



REPORT

DATE ISSUED: September 1, 2016

REPORT NO: HCR16-076

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

SUBJECT: Coronado Terrace - Preliminary Bond Items

COUNCIL DISTRICT: 8

REQUESTED ACTION

Take the initial steps to issue 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 Coronado Terrace, a 312-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) recommend the Housing Authority of the City of San Diego (Housing Authority) take the following actions, as described in this report.

- 1) Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for Coronado Terrace, a 312-unit multifamily affordable housing rental development, located in the San Ysidro community, which will remain affordable for 55 years:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$97,000,000 in Multifamily Housing Revenue Bonds for the development of Coronado Terrace by a limited partnership formed by Eden Housing, Inc. (Eden);
 - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$97,000,000 for Coronado Terrace;
 - c. Approve the financing team of Jones Hall as Bond Counsel and CSG Advisors as Financial Advisor; and
 - d. Request that the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$97,000,000; and
- 2) Authorize the Housing Commission President & Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.

SUMMARY

A development summary is included as Attachment 1.

Table 1 – Development Details

Address	1151 25 th Street
Council District	8
Community Plan Area	San Ysidro
Development Type	Rehabilitation
Construction Type	Type V
Parking Type	Surface & Tuck Under
Housing Type	Multifamily
Lot Size	Approximately 14.03 acres, 611,150 square feet
Units	312
Density	22.2 dwelling units per acre
Affordable Unit Mix	268 two-bedroom units, 42 three-bedroom units, and 2 three-bedroom managers' units
Gross Building Area	301,428 square feet
Net Rentable Area	277,160 square feet

The Development

Coronado Terrace is an existing 312-unit multifamily rental housing development located at 1151 25th Street in the San Ysidro Community Plan Area (Attachment 2 – Site Map). The development consists of 17 Type V walk-up, wood frame and stucco apartment buildings. Coronado Terrace includes 268 two-bedroom units and 44 three-bedroom units. Current amenities include a leasing office, laundry facilities, a community center, and a residential services building.

Building Condition/Proposed Rehabilitation Work

Coronado Terrace was constructed in 1971 and most recently was rehabilitated in 2001; however, the property is showing signs of aging. The developer is requesting the issuance of up to \$97,000,000 in Multifamily Housing Revenue Bonds to finance the rehabilitation of the property to extend its useful life and maintain its marketability. The scope of the proposed rehabilitation includes comprehensive 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.

Adjustments may be made to the proposed scope of work, following the completion of a pending Physical Needs Assessment.

Project Sustainability

Coronado Terrace 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. Additional sustainability and water preservation features may be implemented in the final scope of work, pending the completion of a Physical Needs Assessment.

Development Team

During the 15-year tax credit compliance period, Coronado Terrace will be owned by a California limited partnership (a single-asset limited partnership) that will include: an affiliate of 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 individuals with disabilities. Since 1968, when it was founded, Eden Housing 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 supportive services and programs for its residents.

Table 2 - Development Team Summary

ROLE	FIRM/CONTRACT
Owner	Eden Coronado 2, L.P.
General Partner	Eden Coronado GP, LLC
Developer	Eden Housing, Inc.
Architect	Basis Architecture & Consulting
General Contractor	Precision General Contracting
Property Management	Eden Housing Management, Inc.
Land Owner/Seller	Eden Coronado Terrace, L.P.

Property Management

Coronado Terrace 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 Housing currently manages 7,000 affordable rental units in more than 70 developments for Eden and third party owners.

Financing Structure

Coronado Terrace has an estimated total development cost of \$117,226,660 and an estimated total per unit cost of \$375,226 per unit. It will be financed with a combination of 4 percent tax credits, tax-exempt Multifamily Housing Revenue Bonds, a 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 – Coronado Terrace Estimated Sources and Uses of Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts
Tax-Exempt Permanent Loan	\$51,550,300	Acquisition Costs	\$70,280,000
4% Tax Credit Equity	\$40,566,300	Hard Costs	\$21,000,000
		Hard Cost Contingency	\$3,150,000
Citibank Subordinate Debt	\$1,560,000	Soft Costs	\$7,892,101
Seller Carryback	\$6,262,471	Financing Costs	\$1,358,178
Eden Housing or Affiliate* contribution	\$5,000,000	Developer Fee	\$13,546,381
Accrued Interest During Construction	\$478,655		
Income from Operations	\$2,182,453		
Deferred Developer Fee	\$9,326,381		
GP Capital Contributions	\$300,100		
Total Development Cost	\$117,226,660	Total Development Cost	\$117,226,660

*Eden Housing or affiliate will be reinvesting proceeds from the Vista Terrace Hills (HAR16-026) development to make necessary capital improvements to Coronado Terrace.

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	$\$117,226,660 \div 312 \text{ units} =$	\$375,726
Land Cost Per Unit	$\$70,280,000 \div 312 \text{ units} =$	\$225,256
Gross Building Square Foot Hard Cost	$\$24,150,000 \div 301,428 \text{ sq. ft.} =$	\$80
Net Rentable Square Foot Hard Cost	$\$24,150,000 \div 277,160 \text{ sq. ft.} =$	\$87

**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 Developments

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
Vista Terrace Hills	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 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 TEFRA resolutions must be secured no later than 30 days after application submittal. These actions do not obligate the Housing Authority to issue bonds.

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

The developer will be seeking a CDLAC bond allocation of approximately \$97,000,000. 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 up to \$97,000,000 bond allocation that will be sought from CDLAC is approximately 5 percent higher than the \$92,000,000 amount for which the development is being underwritten. This increased amount represents a bond contingency to account for possible increases in the bond amount due to increases in construction costs, and/or decreases in the assumed interest rate, and/or the loss of other planned funding sources. The bond amount that is ultimately issued will be based upon development costs, revenues and interest rates prevailing at the time of bond issuance.

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

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

Estimated Development Schedule

The estimated development timeline is as follows.

