(219,835)	(224,232)	(228,716)	(233,291)	(237,956)
Vacancy Loss - Section 8	5.00%	(10,786)	(45,393)	(106,677)	(127,611)	(128,887)	(130,176)	(131,477)	(132,792)	(134,120)	(135,461)	(136,816)	(138,184)	(139,566)	(140,961)	(142,371)	(143,795)
Vacancy Loss - Rehab Period	5.00%	(56,261)	(132,589)														
GROSS EFFECTIVE INCOME		1,022,205	4,224,131	5,521,872	5,989,513	6,085,057	6,182,270	6,281,182	6,381,825	6,484,231	6,588,433	6,694,464	6,802,358	6,912,150	7,023,876	7,137,571	7,253,272
TOTAL EXPENSES		335,814	1,353,332	1,393,932	1,435,750	1,478,822	1,523,187	1,568,882	1,615,949	1,664,427	1,714,360	1,765,791	1,818,765	1,873,327	1,929,527	1,987,413	2,047,036
NET OPERATING INCOME		686,391	2,870,799	4,127,941	4,553,764	4,606,235	4,659,083	4,712,300	4,765,876	4,819,804	4,874,073	4,928,673	4,983,594	5,038,823	5,094,349	5,150,158	5,206,236
REPLACEMENT RESERVE		0	0	65,500	134,930	138,978	143,147	147,442	151,865	156,421	161,113	165,947	170,925	176,053	181,335	186,775	192,378
NET INCOME AVAILABLE FOR DEBT SERVICE		686,391	2,870,799	4,062,441	4,418,834	4,467,257	4,515,936	4,564,858	4,614,011	4,663,383	4,712,959	4,762,726	4,812,668	4,862,770	4,913,014	4,963,383	5,013,858
INCOME FROM OPERATIONS																	
Income from Operations for Perm Financing		480,474	2,365,932	0													
SERIES A PERM LOAN Tax-Exempt Perm Loan (Direct Placement)																	
Principal Balance		61,759,400	61,759,400	61,759,400	61,416,545	60,705,592	59,959,604	59,176,854	58,355,531	57,493,734	56,589,469	55,640,641	54,645,057	53,600,410	52,504,285	51,354,143	50,147,323
Annual Issuer Fee	0.000%	0	0	0	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Other Annual Fees	0.000%	0	0	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Series A Bond P&I																	
Interest Payment		0	0	1,484,975	2,944,708	2,909,673	2,872,911	2,834,338	2,793,863	2,751,395	2,706,833	2,660,076	2,611,014	2,559,535	2,505,519	2,448,841	2,389,369
Principal Payment		0	0	342,855	710,953	745,988	782,750	821,323	861,797	904,266	948,827	995,585	1,044,646	1,096,126	1,150,142	1,206,820	1,266,291
TOTAL SERIES A DEBT SERVICE		0	0	1,854,830	3,707,660	3,707,660	3,707,660	3,707,660	3,707,660	3,707,660	3,707,660	3,707,660	3,707,660	3,707,660	3,707,660	3,707,660	3,707,660
SERIES B PERM LOAN																	
Principal Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Issuer Fee	0.000%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Annual Fees	0.000%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET CASH FLOW		205,917	504,867	2,207,610	711,173	759,597	808,276	857,198	906,351	955,723	1,005,299	1,055,066	1,105,008	1,155,109	1,205,353	1,255,722	1,306,198
Debt Service Coverage Ratio		NA	NA	2.19	1.19	1.20	1.22	1.23	1.24	1.26	1.27	1.28	1.30	1.31	1.33	1.34	1.35
DISTRIBUTION OF CASH FLOW																	
LP Asset Management Fee	Annual Amt: 6,550	0	1,538	6,747	6,949	7,157	7,372	7,593	7,821	8,056	8,297	8,546	8,803	9,067	9,339	9,619	9,907
Additional Project Services	10% or \$100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	104,652	109,621	114,604	119,601	124,610	129,629
(PV of Services @ 4%)		\$1,223,835															
Deferred Developer Fee		105,917	403,329	2,100,864	604,224	652,440	700,904	749,604	798,530	847,667	897,002	941,868	372,389	0	0	0	0
Interest on Deferred Developer Fee		0	0	0	0	0	0	0	0	0	0	0	614,195	1,031,438	1,076,413	88,285	0
(PV of Deferred Developer Fee @ 4%)		\$8,821,863															
GP Partnership Management Fee - Current	Annual Amt: 25,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,713	37,815
GP Partnership Management Fee - Deferred	Inflator: 3.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	365,445	0
Residual Receipts Loans																	
Seller Carryback	100.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	631,050	106,524
General Partner	90.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	920,090
Limited Partner	10.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	102,232

