



REPORT

DATE ISSUED: September 8, 2016

REPORT NO: HCR16-081

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

SUBJECT: Approval of Purchase and Sale of Town & Country Apartments by the San Diego Housing Commission and related TEFRA and Bond Inducement Actions

COUNCIL DISTRICT: 4

REQUESTED ACTION

That the San Diego Housing Commission recommend that the Housing Authority of the City of San Diego approve a Purchase and Sale Agreement to purchase that 145 unit property known as the Town & Country Village Apartments, located at 4066 Messina Drive, San Diego, California on terms and conditions referenced within a Letter of Intent executed by the parties.

STAFF RECOMMENDATION

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

- 1) Approve a Purchase and Sale Agreement to purchase that 145-unit property known as the Town & Country Village Apartments, located at 4066 Messina Drive, San Diego, California 92113, on terms and conditions referenced within a Letter of Intent executed by the parties, as approved by General Counsel;
- 2) Authorize the Executive Vice President & Chief of Staff, or designee, to execute such documents, as approved by General Counsel, that are necessary and /or appropriate to carry out the recommendations and actions referenced above;
- 3) Authorize the Housing Commission to enter into an option agreement in favor of a to-be-formed Limited Partnership composed of the Housing Commission's nonprofit affiliate, Housing Development Partners, with a partner to be selected by Housing Development Partners with the approval of the Executive Vice President & Chief of Staff. The Housing Commission will grant the to-be-formed Limited Partnership the option to purchase the Housing Commission's fee simple interest in the land and improvements located at 4066 Messina Drive for an amount equal to the appraised fair market value of the land and improvements;
- 4) Approve a loan in an amount not to exceed \$6,500,000 to a to-be formed Limited Partnership consisting of Housing Development Partners or affiliate as the General Partner, with a partner to be selected by Housing Development Partners with the approval of the Executive Vice President

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& Chief of Staff, and a tax credit investor as Limited Partner to finance the acquisition and development of the Town & Country Village Apartments;

- 5) Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for the project:
 - a. Issue a bond inducement resolution Declaration of Official Intent for up to \$30,000,000 in Multifamily Housing Revenue Bonds for the development of Town & County Village Apartments by a to-be-formed limited partnership.
 - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$30,000,000 for Town & Country Village Apartments;
 - c. Approve the financing team of Orrick Herrington & Sutcliffe LLP as Bond Counsel and Ross Financial as Financial Advisor; and
 - d. Request that the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$30,000,000
- 6) Authorize the Housing Commission to expend a due diligence budget of up to \$150,000;
- 7) Authorize the Executive Vice President & Chief of Staff, or designee, as described above, to perform such acts as are necessary and/or appropriate to implement the actions authorized above; and
- 8) Authorize the Executive Vice President & Chief of Staff, or designee, to substitute the funding sources with other available funding sources, so long as the total program/project budget amount after substitution does not exceed the approved total budget, should the operational need arise, or should such actions be to the benefit of the Housing Commission and its mission. Funding substitutions will be memorialized in an Information Report at the next scheduled Housing Commission Board meeting.

SUMMARY

The Development

Town & Country Village Apartments is an existing 145-unit multifamily housing rental development originally constructed in 1982 and located at 4066 Messina Drive in the Mountain View Community Plan Area (Attachment 1), with 97 affordable housing units and 48 market-rate units. The development is a two-story apartment complex composed of 79 two-bedroom and 66 three-bedroom units. Current amenities include laundry facilities, tot lot playground, and community room.

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Table 1 – Development Details

Address	4066 Messina Drive, 92113
Council District	4
Community Plan Area	Mountain View
Construction Type	Type V
Parking Type	Surface Parking
Housing Type	Multifamily
Units	145
Affordable Unit Mix	Mixed Income; 70% Affordable & 30% Market Rate 79 two-bedroom units and 66 three-bedroom units

Development History

Town & Country Village Apartments was acquired in 1996 and rehabilitated in 1998 with low-income housing tax credits and tax-exempt Multifamily Housing Revenue Bonds. The Housing Commission provided a loan in the amount of \$2,065,897 and authorized the issuance of Multifamily Housing Revenue Bonds in the amount of \$4,377,500. As of December 31, 2015, \$3,272,471 in bonds and \$2,065,897 (plus \$2,297,901 in accrued interest) in Housing Commission loan remained outstanding. The Housing Commission received a payment on June 10, 2016, in the amount of \$1,335,693, of which \$1,272,089 was applied to accrued interest and \$63,604 to a late charge penalty. As of September 1, 2016, \$2,065,897 (plus \$1,110,170 in accrued interest) in Housing Commission loan remains outstanding.