Milestones	Estimated Dates
<ul style="list-style-type: none"> Housing Authority for preliminary consideration City Council IRS-required TEFRA hearing CDLAC bond application TCAC 4% tax-credit application CDLAC and TCAC allocation meetings 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 20, 2016 September 20, 2016 October 14, 2016 October 14, 2016 December 14, 2016 January 2017 January 2017 February 2017 February 2017 February 2018

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, Coronado Terrace would restrict:

- Approximately 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;
- Approximately 80 percent of the units to households at or below 50 percent AMI, currently \$42,500 per year for a family of four; and
- Approximately 10 percent of the units to households at or below 60 percent AMI, currently \$51,000 per year for a family of four.

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

Table 6 – Coronado Terrace Affordability & Monthly Estimated Rent Table

Unit Type	Restrictions	AMI	Number of Units	Proposed Gross Rents
2-bedroom	Bond	30% AMI	27	\$574
3-bedroom	Bond	30% AMI	5	\$663
2-bedroom	Bond	50% AMI	217	\$956
3-bedroom	Bond	50% AMI	26	\$1,105
2-bedroom	Bond	60% AMI	24	\$1,060
3-bedroom	Bond	60% AMI	11	\$1,326
3 Bedroom–Manager		n/a	2	-
Total			312	

In addition to the bond and tax credit regulatory restrictions, the Coronado Terrace rehabilitation 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 - \$242,500

Funding uses approved by this action will be as follows:

Housing Commission Rental Housing Finance Program Administration Costs - \$242,500

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 February 9, 2001, (HCR01-020) and the Housing Authority on February 13, 2001, approved a \$1,400,000 residual receipts loan for Coronado Terrace, which was repaid in full on June 5, 2015.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

Coronado Terrace 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, 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 Coronado Terrace.

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 Coronado Terrace 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
San Diego Housing Commission

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

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 of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Public Meetings" section of the San Diego Housing Commission website at www.sdhc.org.

ATTACHMENT 1 – DEVELOPMENT SUMMARY

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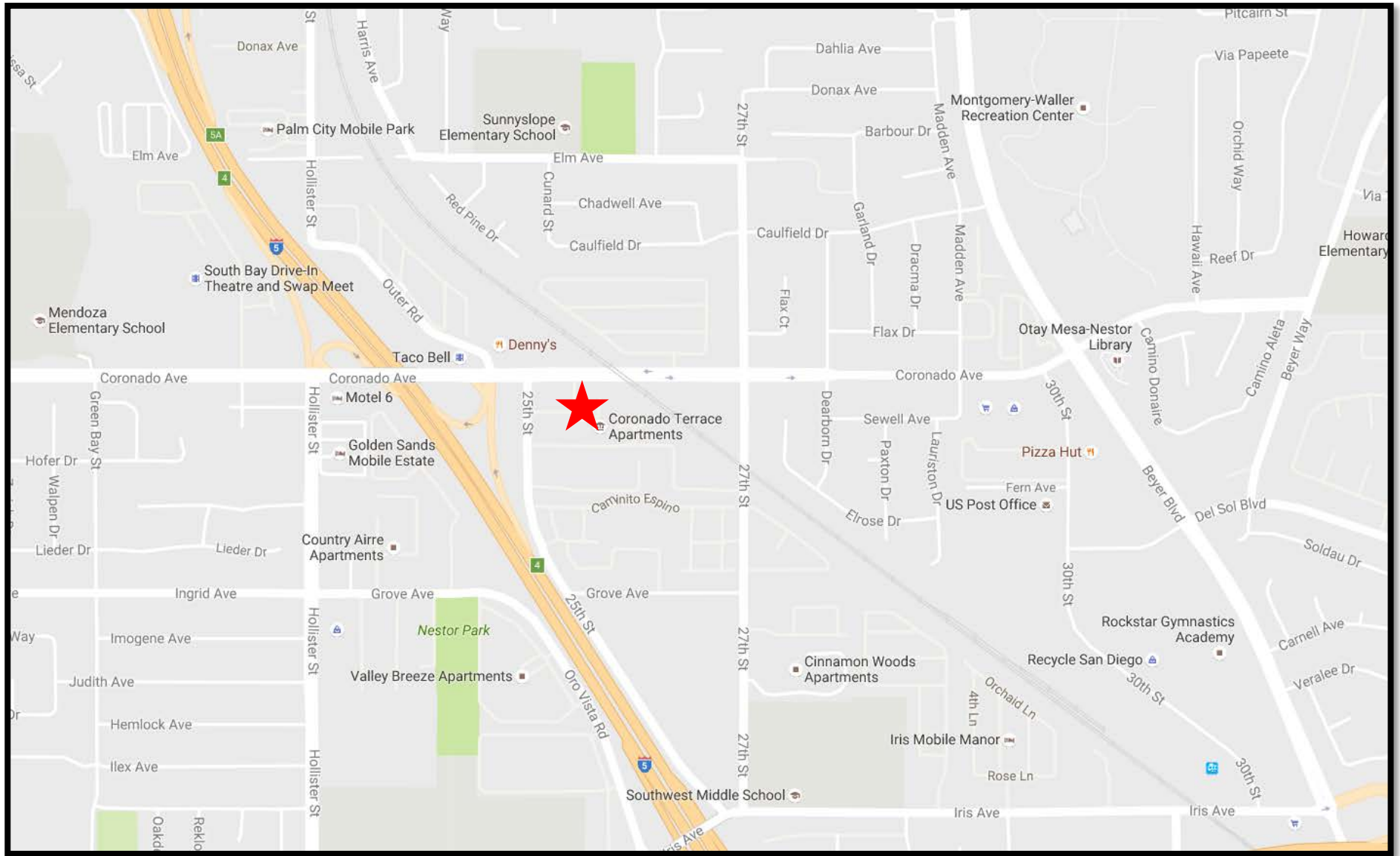
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Total			312	

ATTACHMENT 2 – SITE MAP





Scope Narrative

Coronado Terrace

1183 25th Street
San Diego, CA 92154

Eden Housing

Specific Green Measures

- All existing toilets in all units will be replaced with fixtures that use 1.06 gallons or less water per flush.
- All showerheads, kitchen and bathroom faucets will be replaced with low flow and will meet a max. flow of 2.0 gallons per minute.
- Refrigerator will be replaced with Energy Star-labeled units throughout.
- Energy Star-labeled lighting fixtures in all apartment units and high-efficiency commercial grade fixtures at all site lighting and exterior building locations.
- New Energy Star rated bathroom exhaust fan and light.
- Domestic Water Heating boilers will be replaced with 90% energy efficient boilers at all buildings.
- 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).
- Solar PV to offset 75% - 90% of the property power usage

General Acquisition Rehabilitation Scope

Division 1 – General Conditions

1. Eden Housing Monument Sign
2. Building directory
3. Building sign
4. Handicap & ADA parking signage

Division 2 – Demolition & Encapsulation

1. Demolition of 32 existing units to accommodate ADA units
2. Demolition of site concrete, hardscape, and soft scape to provide ADA access to the 32 units.
3. Selective unit demolition to accommodate replacement finishes.
4. Removal of asbestos to accommodate installation of bathroom exhaust fan in all units, gas furnace replacement and flooring replacement in selective units.
5. Demo existing T-111 to accommodate new stucco finishes.