ASSUMPTIONS:																		
Depreciation:		Bldg-Residential				Bldg-Commercial				Site Improvements		Personal Property						
	General Ptr	100.0%	40.0 straight line		40.0 straight line		100.0% 20 Yr SL		100.0% 9 Yr SL									
	Limited Ptr	0.0%	27.5 straight line		27.5 straight line		0.0% 15 Yr 150% DB		0.0% 5 Yr DDB									
		Credit Period Year:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
		AMOUNT	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
DEPRECIATION SCHEDULE																		
40 years SL - Res - Building	29,094,265		181,839	727,357	727,357	727,357	727,357	727,357	727,357	727,357	727,357	727,357	727,357	727,357	727,357	727,357	727,357	727,357
27.5 year SL - Res - Building	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40 years SL - Res - Rehab (adj for ITC)	72,478,721		0	425,328	1,811,968	1,811,968	1,811,968	1,811,968	1,811,968	1,811,968	1,811,968	1,811,968	1,811,968	1,811,968	1,811,968	1,811,968	1,811,968	1,811,968
27.5 year SL - Res - Rehab (adj for ITC)	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Personal Property (9 yr SL)	200,000		0	5,216	22,222	22,222	22,222	22,222	22,222	22,222	22,222	22,222	17,006	0	0			
Personal property (5 yr d/d bal.)	0		0	0	0	0	0	0	0	0								
SUBTOTAL	101,772,986		181,839	1,157,901	2,561,547	2,561,547	2,561,547	2,561,547	2,561,547	2,561,547	2,561,547	2,561,547	2,556,331	2,539,325	2,539,325	2,539,325	2,539,325	2,539,325
check		101,772,986			0	0	0	0	0									
AMORTIZATION SCHEDULE																		
TCAC Application/Res/Monitoring Fee	144,214		0	12,295	14,421	14,421	14,421	14,421	14,421	14,421	14,421	14,421	14,421	2,126	0	0	0	0
Bond/Borrower Counsel	75,000		0	2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143
Issuer Fees/Expenses/Counsel	745,518		0	13,555	13,555	13,555	13,555	13,555	13,555	13,555	13,555	13,555	13,555	13,555	13,555	13,555	13,555	13,555
Lender Origination Fee/Expenses/Counsel	297,038		0	0	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487
CDLAC/CDIAC	37,674		0	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076
Title/Recording/Escrow - Permanent	55,000		0	0	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833
Legal: Permanent Closing	10,000		0	0	333	333	333	333	333	333	333	333	333	333	333	333	333	333
COI	10,000		0	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333
Market Study (TCAC)	10,000		0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0				
Legal: Organization of Partnership	4,000		4,000	0	0	0	0	0	0									
SUBTOTAL	1,388,443		4,000	30,403	43,182	43,182	43,182	43,182	43,182	43,182	43,182	43,182	43,182	29,887	27,761	27,761	27,761	27,761
check		1,388,443																
COSTS EXPENSED																		
Audit/Cost Certification	20,000			20,000														
Rent-up/Marketing	50,000			50,000														
Marketing	0		0	0														
Additional Project Services	0		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	104,652	109,621	114,604	119,601	124,610	129,629
Lender Origination/Expenses/Counsel	172,646		172,646															
GP Incentive Management Fee	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Management (Accrual)	0		0	0	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815
LP Asset Management Fee	0		0	1,538	6,747	6,949	7,157	7,372	7,593	7,821	8,056	8,297	8,546	8,803	9,067	9,339	9,619	9,907
Annual Issuer Fee	0		0	0	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
SUBTOTAL	242,646		272,646	171,538	159,497	185,471	186,476	187,510	188,575	189,672	190,803	191,967	197,818	204,021	210,277	216,584	222,943	229,351
INTEREST PAYMENT SCHEDULE																		
Interest - Tranche A			0	0	1,484,975	2,944,708	2,909,673	2,872,911	2,834,338	2,793,863	2,751,395	2,706,833	2,660,076	2,611,014	2,559,535	2,505,519	2,448,841	2,389,369
Interest - Soft Second # 1	Seller Carryback		30,754	16,943	17,620	18,325	19,058	19,820	20,613	21,438	22,295	23,187	24,115	25,079	26,082	27,126	28,211	29,339
Interest- Expensed Constr. Loan Interest			325,714	977,142	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL			356,468	1,356,837	1,863,725	3,254,573	3,207,764	3,156,828	3,101,575	3,041,806	2,977,314	2,907,883	2,833,287	2,753,480	2,668,235	2,577,310	2,480,447	2,418,709
TOTAL DEDUCTIONS			814,953	2,716,679	4,627,950	6,044,774	5,998,968	5,949,067	5,894,880	5,836,208	5,772,846	5,704,579	5,630,618	5,526,712	5,445,598	5,360,980	5,270,475	5,215,145