Partnership Structure

Town & Country Village Apartments is owned by Mountain View Properties, Ltd., a California limited partnership (Limited Partnership), which consists of an Investor Limited Partner (Centerline Corporate Partners), Special Limited Partner (Related Corporate VIII SLP, L.P.) and General Partner (San Diego Community Housing Corporation). The purpose of the Limited Partnership is to invest in real property, specifically affordable housing, which resulted in the acquisition, rehabilitation and ongoing operations of Town & Country Village Apartments.

Table 2 - Ownership Structure

ROLE	FIRM/CONTRACT
Owner	Mountain View Properties, Ltd., a California Limited Partnership
Investor Limited Partner	Centerline Corporate Partners
Special Limited Partner	Related Corporate VIII SLP, LP
General Partner	San Diego Community Housing Corporation
Developer	San Diego Community Housing Corporation

Previous Actions

The Investor Limited Partner and Special Limited Partner made claims and allegations that the General Partner caused multiple material breaches to the Housing Commission loan and the Limited Partnership Agreement, particularly alleged misappropriation of project revenues. On June 3, 2016 the Housing Commission Board of Commissioners (Board of Commissioners) approved the Mountain View Properties,

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Ltd. request to remove the existing General Partner and consent to substitute a new General Partner (Housing Commission Report HCR16-062).

The Investor Limited Partner, Special Limited Partner and General Partner mutually agreed to settle their dispute shortly after HCR16-062 was approved by the Housing Commission Board of Commissioners. Terms of the settlement include San Diego Community Housing Corporation purchasing the Investor Limited Partner and Special Limited Partner interest for \$2,245,425. Upon payment of \$2,245,425, San Diego Community Housing Corporation would be the sole owner of Mountain View Properties, Ltd.

Proposed Actions

Housing Commission to Acquire Town & Country Apartments

The General Partner of Mountain View Properties, Ltd. has proposed that the Housing Commission acquire Town & Country Village Apartments as outlined in the attached Letter of Intent (Attachment 2). Staff recommends the following actions which are necessary to acquire and operate the Town & Country Village Apartments.

1. Pay all debt encumbering the property including, but not limited to:
 - a. Bond redemption of approximately Three Million One Hundred Fifty Seven Thousand Five Hundred and No/100 Dollars (\$3,157,500);
 - b. to pay as a net distribution from the Seller to the San Diego Community Housing Corporation the amount of Two Million Six Hundred Thousand and No/100 Dollars (\$2,600,000); and
 - c. to pay as a net distribution from the Seller to Related Corporate Partners VIII SLP, L.P., a Delaware limited partnership, the special limited partner of the Seller, and Centerline Corporate Partners VIII L.P., a Delaware limited partnership, the investor limited partner of the Seller, the LP Interests Payment in the aggregate total amount of Two Million Two Hundred Forty-Five Thousand Four Hundred Twenty Five and No/100 Dollars (\$2,245,425)
2. Fund operating accounts (operating and replacement reserve account) necessary to own and operate Town & Country Village Apartments. Such accounts shall be consistent with industry standards and Housing Commission property management standards.
3. Enter into a property management agreement with the current property management company, Barker Management, for a 6-month term with the Housing Commission's option to renew for two additional 6-month terms.
4. Enter into a resident service agreement with San Diego Community Housing Corporation.

Table 3 - Housing Commission Funding Towards Purchase

Bond Redemption Estimate	\$ 3,157,500
Investor Limited Partner Net Distributions	2,245,425
Managing General Partner Net Distributions	2,600,000
SDHC Proceeds Necessary to Purchase Asset	\$ 8,002,925
Purchase Price Per Unit	\$ 55,193

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Table 4 - Operating Account Funding Requirements

Operating Account – Equivalent to 3 Month 2015 Operating Expenses	\$ 271,000
Replacement Reserve - \$1,000 Per Unit*	\$ 145,000
Total Operating Account Requirements**	\$ 416,000

*Mt View Properties, Ltd. existing replacement reserve requirement per FHA lender requirements

** Operating reserves remaining at time of SDHC sale to limited partnership will be returned to the Housing Commission

SDHC Contingent Interest

Pursuant to the loan documents, the borrower is subject to contingent interest which is defined as 50 percent share in the sum of both:

- 1) The appreciation in the fair market value of the property after December 20, 1996; and
- 2) The rents and profits attributable to the property, as defined in Section 1917 of the Civil Code.