Division 2 - Sitework

1. Address minor concrete and paving elevation alignment issues throughout the site.
2. Remove and replace damaged concrete curbs and concrete walks.
3. Repair/replace sidewalks to accommodate ADA units & handicap ramps
4. Sealcoat parking lot and new striping
5. Clean out catch basins.
6. Add ADA ramps to selective units as required by the Civil drawings.
7. Beautify the landscape with accent planting areas and repair irrigation with low flow heads and controllers.
8. Replace portions of the chain-link fence on the East side of the property.
9. Remove and replace all site light poles with LED.
10. Flush out existing sanitary sewer laterals

Division 3 – Concrete

1. Repair concrete pathway areas with slope or alignment issues that have been impacted by tree roots or other damage throughout the site.
2. Remove and replace 35 qty. concrete patios due to existing cracking.
3. Addition of ADA concrete ramps as necessary to access selected ADA Units.

Division 4 – Masonry

1. Minor tuck-pointing as required at masonry patio walls, and Laundry Buildings

Division 5 – Metals

1. Cane rail detection at all stairwells to the 2nd floor.
2. Remove and replace balcony railing with new at all the Phase I balconies.
3. New water shutoff covers at 17 locations throughout the site.
4. Remove and replace miscellaneous metal site railing.

Division 6 – Wood and Plastics

1. Wall framing at ADA units.
2. Remove and replace damaged wood structure at 8 stair towers in selected locations.
3. Remove and replace any damaged plywood in the subfloor or roof substrate.
4. New cabinets and solid surface countertops in the kitchen
5. New vanity with solid surface countertop in the bathroom.
6. New p-lam countertops in the laundry rooms.

Division 7 – Moisture and Thermal

1. New 20 year warranty Asphalt Shingle roofs on Phase I apartment buildings and laundry.
2. New gutters and downspouts in Phase I. (Phase II sloped roofing was replaced in 2014.)
3. New 20 year warranty low slope roofing replacement on Phase II.
4. Waterproofing the upper deck membrane on Phase I. (Phase II was done in 2014)
5. Weather seal exterior doors.
6. Install roof ventilation.

Division 8 – Doors and Windows

1. New sliding glass doors.
2. Replace oversized closet doors in all bedrooms with by-pass sliding door which are smaller, standard, and more manageable.

Division 9 – GWB and Finishes

1. Exterior
 - a. Replace the T-111 siding around the windows with Stucco, to match Phase II.
 - b. Remove and replace stucco weep screed at all buildings in Phase I.
 - c. Painting the exterior of Phase I. (Phase 2 was repainted in 2014)
 - d. Paint exterior doors
 - e. Painting laundry rooms

Division 9 – GWB and Finishes (Continued)

2. Interior

- a. Minor sheetrock repair in each unit.
- b. New Vinyl plank floor coverings in the Kitchen, bath hallway, dining, and entryway.
- c. New sheet vinyl in the bathrooms
- d. New Carpet in remainder of the units that have not been replaced.
- e. Painting of the bathroom and kitchens
- f. Painting the laundry rooms
- g. Polished concrete floors in the Laundry rooms.

Division 10 – Specialties

1. New vanity cabinet, mirrors, and toilet accessories.
2. New mailboxes, directional signage and building signage.

Division 11 – Appliances

1. Remove and replace existing refrigerators, ranges, range hoods with Energy Star.
2. Remove and replace the existing garbage disposals.

Division 12 – Window Treatment

1. Remove and replace existing window blinds.

Division 15 – Plumbing & HVAC

1. Remove and replace existing water closets, bathroom sinks, faucets, shower mixing valves & head, kitchen sink, and faucet.
2. Replace all angle stops
3. Remove and replace P-trap in 2nd floor bathrooms and add access panel below to allow for easier future access.
4. Repair plumbing leak in Phase II underground plumbing to the apartment units.
5. New epoxy coating on fiberglass tubs surrounds and showers.
6. Remove and replace hot water heaters at each building with 90% energy efficient boilers and new water pumps with smart controls.
7. Add passive ventilation in all apartments
8. Replace the existing thermostats with new energy efficient programmable thermostats.

Division 16 – Electrical

1. Replace existing bathroom exhaust fans with fan and integral light.
2. Remove and replace all site lights with new LED lights and poles
3. All new building lights on Phase I. (Phase II building lighting was replaced in 2014)

ADA Unit Conversions

1. Convert 32 units to ADA and 13 Units to hearing impaired per CTCAC guidelines.

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 Housing, Inc.

2. Address and Zip Code: 22645 Grand St, Hayward, CA 94541

3. Telephone Number: (510) 582-1460

4. Name of Principal Contact for CONTRACTOR: Andy Madeira

5. Federal Identification Number or Social Security Number of CONTRACTOR: 23-1716750

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

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

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: See attached	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

No

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

No

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

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: n/a	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: n/a	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

Name, Address and Zip Code	Relationship to CONTRACTOR
Name: n/a	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

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

n/a no funds being requested

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

- a. In banks/savings and loans:

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

n/a no funds being requested

Amount: \$ _____

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

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

n/a

Amount: \$ _____

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

Description	Market Value (\$)	Mortgages or Liens (\$)
n/a		

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

Name, Address and Zip Code	Contact Name
Name: n/a	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

☐ Yes ☒ No

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

19. Has the CONTRACTOR or anyone referred to above as "principals of the CONTRACTOR" been convicted of any felony within the past 10 years?