ASSUMPTIONS:																	
Marginal Tax Rate - Federal	35.0%																
Marginal Tax Rate - State	0.0%																
Effective Combined Marginal Tax Rate	35.0%																
Credit Period Year:		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
LOSSES																	
Net Operating Income		686,391	2,870,799	4,127,941	4,553,764	4,606,235	4,659,083	4,712,300	4,765,876	4,819,804	4,874,073	4,928,673	4,983,594	5,038,823	5,094,349	5,150,158	5,206,236
Total Deductions		814,953	2,716,679	4,627,950	6,044,774	5,998,968	5,949,067	5,894,880	5,836,208	5,772,846	5,704,579	5,630,618	5,526,712	5,445,598	5,360,980	5,270,475	5,215,145
Total Taxable Income (Loss)		(128,562)	154,121	(500,010)	(1,491,010)	(1,392,733)	(1,289,984)	(1,182,580)	(1,070,332)	(953,042)	(830,506)	(701,945)	(543,119)	(406,775)	(266,631)	(120,317)	(8,909)
AFTER TAX VALUE OF LOSSES																	
Allowable Losses (adj. for min. gain)		(128,562)	154,121	(500,010)	(1,491,010)	(1,392,733)	(1,289,984)	(1,182,580)	(1,070,332)	(953,042)	(830,506)	(701,945)	(543,119)	(406,775)	(266,631)	(120,317)	0
After Tax Value of Losses	35.0%	44,997	(53,942)	175,003	521,854	487,457	451,494	413,903	374,616	333,565	290,677	245,681	190,092	142,371	93,321	42,111	0
General Partner Share	0.01%	4	(5)	18	52	49	45	41	37	33	29	25	19	14	9	4	0
Limited Partner Share	99.99%	44,992	(53,937)	174,986	521,801	487,408	451,449	413,862	374,579	333,531	290,648	245,656	190,073	142,357	93,312	42,107	0
		99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%
YEAR 12 LOSSES																	
GP SHARE:	0.01%																
LP SHARE:	99.99%																
TAX CREDITS																	
PV Tax Credit			68,911														
Fed Tax Credits-Acq - Credit Year 1	93.8%	0	1,831,730	2,148,495	2,148,495	2,148,495	2,148,495	2,148,495	2,148,495	2,148,495	2,148,495	2,148,495	316,765				
Fed Tax Credits-Rehab- Credit Year 1	93.8%	0	952,117	1,116,768	1,116,768	1,116,768	1,116,768	1,116,768	1,116,768	1,116,768	1,116,768	1,116,768	164,652				
Fed Tax Credits-Acq - Credit Year 2	6.2%	0	0	140,162	140,885	140,885	140,885	140,885	140,885	140,885	140,885	140,885	140,885			722	
Fed Tax Credits-Rehab- Credit Year 2	6.2%	0	0	72,855	73,231	73,231	73,231	73,231	73,231	73,231	73,231	73,231	73,231			376	
TOTAL TAX CREDITS		0	2,852,758	3,478,281	3,479,379	3,479,379	3,479,379	3,479,379	3,479,379	3,479,379	3,479,379	3,479,379	695,533	1,098	0	0	0
General Partner Share	0.01%	0	285	348	348	348	348	348	348	348	348	348	70	0	0	0	0
Limited Partner Share	99.99%	0	2,852,472	3,477,933	3,479,031	3,479,031	3,479,031	3,479,031	3,479,031	3,479,031	3,479,031	3,479,031	695,463	1,098	0	0	0
TOTAL AFTER TAX BENEFITS		44,997	2,798,816	3,653,284	4,001,232	3,966,835	3,930,873	3,893,282	3,853,995	3,812,944	3,770,056	3,725,060	885,624	143,469	93,321	42,111	0
General Partner Share	0.01%	4	280	365	400	397	393	389	385	381	377	373	89	14	9	4	0
Limited Partner Share	99.99%	44,992	2,798,536	3,652,919	4,000,832	3,966,439	3,930,480	3,892,892	3,853,610	3,812,562	3,769,679	3,724,687	885,536	143,455	93,312	42,107	0
Cash to LP		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	102,232
LIMITED PARTNER CAPITAL CONTRIBUTIONS		3,903,795	35,134,153	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Credit Period Year:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
LIMITED PARTNER SHARE																
Adjusted Basis @ 99.99%	108,521,472	107,363,686	104,802,395	102,241,105	99,679,814	97,118,523	94,557,233	91,995,942	89,434,651	86,873,360	84,317,286	81,778,215	79,239,144	76,700,073	74,161,003	71,621,932
Outstanding Nonrecourse Debt @ 99.99% (excl. Seller Loan)	61,753,224	61,753,224	61,410,403	60,699,521	59,953,608	59,170,937	58,349,696	57,487,985	56,583,810	55,635,077	54,639,592	53,595,050	52,499,034	51,349,008	50,142,308	48,876,144
Minimum Gain	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CAPITAL ACCOUNT																
Beg. of Yr Capital Account Balance	0	3,775,246	3,929,351	38,063,544	36,572,683	35,180,090	33,890,235	32,707,773	31,637,549	30,684,602	29,854,179	29,152,304	28,609,240	28,202,506	27,935,901	27,815,596
Capital Contributions	3,903,795	0	34,634,153	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Losses @ 99.99%	(128,549)	154,105	(499,960)	(1,490,861)	(1,392,594)	(1,289,855)	(1,182,462)	(1,070,225)	(952,947)	(830,423)	(701,875)	(543,065)	(406,734)	(266,604)	(120,305)	(8,908)
Allowable Losses (to extent of minimum gain)	(128,549)	154,105	(499,960)	(1,490,861)	(1,392,594)	(1,289,855)	(1,182,462)	(1,070,225)	(952,947)	(830,423)	(701,875)	(543,065)	(406,734)	(266,604)	(120,305)	0
Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	102,232
(cap acct before min gain adjustment)	3,775,246	3,929,351	38,063,544	36,572,683	35,180,090	33,890,235	32,707,773	31,637,549	30,684,602	29,854,179	29,152,304	28,609,240	28,202,506	27,935,901	27,815,596	27,908,920
End of Year Capital Account Balance	3,775,246	3,929,351	38,063,544	36,572,683	35,180,090	33,890,235	32,707,773	31,637,549	30,684,602	29,854,179	29,152,304	28,609,240	28,202,506	27,935,901	27,815,596	27,917,828
Marginal Tax Rate	35.0%															
Tax Benefit/(Liability) on Sale @ \$1	1,321,336	1,375,273	13,322,241	12,800,439	12,313,031	11,861,582	11,447,721	11,073,142	10,739,611	10,448,963	10,203,307	10,013,234	9,870,877	9,777,565	9,735,459	9,771,240
Gross-Up Factor (for taxes on gain due to tax payment)	65.00%															
Total GP Obligation on Sale: LP Tax Liability + Gross-Up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