The proposed action triggers payment of contingent interest. The Housing Commission is entitled to 50 percent of the appreciation of the property

The San Diego Community Housing Corporation commissioned Cushman & Wakefield to prepare an as-is appraisal dated March 10, 2016 for purposes of initiating their option to purchase the asset from the Limited Partner. The appraiser determined that the as-is market value of Town & Country Village Apartments was \$15,500,000.

SDHC Contingent Interest Calculation

Fair Market Value	\$ 15,500,000
Original Purchase Price	\$ 4,190,000
Property Appreciation	\$ 11,310,000

SDHC 50% Contingent Interest \$ 5,655,000

Outstanding Debt

The current debt outstanding at time of SDHC purchase is as follows:

Bond Redemption Estimate	\$ 3,157,500
Investor Limited Partner Net Distribution	2,245,425
General Partner Net Distribution	2,600,000
SDHC Principal	2,065,897
SDHC Accrued Interest	1,110,170
SDHC Contingent Interest	5,655,000
Total Outstanding Debt	\$ 16,833,992

Housing Commission staff believes that the 5.5% cap rate utilized by Cushman & Wakefield to value Town & Country Village Apartments was high and that current market conditions support a lower cap rate. It may have been to the General Partners benefit to utilize a higher cap rate to generate a lower appraised value. A lower appraised value would have been beneficial to the General Partner in the event their option to purchase Town & Country Village Apartments was exercised. The Cushman & Wakefield appraisal indicated that recent cap rate data extracted from the PwC Real Estate Investor Survey in the fourth quarter of 2015 ranged from 3.50% - 6.0% with an average of 4.50%. Furthermore, the three most recent

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acquisition rehabilitation multifamily bond issuances involving the Housing Commission include Mayberry Townhomes (HCR15-065), Vista La Rosa (16-008) and Vista Terrace Hills (HCR16-013) which had cap rates of 4.70%, 5.25% and 4.75%, respectively. These recent acquisition rehabilitation deals provide a basis for modeling a lower cap rate when assessing the value of Town & Country Village Apartments for Housing Commission acquisition. Utilizing a 5.0% cap rate with the same net operating income assumptions included in the Cushman & Wakefield appraisal would value Town & Country at \$17,073,400.

Sale & Disposition of Town & Country

The Housing Commission intends to sell Town & Country Village Apartments to a to-be-formed tax-credit limited partnership composed of the Housing Commission's nonprofit affiliate, Housing Development Partners (HDP); a partner to be chosen; and a tax credit investor in March 2017. A potential partner is Chelsea Investment Corporation because of its involvement in the project with the current owner. CIC was originally selected by San Diego Community Housing Corporation to assist in the financial structuring and repositioning of Town & Country Village Apartments; however, the partnership and redevelopment proposal did not materialize. The to-be-formed tax-credit limited partnership shall rehabilitate Town & Country Village Apartments with low-income housing tax credits, tax exempt bonds and Housing Commission loan. The proposed financing structure will maximize pay down of the Housing Commission loan. A pro forma modeling financial projections of the rehabilitation is included as Attachment 3. Developer Disclosure statements for HPD and CIC are included as Attachment 4.

Upon sale of Town & Country Village Apartments to the to-be-formed limited partnership, the Housing Commission will recover costs of acquisition including the cost of bond redemption in the approximate amount of \$3,157,500; net distribution from the Seller to the San Diego Community Housing Corporation the amount of \$2,600,000; and net distribution from the Seller to the Limited Partners in the amount of \$2,245,425. In addition, the Housing Commission expects to receive approximately \$5,571,429 in sales proceeds.

Housing Commission Seller Carryback Loan

As part of the repositioning Town & Country Village Apartments the Housing Commission will provide the to-be-formed limited partnership a seller carryback loan not to exceed \$6,500,000.

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.

It is anticipated that the development will receive a bond allocation at CDLAC's March, 2017, meeting; however, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the development. A general description of the Multifamily Housing Revenue Bond Program and the

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actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 5.