☐ Yes ☒ No

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

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

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
n/a				

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

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

Name, Address and Zip Code	Affiliation
Name: n/a	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

☐ Yes ☐ No

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

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

General description of such work:

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

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

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

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

Indentification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

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

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 ☒ No

If yes, explain.

n/a

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:

n/a

25. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation?

___ Yes ___ No

If yes, explain:

n/a

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

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

Check coverage(s) carried:

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

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

Check coverage(s) carried:

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

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

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

e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

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

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

Government Entity Making Complaing	Date	Resolution
none		

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

n/a

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

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

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

n/a

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

n/a

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

Date	Entity Involved (i.e. City Commission, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
none			

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

___ Yes ___ No

If yes, explain:

n/a

37. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, had a revocation or suspension of a CONTRACTOR's License?

___ Yes ___ No

If yes, explain:

n/a

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

1. Name: n/a

Address:

Phone:

Project Name and Description:

2. Name: n/a

Address:

Phone:

Project Name and Description:

3. Name: n/a

Address: _____

Phone: _____

Project Name and Description: _____

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

n/a

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

Name	Experience
n/a	

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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

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

Hayward

Executed this 3rd day of August, 20 16, at ~~San Diego~~, California.

CONTRACTOR

By:



Signature

Senior VP, Real Estate Dev.

Title

CERTIFICATION

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

By: 

By: _____

Title: Senior VP, Real Estate Dev.

Title: _____

Dated: 08/03/16

Dated: _____

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

JURAT

State of California

See attached.

County of _____

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

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

Signature of Notary

SEAL

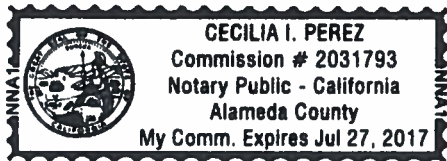
DISCLOSE.PUB

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

State of California
County of Alameda

Subscribed and sworn to (or affirmed) before me on this 3rd
day of August, 2016, by Andre Madeira

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



(Seal)

Signature

A handwritten signature in blue ink, appearing to read 'Andre Madeira', written over a horizontal line.

CORONADO TERRACE			PAGE 1
Prepared For:	Eden Housing		
Prepared By:	California Housing Partnership Corporation		
Version:	CDLAC/TCAC Version		
			Revised: 2-Aug-16 11:30 AM

SOURCES OF FUNDS

SOURCES OF FUNDS - PERMANENT									
	AMOUNT	TOTAL INTEREST COST	OID INTEREST RATE	TERM (Yr)	COMMENTS				
Tax-Exempt Perm Loan (Direct Placement)	51,550,300	5.350%		35	150 bps cushion over 10 year T-bills plus 2.20%				
Seller Carryback	6,262,471	3.000%	3.000%	55	Per Unit: 20,072				
Accrued/Deferred Interest during Const	266,155								
Sponsor Loan	5,000,000	3.000%	3.000%	55	Per Unit: 16,026				
Accrued/Deferred Interest during Const	212,500								
Citibank Subordinate Debt	1,560,000	1.000%	0.800%	55	Per Unit: 5,000 Simple Interest				
Income from Operations prior to Conversion	2,182,453								
Deferred Developer Fee	9,326,381	3.000%							
Capital Contributions									
GP Capital for Short Term Capital Repairs	300,000								
General Partner	100				% ownership: 0.01%				
Limited Partners	40,566,300				% ownership: 99.99% Equity Pricing: 1.120				
TOTAL SOURCES		117,226,660							
Surplus/(Shortfall)		0							

Term Bond Rate Stack:			
Bond/Swap Rate	5.225%		
Issuer (SDHC)	0.125%	4,500	min per annum
Trustee	0.000%	0	per annum
Total	5.350%		

SELLER FINANCING CALCULATION		Assumed sale date	07/01/17
Purchase Price (FMV+Reserves)		70,000,000	
Total Purchase Price	70,000,000		
Less: Cash to Seller for Acq Loan Payoff	(40,300,000)		
Less: Cash to Seller for Equity Investor Payoff	(18,303,776)		
Less: Cash to Seller for Equity Investor Return	(2,200,000)		
Less: Cash to Seller for Eden Equity Payoff	(2,033,753)		
Less: Cash to Seller for Eden Equity Return	(600,000)		
Less: Cash to Seller for Short Term Capital Repairs	(300,000)		
Seller Financing Amount	6,262,471		

ESTIMATE OF PROPERTY VALUE AND PRICE, 2017	
Estimated NOI, 1/1/17	3,868,072
Cap Rate	5.25%
Estimated Value	73,677,566
Reserves to be Transferred	0
Prepay Fee	0
Total Price	73,677,566
Building @ 90% of Est Value	66,309,809
Land @ 10% of Est Value	7,367,757
MINIMUM REHAB BASIS TEST	
Total Acquisition Basis	72,750,150
20% of Acquisition Basis	14,550,030
Total Rehab Basis	31,105,439
Excess (Deficit) Rehab Basis Over 20% of Acq Basis	16,555,409

SOURCES OF FUNDS - CONSTRUCTION			
	AMOUNT	INT RATE	TERM (Mo.)
Tax-Exempt Construction Loan	91,564,449	4.000%	17
Seller Carryback	6,262,471	3.000%	17
Accrued/Deferred Interest during Const	266,155		
Sponsor Loan	1,000,000	3.000%	17
Accrued/Deferred Interest during Const	212,500		
Citibank Subordinate Debt	1,560,000	1.000%	17
Costs Deferred Until Permanent Loan Closing	4,706,289		
Income from Operations	0		
Deferred Developer Fee	9,326,381		
Capital Contributions			
GP Capital for Short Term Capital Repairs	300,000		
General Partner	100		
Limited Partners	2,028,315		
TOTAL SOURCES	117,226,660		
Surplus/(Shortfall)	0		

LIBOR + 1.70% + 2.0% cushion		
50% Test (see pg 4a):		82.59%
See page 1-A - right column		
% of total pay-in: 5.00%		