ASSUMPTIONS:								
Marginal Tax Rate		35.0%						
YEAR	LIMITED PARTNER PAY-INS	AFTER- TAX VALUE OF LOSSES	TOTAL LTD PTR FED TAX CREDITS*	TOTAL LTD PTR CAL. TAX CREDITS	TAX BENEFIT/ (LIABILITY) UPON SALE	TOTAL LTD PTR TAX BENEFITS	CUMULATIVE RATIO OF BENEFITS TO LTD PTR PAY-INS	
2016	3,903,795	44,992	0	0		44,992	0.01	
2017	0	(53,937)	2,852,472	0		2,798,536	0.73	
2018	34,634,153	174,986	3,477,933	0		3,652,919	0.17	
2019	500,000	521,801	3,479,031	0		4,000,832	0.27	
2020	0	487,408	3,479,031	0		3,966,439	0.37	
2021	0	451,449	3,479,031			3,930,480	0.47	
2022	0	413,862	3,479,031			3,892,892	0.57	
2023	0	374,579	3,479,031			3,853,610	0.67	
2024		333,531	3,479,031			3,812,562	0.77	
2025		290,648	3,479,031			3,769,679	0.86	
2026		245,656	3,479,031			3,724,687	0.96	
2027		190,073	695,463			885,536	0.98	
2028		142,357	1,098			143,455	0.99	
2029		93,312				93,312	0.99	
2030		42,107			0	42,107	0.99	
2031		0			9,771,240	9,771,240	1.24	
TOTAL	39,037,948	3,752,823	34,859,214	0		48,383,277		

*Includes Historic Credit in year placed in service.