The developer will be seeking a CDLAC bond allocation of approximately \$30,000,000. 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 willfully comply with the City of San Diego's (City) ordinance on bond disclosure. The up to \$30,000,000 bond allocation that will be sought from CDLAC is approximately 20 percent higher than the \$25,000,000 amount for which the development is being underwritten. This increased amount represents a cushion 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 construction financing 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.

Staff recommends assigning Ross Financial as Financial Advisor and Orrick Herrington & Sutcliffe LLP 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.

The total development cost of Town & Country is estimated to be approximately \$ 37,756,752 . The developer pro forma is provided as Attachment 3. Preliminary sources of funding are summarized in the following table:

Table Here:

Table 5 – Town & Country Estimated Sources and Uses of Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts
Permanent Loan	\$15,364,000	Acquisition Costs	\$20,000,000
Tax Credit Equity	12,750,000	Rehabilitation Hard Costs	9,756,550
SDHC Seller Carryback Note	6,025,000	Soft Costs	3,450,652
Income From Operations	878,039	Reserves	410,258
Deferred Developer Fee	2,739,212	Developer Fee	4,139,292
Total Development Cost	\$37,756,752	Total Development Cost	\$37,756,752

Estimated Development Schedule

- September 2016: Enter into Purchase & Sale Agreement
- October 2016: Enter into LOI or Option Agreement with HDP & CIC
- November 30, 2016: Housing Commission Acquires Town & Country Apartments
- December 2016: CDLAC/TCAC Applications – Placeholder Applications
- January 2017: CDLAC Bond Application – Formal Bond Application
- January 2017: TCAC Application- Formal Tax Credit Application
- March 2017: Presented to Housing Commission for Final Bond Approval
- March 2017: Presented to Housing Authority for Final Bond Approval

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- March 2017: CDLAC Bond Allocation
- March 2017: Tax Credit Award
- April 2017: Construction Start
- December 2017: Construction Completion

Affordable Housing Impact

The Housing Commission is currently evaluating the benefits of changing the affordability for the existing 48-market rate units. If the Housing Commission determines that this structure benefits the project, its current residents and future residents, staff shall work with General Counsel to amend the Housing Commission's existing Declaration of Covenants Conditions and Restrictions to reflect such changes. In addition, the Housing Commissions Declaration of Covenants will be extended for an additional 55-year term upon sale to the to-be-formed limited partnership.

Table 6 – Current Rent Restrictions

Unit Type	AMI	Number of Units
2-Bedroom Flat	50% AMI	20
2-Bedroom Flat	60% AMI	38
2-Bedroom Townhome	60% AMI	4
3-Bedroom Flat	50% AMI	4
3-Bedroom Flat	60% AMI	22
3-Bedroom Townhome	60% AMI	9
2-Bedroom*	Market	17
3-Bedroom*	Market	31
	Total Units	145

* Units potentially reduced from market rate rents to 50-60% AMI

FISCAL CONSIDERATIONS

The funding sources and uses proposed by this action were not included in the Fiscal Year 2017 budget. Approving this action will result in the rehabilitation of 97 affordable housing units and 48 market-rate units. There is potential for the 48 market rate units to be converted to affordable units.

Acquisition

Funding sources approved by this action will be as follows:

Inclusionary Housing Funds	\$8,403,071
Total funding sources	<u>8,403,071</u>

Funding uses approved by this action will be as follows:

Multifamily Housing Revenue Bond redemption	3,157,500
Seller Distributions – General Partner	2,600,000
Seller Distributions – Limited Partners	2,245,425
Due Diligence and Acquisition Contingency @ 5%	400,146
	<u>8,403,071</u>

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Disposition

Funding sources approved by this action will be as follows:

Projected Sales Price	\$20,000,000
Less: Seller Carry Back Note	(6,025,000)
Net Sales Proceeds	<u>13,975,000</u>

Funding uses approved by this action will be as follows:

Housing Commission Acquisition Reimbursement	8,403,071
Payoff of SDHC Principal and Interest	3,176,067
Net Gain to SDHC	<u>2,395,862</u>
	<u>13,975,000</u>

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.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include San Diego Community Housing Corporation, Centerline Corporate Partners, Related Corporate Partners VIII SDL, LP, Housing Development Partners, Chelsea Investment Corporation, current Town & Country Village residents, and the Mountain View community and residents.

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 Town & Country Apartments 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.