Const. Loan Valuation	
Restricted NOI	3,868,072
OAR	5.25%
Perm Loan Amount	73,677,566
Credit Value @ 1.12	40,566,300
Beneficial Value of BMR Financing	1,560,000
Total Value	115,803,866
LTV:	80.00%
Max. Const. Loan Amount	92,643,092
Est. Commitment Amount	91,564,449

USES OF FUNDS	100.00%								Deferred Until Perm Conv.	
	TOTAL	TOTAL RESIDENTIAL	NON- DEPREC	DEPRECIABLE		EXPENSE	AMORTIZE	100.00% TAX CREDIT ELIGIBLE		
				RESIDENTIAL	NON-RES			CONST/ REHAB		ACQUIS.
ACQUISITION COSTS										
Total Purchase Price:										
70,000,000										
Land	7,000,000	7,000,000	7,000,000							
Building	63,000,000	63,000,000	0	63,000,000	0			63,000,000		
Acquisition of Existing Reserves	0	0	0							
Title/Rec/Escrow/Transfer Tax/Broker - Acquisition	280,000	280,000	28,000	252,000	0			252,000		
Const contract:										
21,000,000										
GENERAL DEVELOPMENT COSTS										
Hard Costs-Unit Construction	21,000,000	21,000,000	0	21,000,000	0	0	21,000,000			
Construction Contingency	3,150,000	3,150,000	0	3,150,000	0		3,150,000			
Local Permits/Fees	75,000	75,000		75,000	0		75,000		0	
Architecture	325,000	325,000		325,000	0		325,000			
Survey/Engineering/PNA	30,000	30,000		30,000	0		30,000			
Appraisal	12,000	12,000	0	12,000	0	0	12,000			
Market Study (TCAC)	10,000	10,000				10,000	0			
Construction Supervision	0	0		0	0		0			
Relocation-Temporary	650,000	650,000		650,000	0		650,000			
Construction Loan Interest	3,204,756	3,204,756		991,948	0	2,212,808	991,948	0		
Const Loan Interest - Seller Carryback (accrued)	266,155	266,155		0	0	266,155	0	0		
Const Loan Int - Citibank Subordinate Loan	22,100	22,100		6,840	0		6,840	0		
Const Loan Int - Sponsor Loan (accrued)	212,500	212,500		65,774	0	146,726	65,774	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	
Real Estate Taxes During Const	0	0		0	0	0	0	0		
Insurance During Const	0	0		0	0		0	0		
Security During Const	0	0		0	0	0	0	0		
Soft Cost Contingency	316,724	316,724	0	316,724	0		316,724			
TCAC Application/Res/Monitoring Fee	166,140	166,140				166,140			127,100	
Legal: Acquisition	10,000	10,000	1,000	9,000	0			9,000		
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 Ptnshp	4,000	4,000				4,000				
Syndication - GP	40,500	40,500	40,500							
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			
Rent-up/Marketing	50,000	50,000	0			50,000			0	
Initial Deposit to Replacement Reserve	312,000	312,000	312,000						312,000	
Capitalized Operating Reserve (3 mos.)	1,282,189	1,282,189	1,282,189						1,282,189	
Services Reserve	200,000	200,000	200,000						200,000	
Marketing	0	0	0							
NEF Disposition Fee (1% of equity)	183,038	183,038	183,038							
NEF Early Syndication Fee	125,000	125,000	125,000				0			
Developer Fee	13,546,381	13,546,381		13,546,381	0		4,057,231	9,489,150	2,720,000	
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 Counsel	7,500	7,500		0	0	7,500	0			
Issuer Application Fee	3,000	3,000		0	0	3,000	0			
Issuer Fee-Upfront (SDHC)	228,911	228,911		0	0	228,911	0			
Issuer Fee - Ann'l during Const (SDHC)	162,145	162,145		0	0	162,145	0			
Lender Origination - Construction (0.50%)	457,822	457,822		141,707	0	316,115	0	141,707		
Lender Expenses - Construction	25,000	25,000		7,738	0	17,262	0	7,738		
Lender Counsel - Construction	50,000	50,000		15,476	0	34,524	0	15,476		
Lender Origination - Permanent (0.50%)	257,752	257,752		0	0		257,752	0		
Lender Expense - Permanent	20,000	20,000		0	0		20,000	0		
Lender Counsel - Permanent	25,000	25,000		0	0		25,000	0		
CDLAC Fee	32,048	32,048		0	0		32,048	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	1,358,178	1,358,178	0	164,921	0	367,901	825,356	164,921	0	
TOTAL DEVELOPMENT COSTS	117,226,660	117,226,660	9,221,726	103,855,589	0	3,078,849	1,070,495	31,105,439	72,750,150	
TDC Per Unit	374,873	100.00%								
TDC Net of accrued interest:	116,725,905									

Developer Fee Payment Schedule:	
Construction Close	1,500,000
During Construction	0
Conversion	2,470,000
Final LP Pay-in	250,000
Plus: Deferred	9,326,381
Total Developer Fee	13,546,381

DEVELOPER FEE CALCULATION			
	CONST. 15.0%	ACQ. 15.0%	total
Maximum Potential Fee per TCAC Formula	4,057,231	9,489,150	13,546,381
Percent of Total	29.95%	70.05%	100.00%
Max. Allowable Fee per TCAC (prorated)	748,767	1,751,233	2,500,000
Less: Broker Fee/Other Dev. Fees	0	0	0
Max Per GP Cap Limit	748,767	1,751,233	2,500,000
\$10,000/unit above 100 units			1,720,000
TCAC Allowable Fee Paid to Developer			4,220,000
Construction Cost/Unit			77,404
Recontributed Developer Fee (GP Capital Contribution)			9,326,381

AVERAGE AFFORDABILITY FOR QUALIFIED UNITS (% of Median)			48.4%	UTILITY DEDUCTIONS:			1 BR	\$0
							2 BR	\$0
							3 BR	\$0
							4 BR	\$0

RESIDENTIAL INCOME									
TAX-CREDIT ELIGIBLE - TIER 1			30% AMI (HAP Contract)		PERCENT OF TARGETED UNITS		10.3%		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
2 BR	27		884	23,868	30.0%	574	574	15,487	185,846
3 BR	5		1,020	5,100	30.0%	663	663	3,315	39,780
TOTAL	32			28,968				18,802	225,626