INTERNAL RATE OF RETURN:		4.15%		
YEAR	INVESTMENT	TOTAL QUART. BENEFITS	NET QUART. BENEFITS	THRESHOLD
2016	0	0	0	
	0	0	0	
	0	0	0	
	-3,903,795	44,992	-3,858,803	LP Admission
2017	0	699,634	699,634	
	0	699,634	699,634	
	0	699,634	699,634	
	0	699,634	699,634	
2018	0	913,230	913,230	Completion
	0	913,230	913,230	
	-34,634,153	913,230	-33,720,924	Perm Conversion
	0	913,230	913,230	
2019	-500,000	1,000,208	500,208	Form 8609
	0	1,000,208	1,000,208	
	0	1,000,208	1,000,208	
	0	1,000,208	1,000,208	
2020	0	991,610	991,610	
	0	991,610	991,610	
	0	991,610	991,610	
	0	991,610	991,610	
2021	0	982,620	982,620	
	0	982,620	982,620	
	0	982,620	982,620	
	0	982,620	982,620	
2022		973,223	973,223	
		973,223	973,223	
		973,223	973,223	
		973,223	973,223	
2023		963,402	963,402	
		963,402	963,402	
		963,402	963,402	
		963,402	963,402	
2024		953,141	953,141	
		953,141	953,141	
		953,141	953,141	
		953,141	953,141	
2025		942,420	942,420	
		942,420	942,420	
		942,420	942,420	
		942,420	942,420	
2026		931,172	931,172	
		931,172	931,172	
		931,172	931,172	
		931,172	931,172	
2027		221,384	221,384	
		221,384	221,384	
		221,384	221,384	
		221,384	221,384	
2028		35,864	35,864	
		35,864	35,864	
		35,864	35,864	
		35,864	35,864	
2029		23,328	23,328	
		23,328	23,328	
		23,328	23,328	
		23,328	23,328	
2030		10,527	10,527	
		10,527	10,527	
		10,527	10,527	
		10,527	10,527	
2031		2,442,810	2,442,810	
		2,442,810	2,442,810	
		2,442,810	2,442,810	
		2,442,810	2,442,810	
	39,037,948	48,383,277	9,345,329	

ATTACHMENT 6
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.

August 26, 2016

Mr. Cameron Shariati
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, California 92101

RE: Vista Terrace Apartments

Dear Mr. Shariati:

The San Diego Housing Commission (the "Commission") has retained CSG Advisors, Inc. to analyze the feasibility of the proposed bond financing for the Vista Terrace Apartments (the "Project"). Our findings are organized as follows:

- Current Project Status and the Proposed Project
- The Proposed Financing
- Project's Projected Financial Status
- Benefits and Risks to the Commission
- Public Purpose
- Negotiation of Additional Public Benefit
- Recommendations

We have based our analysis of the proposed financing on documents provided by Eden Housing (the "Developer"), and on additional conversations and documents provided by representatives of the Developer and Commission staff. The documents examined included the Developer's proposed financial schedules and financing commitments from the proposed lender and investor. CSG has not visited the site of the proposed Project.

CURRENT PROJECT STATUS AND THE PROPOSED PROJECT

The Project will consist of the rehabilitation of an existing property (the "Property") on two parcels located at 1790 Del Sur Blvd, San Diego, California (the "Site"). The Property contains 262 units in 30 residential buildings; one leasing office/community building; and five laundry facilities. The Developer proposes to rehabilitate the Property. Rehabilitation of the Project will be financed, from among other sources, equity raised from the sale of "4%" low-income housing tax credit equity and tax-exempt debt issued by the Housing Authority of the City of San Diego (the "Housing Authority").

All units, except for two manager's units, will be subject to affordability restrictions as further described herein.

The Site is currently owned by the Eden Vista Terrace 2, L.P. On May 17, 2016, the Housing Authority approved a resolution evidencing its official intent to conduct a tax-exempt issuance in the not-to-exceed amount of \$100,000,000 for the Project. The resolution also approved submittal of the application to the California Debt Limit Allocation Committee ("CDLAC").