CONFLICT DISCLOSURE STATEMENT

Commissioners Gary Gramling, Roberta Spoon, and President and Chief Executive Officer (President & CEO) of the Housing Commission, Richard C. Gentry, are each directors and officers of Housing Development Partners (HDP), a California nonprofit public benefit corporation qualified as an Internal Revenue Code Section 501(c) (3) corporation. Commissioner Gramling, Commissioner Spoon, and President & CEO Gentry receive no compensation for their service on the HDP Board of Directors. Pursuant to the provisions of Government Code Sections 1091.5(a) (7) and 1091.5(a) (8), Commissioner

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Gramling, Commissioner Spoon, and President & CEO Gentry each have a “non-interest” as described in Government Code Section 1091.5. Furthermore, none of HDP’s board members has a financial interest in this development that would legally preclude their participation under the provisions of Government Code Sections 1090 and/or 87100, et.seq. [because a 501(c) (3) nonprofit corporation is not a business entity for the purposes of state law and because HDP has been determined to be a public agency by the Ethics Commission for local conflict law purposes] and/or the Housing Commission’s Conflict of Interest Code. As members of the Board of Commissioners of the Housing Commission, Mr. Gramling and Ms. Spoon are legally entitled to vote and be counted for quorum purposes. This disclosure shall be and is hereby documented in the official records of the Housing Commission.

Further, HDP has formed an affiliated limited partnership HDP L.L.C. to act as owner/borrower. HDP will be the sole member/managing member of HDP L.L.C. Commissioners Gramling, Spoon and President & CEO Gentry will all have non-interests with any affiliated limited partnership.

Respectfully submitted,

Ted Miyahara

Ted Miyahara
Director Housing Finance
Real Estate Division

Approved by,

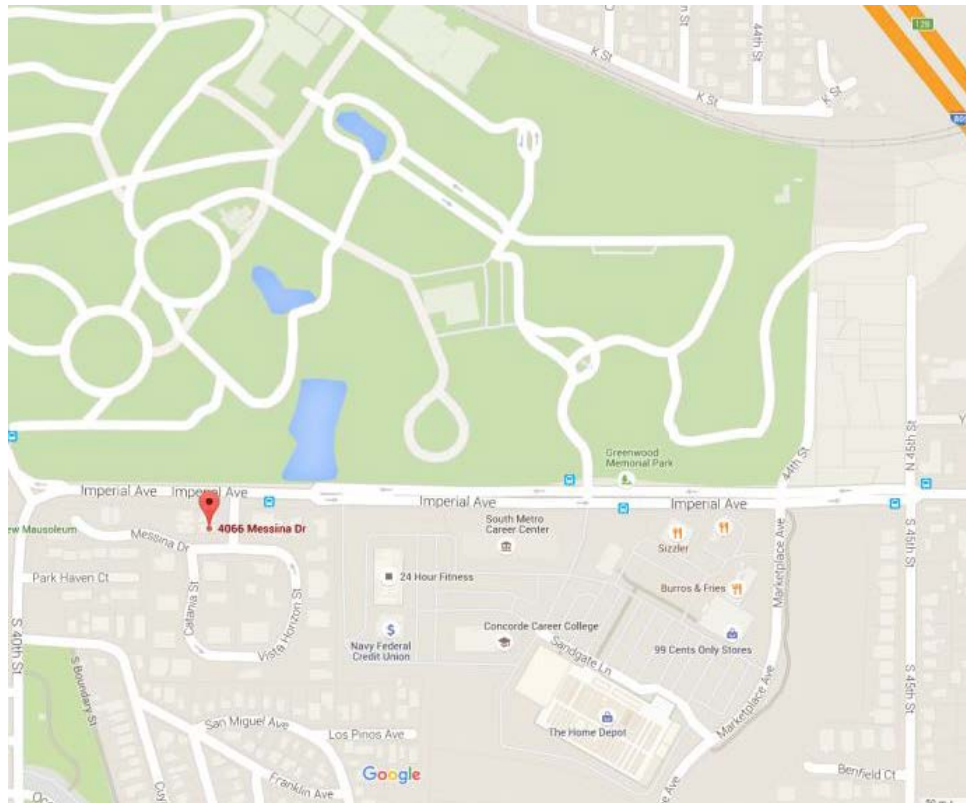
Jeff Davis

Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

Attachments:

- 1) Location Map
- 2) Letter of Intent
- 3) Profoma
- 4) Developer Disclosure Statements
 - a. Housing Development Partners
 - b. Chelsea Investment Corporation
- 5) Multifamily Housing Revenue Bond Program

Hard copies are available for review during business hours at the security information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials on the San Diego Housing Commission website at www.sdhc.org.