TAX-CREDIT ELIGIBLE - TIER 1			50% AMI (HAP Contract)		PERCENT OF TARGETED UNITS		76.5%		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
2 BR	217		884	191,828	50.0%	956	956	207,452	2,489,424
3 BR	20		1,020	20,400	50.0%	1,105	1,105	22,100	265,200
TOTAL	237			212,228				229,552	2,754,624

TAX-CREDIT ELIGIBLE - TIER 3			50% AMI (HAP Contract)		PERCENT OF TARGETED UNITS		1.9%		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
2 BR	0		884	0	0.0%	0	0	0	0
3 BR	6		1,020	6,120	50.0%	1,105	1,105	6,630	79,560
TOTAL	6			6,120				6,630	79,560

TAX-CREDIT ELIGIBLE - TIER 2			60% AMI		PERCENT OF TARGETED UNITS		11.3%		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
2 BR	24		884	21,216	55.4%	1,060	1,060	25,440	305,280
3 BR	11		1,020	11,220	60.0%	1,326	1,326	14,586	175,032
TOTAL	35			32,436				40,026	480,312

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	2		1,020	2,040	0.0%	0	0	0	0
4 BR	0		1,247	0	0.0%	0	0	0	0
TOTAL	2			2,040				0	0

TOTAL RESIDENTIAL INCOME				TOTAL UNITS		TOTAL MONTHLY (Net)		TOTAL ANNUAL
				312		295,010		3,540,122
TOTAL SQ FT - TAX CREDIT ELIGIBLE				281,792				
TOTAL SQ FT - NON-TAX CREDIT ELIGIBLE				0				
TOTAL RENTABLE SQ FT				281,792		TOTAL TCAC AFF. POINTS:		0.0

MISC. INCOME							PER-UNIT MONTHLY	TOTAL MONTHLY	TOTAL ANNUAL
Laundry/Vending							6.68	2,083	25,000
Financial/Misc.							0.00	0	0

PROJECT-BASED SECTION 8 (assumes Post-Rehab Rents)									
ASSUMED TERM (Yr): 15									
UNIT TYPE	NUMBER	INCOME TIER	% MEDIAN INCOME AFFORDABLE	PER UNIT NET BASE RENT (W/O SECT. 8)	PER UNIT NET SECT. 8 MO. RENT	PER UNIT INCREMENTAL FROM SECT. 8	INCREMENTAL PER UNIT RENT	MONTHLY INCRMTL SECT. 8 RENT	ANNUAL INCRMTL SECT. 8 RENT
2 BR	27	30% AMI (HAP Cc	30.00%	574	1,735	1,161	31,358	376,294	
2 BR	190	50% AMI (HAP Cc	50.00%	956	1,735	779	148,010	1,776,120	
3 BR	5	30% AMI (HAP Cc	30.00%	663	1,975	1,312	6,560	78,720	
3 BR	15	50% AMI (HAP Cc	50.00%	1,105	1,975	870	13,050	156,600	
3 BR	6	50% AMI (HAP Cc	50.00%	1,105	2,050	945	5,670	68,040	
TOTAL	243						204,648	2,455,774	
TOTAL RENTAL INCOME INCLUDING SECTION 8									6,020,896

	FEDERAL			CALIFORNIA		
	ACQUIS	CONST/ REHAB	TOTAL	ACQUIS	CONST/ REHAB	TOTAL
TOTAL ELIGIBLE COSTS	72,750,150	31,105,439	103,855,589	0	0	0
Less:	0	0	0	0	0	0
	0	0	0	0	0	0
ELIGIBLE BASIS	72,750,150	31,105,439	103,855,589	0	0	0
REQUESTED UNADJUSTED ELIGIBLE BASIS	72,750,150	31,105,439	103,855,589	0	0	0
HIGH COST ADJUSTMENT (Y or N) <i>ed to use ZIP code when locating project because two different addresses</i>	Y	100.0%	130.0%	100.0%	100.0%	
ADJUSTED ELIGIBLE BASIS	72,750,150	40,437,070	113,187,220	0	0	0
APPLICABLE FRACTION*	100.0%	100.0%		100.0%	100.0%	
QUALIFIED CREDIT BASIS	72,750,150	40,437,070	113,187,220	0	0	0
REQUESTED QUALIFIED BASIS (For Leveraging Points) % REDUCTION: 0.00%	100.0%	100.0%		100.0%	100.0%	
	72,750,150	40,437,070	113,187,220	0	0	0
CREDIT RATE (TCAC UNDERWRITING) State - Total Federal Annual/Yr 1-3 State Year 4 - State	3.20%	3.20%		13.00% 3.20% 3.40%	13.00% 3.20% 3.40%	
MAX. POTENTIAL FEDERAL CREDIT (No Vol Basic Reduct/Actual Rate) Credit Rates Potential Credit	3.20% 2,328,005	3.20% 1,293,986	3,621,991			
MAX. CREDIT AMOUNT PER TCAC UNDERWRITING Federal Annual/Yr 1 State Yr 2 State Yr 3 State Yr 4 State Total	2,328,005	1,293,986	3,621,991	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	2,328,005	1,293,986	3,621,991			0
MAXIMUM ALLOWABLE - TEN YEAR TOTAL			36,219,911			0

TOTAL STATE + FEDERAL LIHTC AMOUNTS - 10 YEARS			
Total Federal + State		36,219,911	
General Partner Share	0.01%	3,622	
Limited Partner Share	99.99%	36,216,289	

*APPLICABLE FRACTION				
	Number of Units	Fraction	Total Sq Ft	Fraction
Tax Credit	310	100.00%	281,792	100.00%
Non-Tax Credit Eligible	0	0.00%	0	0.00%
TOTAL	310	100.00%	281,792	100.00%
APPLICABLE FRACTION (Lesser of Low Income Units or Sq Ft %)		100.0000%		