A Housing Assistance Payment (HAP) Section 8 contract covers 260 of the units. The contract is scheduled to expire in September, 2106. The Developer has submitted a request to HUD for contract renewal, as well as updating of the contract rents.

On April 26, 2016, the City Council held a public hearing ("TEFRA") required pursuant to Section 147(f) of the Internal Revenue Code for tax-exempt issuances. The TEFRA hearing remains valid for a period of one year.

On May 20, 2016, the Housing Authority submitted an application to CDLAC for \$99,995,347 in tax-exempt private activity bond authority for the Project.

On July 20, 2016, CDLAC provided an allocation of \$99,995,347 in tax-exempt authority to the Housing Authority for the Project.

THE PROPOSED FINANCING

According to projections provided by the Developer, the total development cost totals approximately \$114,207,265.

The Developer proposes that JP Morgan Chase Bank, N.A. serve as the construction lender, and Cornerstone Real Estate Advisors serve as the permanent period lender. Chase will purchase the construction period tax-exempt bonds issued by the Housing Authority. The total loan amount during the construction period is expected to be approximately \$96,210,880. At permanent conversion, a portion of the construction bond loan will be repaid, and approximately \$61,759,400 will remain outstanding and will be purchased by Cornerstone, and will continue as the permanent bond loan.

Vista Terrace : Construction and Permanent Source Summary

	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bonds	\$96,210,880	\$61,759,400
Tax Credit Equity	\$3,903,795	\$39,037,948
Seller Financing	\$450,125	\$450,125
Existing Project Reserves	\$675,489	\$675,489
Income from Operations	\$0	\$2,846,406
Deferred Developer Fee	\$9,174,737	\$9,174,737
General Partner Contribution	<u>\$263,160</u>	<u>\$263,160</u>
	\$110,678,186	\$114,207,265

Ownership

The ownership entity for the Project will be Eden Vista Terrace 2, L.P. (i.e., the Borrower). Eden Vista Terrace GP LLC, an affiliate of the Developer, will serve as the general partner of the Borrower. An affiliate of US Bancorp Community Development Corporation, the tax credit investor, will serve as the investor limited partner.

Tax-Exempt Bond Structure and Credit Enhancement

Construction Loan

The Developer proposes that the Housing Authority issue up to \$100,000,000 of tax-exempt Bonds to finance the rehabilitation of the Project.

The Bonds would be unrated, without credit enhancement, and would be purchased by JP Morgan Chase Bank (the "Construction Lender") on a private placement basis. Solely revenues pledged under the Indenture and Loan Agreement will secure the payment of principal and interest to the Bondholder(s).

As unrated, non-credit enhanced Bonds sold on a private placement basis, the Bonds must meet the minimum requirements of the Commission's policies for such issues (e.g., maximum \$100,000 minimum denominations, no more than 15 Bondholders, etc).

The construction loan would have a term of up to 18 months (with two 6-month extension) and would carry a variable interest rate equal to 65% of the 30-day LIBOR plus 1.25%. Payments during the construction period will be interest-only.

Permanent Loan

Upon satisfaction of certain conditions to Conversion, the construction loan will be paid down to the permanent loan amount using low-income housing tax credit equity and other available permanent sources.

The permanent loan would have a term of 17 years from Conversion. Principal and interest payments would be based on a 35-year fully amortizing schedule. According to the Permanent Lender's commitment letter, the interest rate for the permanent loan will be a fixed rate locked at construction loan closing, and would be equal to the sum of: i) 10-year treasury, ii) term spread of 2.01%, iii) forward period cost. The indicative rate for August 26, 2016 would be 3.82%, assuming forward cost of 0.23% reflecting period of 24 months.

Projected Issuance Date

The Developer proposes that the Housing Authority issue the Bonds on or about September 29, 2016. CDLAC has provided an allocation expiration date of January 17, 2017.

Commission Financial Involvement

The Commission has no other financial involvement.

Affordability Restrictions

Upon implementing the proposed financing, the Project will be subject to the following regulatory restrictions and regulatory terms:

The units will be restricted to 30%, 50% and 60% of area median income ("AMI") as follows:

- Tax-Exempt and Tax Credit regulatory requirements: the Developer has elected to restrict 26 units to 30% AMI, and 78 units to 50% AMI, and 156 units to 60% AMI. Two manager's units will remain unrestricted. This election reflects voluntary elections under CDLAC and CTCAC and is effective for a term of 55 years.