Real Estate Department

September 6, 2016

San Diego Community Housing Corporation
6160 Mission Gorge Road, Suite 204
San Diego, CA 92120

Re: Letter of Intent – Town and Country Village Apartments

The purpose of this non-binding letter of intent is to set forth the general terms and conditions under which the San Diego Housing Commission and its successors and assigns (“Buyer”) is interested in purchasing the Property, as defined below, from Mountain View Properties, Ltd., a California limited partnership (referred herein as “Seller”).

1. Property Defined. Town and Country Village Apartments, 4066 Messina Drive, San Diego, CA 92113 which includes one hundred forty-five (145) units, and all other assets of the Seller, including, without limitation, all operating accounts, accounts receivable and reserves which have been set aside for the Property (whether held by the Seller, its lenders, the trustee or otherwise). Upon execution of the Purchase and Sale Agreement, the Seller shall deliver to the Buyer the unaudited balance sheets, general ledger reconciliations and bank statements of the Seller for every prior month of calendar 2016. Beginning with the month the Purchase and Sale Agreement is executed and monthly thereafter, the Seller shall deliver unaudited balance sheets, general ledger reconciliations and bank statements of the Seller to the Buyer. Seller shall also deliver to the Seller the 2016 operating budget of the Seller within five (5) business days of completion of the same. The Seller shall not make any payments, incur any liabilities or distribute any assets other than in the normal course of the Seller’s business.

2. Purchase Price. The Purchase Price shall be an amount sufficient to:

- (i) pay all debt encumbering the Property and any and all costs associated with the sale of the Property including, but not limited to, closing costs;
- (ii) to pay as a net distribution from the Seller to the San Diego Community Housing Corporation the amount of \$2,600,000.00; and
- (iii) to pay as a net distribution from the Seller to Related Corporate Partners VIII SLP, L.P., a Delaware limited partnership (“Related”), the special limited partner of the Seller, and Centerline Corporate Partners VIII L.P., a Delaware limited partnership (“Centerline” and collectively with Related, the “Limited Partners”), the investor limited partner of the Seller, the LP Interests Payment (as defined in the Settlement Agreement) which in the aggregate totals Two Million Two Hundred Forty-Five Thousand Four Hundred Twenty Five and No/100 Dollars (\$2,245,425.00) in accordance with that

certain Settlement Agreement and Mutual General Release dated June 10, 2016 by and between the General Partner and the Limited Partners (the "Settlement Agreement").

3. Assumption of Surplus Cash Obligation. The Buyer shall assume the obligation to pay any surplus cash amounts owed with respect to any debt on the Property, from and after the date of closing.

4. As-Is Purchase. Buyer shall purchase the Property "AS IS", "WHERE IS" and "WITH ALL FAULTS", without any representations, warranties or guaranties of any nature, express or implied, oral or written, past, present or future, regarding the Property. Buyer agrees that it will not rely on any representations, warranties, promises, assurances or other statements relating to or affecting the Property, whether made verbally or in writing, and whether made before or after the effective date of the Purchase and Sale Agreement, and whether express or implied, made by Seller, or any of its agents, representatives or consultants, which are not set forth in the Purchase and Sale Agreement.