INCOME:		
Scheduled Gross Income - Residential		3,540,122
Section 8 PBA (Incremental Income)		2,455,774
Misc. Income (Fin'l/Misc)		0
Misc. Income (Laundry)		25,000
Vacancy Loss - Residential	5.00%	(177,006)
Vacancy Loss - Section 8	5.00%	(122,789)
EFFECTIVE GROSS INCOME		5,721,101
EXPENSES - RESIDENTIAL		
<i>Administrative</i>		
Advertising	700	
Legal	1,350	
Accounting/Audit	9,996	
Security	40,067	
Misc. Admin	<u>128,170</u>	
<i>Total Administrative</i>		180,283
<i>Management Fee</i>		134,134
<i>Utilities</i>		
Fuel	0	
Electricity	170,640	
Gas	99,931	
Utilities	<u>0</u>	
<i>Total Utilities</i>		270,571
<i>Water/Sewer</i>		278,825
<i>Payroll/Payroll Taxes</i>		
On-Site Manager/Office/Maintenance Salaries	183,440	
Maintenance Payroll	140,769	
Manager/Maint Unit Expense/(Credit)	0	
Payroll Taxes/Benefits	<u>93,727</u>	
<i>Total Payroll/Payroll Taxes</i>		417,936
<i>Insurance</i>		84,152
<i>Real Estate Taxes</i>		61,042
<i>Maintenance</i>		
Painting	25,087	
Repairs	128,473	
Trash Removal	32,608	
Exterminating	0	
Grounds	0	
Elevator	0	
Misc. Maintenance	<u>1,926</u>	
<i>Total Maintenance</i>		188,094
<i>Replacement Reserve</i>		156,000
<i>Other</i>		
Service Coordinator	80,000	
Misc. Tax/License	<u>1,992</u>	
	0	
	<u>0</u>	
<i>Total Other</i>		81,992
TOTAL EXPENSES - RESIDENTIAL		1,853,029
Per Unit Per Month (incl. Reserves)	5,939	
Per Unit Per Month (w/o taxes/res/svc))	4,987	
TCAC Minimum (w/o taxes/res/svc)	4,600	
TOTAL EXPENSES - COMMERCIAL		0
NET AVAILABLE INCOME		3,868,072

LOAN 1

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

	<u>Underwriting Constraint</u>	<u>Maximum Loan Amount</u>
Debt Service Coverage	1.19	51,550,300
Loan-to-Value	85.0%	78,746,629
Lender Commitment		NA
MAXIMUM MORTGAGE		51,550,300

LOAN CONSTANT/TIC CALCULATION			
	<i>FHA/CONV.</i>	<i>SERIES A</i>	<i>SERIES B</i>
Bond/Loan Rate	7.000000%	5.22500%	0.000000%
Term (Yr)	35.00	35.00	10.00
LOC Fee	0.000000%	0.000000%	0.000000%
GNMA/Servicing	0.000000%	0.000000%	0.000000%
Annual Issuer Fee	0.000000%	0.12500%	0.000000%
Other Annual Bond Fees	0.000000%	0.000000%	0.000000%
Amort (P&I)	0.66628%	1.00453%	10.000000%
Loan Constant	7.66628%	6.35453%	10.000000%
Imputed Total Interest Cost (TIC)	7.000000%	5.38562%	0.000000%

BOND/REHABILITATION RATIOS

Tax-Exempt Financing Ratio	
Series A Bonds	0
Series B Bonds	0
Tax-Exempt Construction Loan	91,564,449
Tax-Exempt Bridge Loan	0
TOTAL TAX-EXEMPT FINANCING	91,564,449
TOTAL BASIS + LAND ALLOCATION	110,865,589
Percent Tax-Exempt Financing	82.59%

Schedule	
Start of Construction	07/01/17
Completion	07/01/18
100% Occupancy	08/01/18
Conversion	12/01/18
Receipt of 8609	04/01/19

LIHTC LEASE-UP SCHEDULE		
Lease-Up Start (Year):		2017
Completed Lease Up by Month		
Month	No. Units	Percent
Jan-17	0	0.0%
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	0	0.0%
Total % Qual. Occ. in First Year		0.0%
YEAR 2 (cumulative)		
Jan-18	0	0.0%
Feb-18	310	100.0%
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	310	100.0%
Total Avg % Qual. Occ. Y2		91.7%

REHAB COMPLETION SCHEDULE			
			2017
Bldg. PIS by Month			
Month	Building No.	No. Units	Percent
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	1	0	0.0%
Aug-17	0	0	0.0%
Sep-17	0	0	0.0%
Oct-17	0	0	0.0%
Nov-17	0	0	0.0%
Dec-17	0	0	0.0%
TOTAL		0	0.0%
Total % PIS in First Year			0.0%
YEAR 2 (cumulative)			
Jan-18	0	0	0.0%
Feb-18	0	312	100.0%
Mar-18	0	0	0.0%
Apr-18	0	0	0.0%
May-18	0	0	0.0%
Jun-18	0	0	0.0%
Jul-18	0	0	0.0%
Aug-18	0	0	0.0%
Sep-18	0	0	0.0%
Oct-18	0	0	0.0%
Nov-18	0	0	0.0%
Dec-18	0	0	0.0%
TOTAL		312	100.0%
Total Avg % PIS Y2			91.7%

OPERATIONS SCHEDULE		
		2017
Completed Lease Up by Month		
Month	No. Units	Percent
Jan-17	0	0.0%
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	312	100.0%
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	312	100.0%
Total % Operating in First Year		50.0%
YEAR 2 (cumulative)		
Jan-18	312	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	312	100.0%
Total % Operating in 2nd Year		100.0%

CORONADO TERRACE

Calculation of Net Syndication Proceeds

Version: CDLAC/TCAC Version

Revised:

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2-Aug-16

CALCULATION OF SYNDICATION COSTS

Total Federal Credit (10 yr) & State Credit	36,219,911	
Gross Proceeds (Total)	40,566,300	
Gross Proceeds (net of bridge int/fees)	40,566,300	
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	40,451,800	
Net Proceeds/Total Fed Credit	1.1168	tax credit factor
Gross Proceeds (Total)/Total Fed Credit	1.1200	tax credit factor
Gross Proceeds (w/o Bridge)/Total Fed Credit	1.1200	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	268	279,200	74,825,600
3 BR	315,392	357,376	3 BR	44	357,376	15,724,544
4 BR	351,366	398,139	4 BR	0	398,139	0
				312		90,550,144
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% 70,979,629
BONDS: Boost for units <= 35% AMI						2.0% 0
TOTAL THRESHOLD BASIS LIMIT						161,529,773
POTENTIAL ELIGIBLE BASIS						103,855,589
SURPLUS/DEFICIT						57,674,184