PROJECT'S PROJECTED FINANCIAL STATUS

Under the proposed financing – according to information provided by the Developer and analysis by CSG – annual debt service on the maximum senior loan would total approximately \$3,425,211. According to preliminary information provided by the Developer and analysis by CSG, stabilized annual cash flow (before reserves) after construction and lease-up (including Issuer fees) would total approximately \$999,395 at a debt coverage ratio (DCR) of 1.29. Cash flow after reserves would total approximately \$868,395 (DCR @ 1.25).

THE BENEFITS AND RISKS TO THE COMMISSION

The proposed financing provides for financing for acquisition and rehabilitation of the Project.

By approving a recommendation to the Housing Authority to move forward with the approval process for the proposed tax-exempt financing, the Commission will not obligate the Commission or the Housing Authority to issue the Bonds.

As proposed, the financing will result in 260 affordable units (the two manager's units will be unrestricted). These units will remain long-term affordable for 55 years.

If the Authority issues the Bonds, the Commission would receive a fee at closing of 0.25% of the issue amount (approximately \$230,527) and an annual fee equal to 0.125% of the outstanding bonds.

PUBLIC PURPOSE

The proposed financing will result in 260 housing units affordable to low-income households: 26 units will be restricted to households earning 30% of AMI or less; 78 units will be restricted to households earning 50% of AMI or less, and 156 units will be restricted to households earning 60% of AMI or less. Two units will be an unrestricted manager's units.

The bond and tax credit regulatory agreements will require the 30%, 50% and 60% affordability levels for 55 years.

NEGOTIATION OF ADDITIONAL PUBLIC BENEFIT

As noted above, the financing will result in long-term affordability restrictions on 260 units within the Project.

RECOMMENDATIONS

Based upon analysis of the available information, we recommend that the Commission approve moving forward with the proposed issuance. Our recommendation is based upon the following:

- The financing will result in 260 affordable units in the City of San Diego with long-term affordability covenants.

- The Commission has received tax-exempt authority of \$99,995,347 from CDLAC for the Project.
- JP Morgan Chase, Conerstone and US Bancorp are currently underwriting the Project.
- The Commission will not be responsible for costs of issuance. The Commission will receive an issuance fee at closing of approximately \$230,527, and a long-term annual fee equal to 0.125% the outstanding bonds i.e., during construction approximately \$115,260 annually, and at conversion approximately \$78,000.
- The net tax-exempt financing and tax credit equity will provide approximately \$101,000,000 for development costs.

Contingent Items

The Commission may choose to move forward with the financing subject to the following contingencies:

- As of this writing, none of JP Morgan Chase, Cornerstone, or US Bancorp has provided final credit approval for the financing. The tax-exempt Bonds cannot be issued without these final approvals.
- As the financing depends upon the continued availability the Section 8 subsidies, HUD must approve the HAP contract renewal for the transaction as structured to remain feasible.
- Final tax-exempt Bond documents and approving resolution must be approved by the Housing Authority.

Should you require any further information or would like to discuss the Project or the proposed financing in additional detail, please do not hesitate to contact me.

Sincerely,
CSG Advisors



John Hamilton

Exhibit A

Vista Terrace Apartments		date of rev:		8/26/16
Long-Term Bond Loan				
Tax Exempt (Real Estate Loan)		Tranche A	Tranche B	Total
Principal Amount ¹	\$	61,759,400	\$ -	\$ 61,759,400
Mortgage Rate ¹		4.320%	0.000%	
Amortization Term (yrs) ²		35	0	
Underwriting Monthly Debt Service	\$	285,434	\$ -	\$ 285,434
Underwriting Annual Debt Service	\$	3,425,211	\$ -	\$ 3,425,211

¹ Source: CSG Indicative Rate calculation based on Cornerstone Term Sheet (3/1/2016). Developer projections (2016 08 19) show 5.07%

² Per Developer Projection (2016 08 19). Consistent with Cornerstone Term Sheet (3/1/2016)

Post Financing Operations Analysis ¹									
Income		Stabilized Year							
			<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>		
Gross Tax Credit Rental Income ²	2.50% Inflation	\$	3,638,058	\$ 3,729,009	\$ 3,822,235	\$ 3,917,791	\$ 4,015,735		
Rental Assistance	2.50% Inflation	\$	2,526,942	\$ 2,590,116	\$ 2,654,868	\$ 2,721,240	\$ 2,789,271		
Commercial Income	2.50% Inflation	\$	-	\$ -	\$ -	\$ -	\$ -		
Other Income	2.50% Inflation	\$	7,200	\$ 7,380	\$ 7,565	\$ 7,754	\$ 7,947		
Gross Potential Income		\$	6,172,200	\$ 6,326,505	\$ 6,484,668	\$ 6,646,784	\$ 6,812,954		
Vacancy Collection Loss ³	5.00%		(308,610)	(316,325)	(324,233)	(332,339)	(340,648)		
Effective Gross Income		\$	5,863,590	\$ 6,010,180	\$ 6,160,434	\$ 6,314,445	\$ 6,472,306		
Expenses									
Operating Expenses	3.50% Inflation	\$	(1,267,175)	\$ (1,311,526)	\$ (1,357,430)	\$ (1,404,940)	\$ (1,454,112)		
RE Taxes	2.00% Inflation	\$	(7,002)	\$ (7,142)	\$ (7,285)	\$ (7,431)	\$ (7,579)		
Service Coordinator	0.00% Inflation	\$	(69,080)	\$ (69,080)	\$ (69,080)	\$ (69,080)	\$ (69,080)		
SDHC Minimum Loan Payment	0.00% Inflation	\$	-	\$ -	\$ -	\$ -	\$ -		
Issuer Fee	\$ 10,000 min	0.125%	\$ (77,199)	\$ (77,199)	\$ (77,199)	\$ (77,199)	\$ (77,199)		
Trustee Fee ⁴	\$ 3,000 min	0.030%	\$ (18,528)	\$ (18,528)	\$ (18,528)	\$ (18,528)	\$ (18,528)		
Total Expenses		\$	(1,438,984)	\$ (1,483,475)	\$ (1,529,521)	\$ (1,577,177)	\$ (1,626,499)		
Net Operating Income		\$	4,424,606	\$ 4,526,705	\$ 4,630,913	\$ 4,737,268	\$ 4,845,808		
Required Debt Service									
Senior									
Real Estate Loan		\$	(3,425,211)	\$ (3,425,211)	\$ (3,425,211)	\$ (3,425,211)	\$ (3,425,211)		
Cash Flow before Reserves		\$	999,395	\$ 1,101,494	\$ 1,205,702	\$ 1,312,057	\$ 1,420,597		
Debt Coverage Ratio Before Reserves			1.29	1.32	1.35	1.38	1.41		
Reserves ⁵	500 per unit	3% Inflation	\$ (131,000)	\$ (133,620)	\$ (136,292)	\$ (139,018)	\$ (141,799)		
Cash Flow After Reserves		\$	868,395	\$ 967,874	\$ 1,069,410	\$ 1,173,039	\$ 1,278,798		
Overall Debt Coverage Ratio (DCR)			1.25	1.28	1.31	1.34	1.37		
Commercial Income (10% Vacancy)	1% inflation		-	-	-	-	-		
Cash Flow Including Commercial Income			868,395	967,874	1,069,410	1,173,039	1,278,798		
Debt Coverage Ratio Including Commercial Income			1.25	1.28	1.31	1.34	1.37		

¹ Source: Per Developer Projection (2016 08 19)

² Per Developer projections (2016 08 19).

³ Of Gross Potential Income

⁴ Estimate

⁵ Per Developer projections. Cornerstone termsheet requires \$400/unit

Exhibit A

Vista Terrace Apartments Permanent Sources and Uses of Funds ¹

Sources

Tax Exempt Bond Loan ²	\$	61,759,400
Tax Credit Equity	\$	39,037,948
Seller Financing	\$	419,371
Accrued Interest	\$	30,754
Existing Project Reserves	\$	675,489
Income from Operations	\$	2,846,406
Deferred Developer Fee	\$	9,174,737
General Partner Contribution	\$	263,160
Total Sources	\$	114,207,265

Uses

Land and Acquisition Costs	\$	70,810,489
Construction Costs	\$	18,300,000
Construction Contingency	\$	1,830,000
Developer Fee	\$	13,274,737
Operating Reserve	\$	1,295,479
Other Hard and Soft Costs	\$	8,696,560
Total Uses	\$	114,207,265

Surplus(Deficit)	\$	-
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¹ Source: Information provided by the Developer

² Higher than amount shown in Cornerstone Term sheet. Not yet approved by Cornerstone