CORONADO TERRACE 15-YEAR CASH FLOW															PAGE 8 Revised: 2-Aug-16	
Version: CDLAC/TCAC Version																
ASSUMPTIONS:																
Rent Increase: TCAC Rents	2.00%											Perm Loan - % Debt Svc Yr 1	0.0%			
Rent Increase: Sect 8 Rents	1.00%											Perm Loan - % Debt Svc Yr 2	8.3%			
Expenses Increase:	3.00%											Perm Loan - % Debt Svc Yr 3	100.0%			
Reserve Increase:	0.00%															
Credit Period Year:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Rehab	Rehab														
GROSS POTENTIAL INCOME - RESIDENTIAL	852,666	2,484,579	3,569,623	3,641,016	3,713,836	3,788,113	3,863,875	3,941,153	4,019,976	4,100,375	4,182,383	4,266,030	4,351,351	4,438,378	4,527,146	4,617,689
Section 8 PBA: Incremental Income	1,369,488	2,626,091	2,466,006	2,490,666	2,515,573	2,540,728	2,566,136	2,591,797	2,617,715	2,643,892	2,670,331	2,697,034	2,724,005	2,751,245	2,778,757	2,806,545
Misc. Income (Laundry)	12,500	25,125	25,628	26,140	26,663	27,196	27,740	28,295	28,861	29,438	30,027	30,627	31,240	31,865	32,502	33,152
Vacancy Loss - Residential	5.00%	(43,258)	(125,485)	(179,763)	(183,358)	(187,025)	(190,765)	(194,581)	(198,472)	(202,442)	(206,491)	(210,620)	(214,833)	(219,130)	(223,512)	(227,982)
Vacancy Loss - Section 8	5.00%	(68,474)	(131,305)	(123,300)	(124,533)	(125,779)	(127,036)	(128,307)	(129,590)	(130,886)	(132,195)	(133,517)	(134,852)	(136,200)	(137,562)	(138,938)
Vacancy Loss - Rehab Period	5.00%	(111,108)	(127,767)													
GROSS EFFECTIVE INCOME		1,991,668	4,713,453	5,736,067	5,828,868	5,923,346	6,019,533	6,117,463	6,217,170	6,318,690	6,422,057	6,527,308	6,634,480	6,743,611	6,854,741	6,967,908
TOTAL EXPENSES		848,515	1,722,484	1,774,159	1,827,384	1,882,205	1,938,671	1,996,832	2,056,736	2,118,439	2,181,992	2,247,452	2,314,875	2,384,321	2,455,851	2,529,526
NET OPERATING INCOME		1,143,154	2,990,969	3,961,908	4,001,485	4,041,141	4,080,862	4,120,632	4,160,434	4,200,251	4,240,065	4,279,856	4,319,605	4,359,290	4,398,890	4,438,381
REPLACEMENT RESERVE		0	13,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000
NET INCOME AVAILABLE FOR DEBT SERVICE		1,143,154	2,977,969	3,805,908	3,845,485	3,885,141	3,924,862	3,964,632	4,004,434	4,044,251	4,084,065	4,123,856	4,163,605	4,203,290	4,242,890	4,282,381
INCOME FROM OPERATIONS																
Income from Operations for Perm Financing		857,365	1,325,088	0												
SERIES A PERM LOAN Tax-Exempt Perm Loan (Direct Placement)																
Principal Balance		51,550,300	51,550,300	51,507,147	50,974,415	50,413,173	49,821,892	49,198,967	48,542,703	47,851,315	47,122,925	46,355,552	45,547,110	44,695,399	43,798,106	42,852,790
Annual Issuer Fee	0.125%	0	0	5,370	64,384	63,718	63,016	62,277	61,499	60,678	59,814	58,904	57,944	56,934	55,869	54,748
Series A Bond P&I																
Interest Payment		0	224,459	2,678,611	2,650,099	2,620,062	2,588,417	2,555,078	2,519,955	2,482,952	2,443,969	2,402,899	2,359,632	2,314,049	2,266,026	2,215,433
Principal Payment		0	43,153	532,731	561,243	591,280	622,925	656,264	691,387	728,390	767,373	808,443	851,710	897,293	945,316	995,909
TOTAL SERIES A DEBT SERVICE		0	272,982	3,275,726	3,275,060	3,274,358	3,273,619	3,272,841	3,272,020	3,271,156	3,270,246	3,269,286	3,268,276	3,267,211	3,266,090	3,264,908
NET CASH FLOW		285,788	1,379,899	530,182	570,425	610,782	651,242	691,791	732,414	773,095	813,819	854,570	895,329	936,079	976,800	1,017,473
Debt Service Coverage Ratio		NA	NA	1.16	1.17	1.19	1.20	1.21	1.22	1.24	1.25	1.26	1.27	1.29	1.30	1.31
DISTRIBUTION OF CASH FLOW																
LP Asset Management Fee	Annual Amt: 7,500	0	6,875	7,081	7,294	7,512	7,738	7,970	8,209	8,455	8,709	8,970	9,239	9,517	9,802	10,096
Citibank Subordinate Debt (Interest Only Payments)		7,800	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600
Additional Project Services	10% or \$100,000	100,000	135,742	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	103,208
(PV of Services @ 4%)	\$1,199,988															
Deferred Developer Fee		177,988	1,221,682	407,501	447,531	487,670	527,905	568,221	608,604	649,040	689,510	729,999	770,490	810,962	851,398	377,880
Interest on Deferred Developer Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(PV of Deferred Developer Fee @ 4%)	\$7,261,805															
GP Partnership Management Fee - Current	Annual Amt: 25,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Partnership Management Fee - Deferred	Inflator: 3.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residual Receipts Loans																
Seller Carryback		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General Partner	0.01%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Limited Partner	99.99%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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.