5. Deposit. Buyer will make an initial deposit in the amount of One Hundred Thousand and No/100 Dollars (\$100,000.00) within three (3) business days after the mutual execution of the Purchase and Sale Agreement (the "Initial Deposit"). Except as otherwise provided in Section 7, below, the Initial Deposit shall be deemed nonrefundable to Buyer upon expiration of the Due Diligence Period, provided the Buyer does not terminate the Purchase and Sale Agreement during the Due Diligence Period. In addition, provided that (i) the Seller is not in default, and (ii) the Buyer has removed all contingencies under the terms of the Purchase and Sale Agreement, Buyer shall increase the deposit to the aggregate sum of Two Million Two Hundred Forty-Five Thousand Four Hundred Twenty-Five and No/100 Dollars (\$2,245,425.00) (the "Additional Deposit" and collectively with the Initial Deposit, the "Deposit") within fifteen (15) days after the issuance of a resolution of the Housing Authority of the City of San Diego approving the Purchase and Sale Agreement (the "Housing Authority Resolution"). The Deposit (i) shall be deemed nonrefundable to Buyer upon Buyer's deposit of the Additional Deposit into escrow and (ii) shall be credited against the Purchase Price on the Closing Date. In addition, if this LOI is timely signed by the Seller on or before the close of business on September 6, 2016 and forwarded to Christensen & Spath as a PDF by that time, the SDHC will use its best efforts to have the approval of the transaction heard at the September 9, 2016 San Diego Housing Commission Special Board meeting. In addition, the Buyer shall use its best efforts to have the LOI heard by the Housing Authority in a September or early October 2016 meeting to demonstrate the Buyer's good faith intent to close the transaction, in a timely manner.

6. Due Diligence. Buyer shall have thirty (30) days from the date the purchase and sale agreement is executed to complete due diligence on the Property ("Due Diligence Period"). During the Due Diligence period, if the Buyer determines in its sole discretion for any reason, or for no reason at all, not to proceed with acquisition of the Property, Buyer may terminate the Purchase and Sale Agreement and receive a full refund of all deposits into escrow (including any interest thereon), less any fees charged by the Escrow Holder. During the Due Diligence Period and during normal business hours, the Buyer and its representatives, consultants and attorneys shall have access to the Property to observe and perform any and all due diligence.

7. Housing Authority Approval. The Seller acknowledges that in order to bind the Buyer to the terms and conditions of the Purchase and Sale Agreement: (i) the Purchase and Sale

Agreement must be recommended for approval by the Buyer's board; and (ii) must also be approved by the Housing Authority of the City of San Diego. After expiration of the Due Diligence Period, the Buyer's right to terminate the Purchase and Sale Agreement for any reason, or for no reason at all, shall expire; provided, however, if the Purchase and Sale Agreement is not formally approved by the Housing Authority Resolution on or before November 30, 2016, then the Purchase and Sale Agreement shall automatically terminate and the Buyer shall receive a full refund of all deposits into escrow (including any interest thereon), less any fees charged by the Escrow Holder.

8. Purchase Option. Buyer may grant an option to purchase the Property ("Purchase Option") to a limited partnership.

9. Purchase Option. It is the Seller's intent to pay off the FHA insured loan on the Closing Date. In the event Seller pays off the FHA insured loan at that time there will be no need for the consent of either the FHA or HUD for the transfer of the Property to the Buyer. The Buyer and Seller agree to cooperate with one another and to execute and deliver such documents, agreements and instruments as are necessary, including, but not limited to, the execution of a grant deed to Buyer without any special or unique provisions contained within said grant deed.

10. Independent Consideration. Simultaneously with the execution and delivery of the Purchase and Sale Agreement, Buyer shall pay to Seller as further consideration for the agreement, the sum of One Hundred and No/100 Dollars (\$100.00).

11. Liquidated Damages. If Buyer defaults under the Purchase and Sale Agreement and fails to close on the Closing Date, unless otherwise extended pursuant to Section 16, below, the Seller's sole remedy shall be to terminate the Purchase and Sale Agreement and retain all deposits into escrow and all interest thereon as liquidated damages.

12. Sale Contingency. To the extent required for such sale of the Property contemplated herein, closing of the transaction shall be contingent upon Seller obtaining all necessary partner approvals pursuant to the (i) Settlement Agreement and/or (ii) that certain Amended and Restated Agreement of Limited Partnership of Seller dated April 24, 1998 as amended by that certain Amendment to Amended and Restated Agreement of Limited Partnership dated December 19, 2006.

13. Management and Control of the Property. Seller shall have complete control over the Property including, but not limited to, all responsibilities, authorities and duties relative to the Property, control over the financial operations of the Property and monitoring and oversight functions in connection with the management of the Property until the closing of the transaction described herein. Seller and Buyer mutually agree that neither party will enter into an asset management agreement, or any related agreement, with the other whereby Seller shall employ Buyer as an asset manager of the Property.

14. Resident Services. If the Purchase Option is exercised, then simultaneously with the closing of the Purchase Option transaction, Buyer (and its successor and assigns) and the General Partner of the Seller shall enter into a ten (10) year Resident Services Agreement (attached hereto as Exhibit A) describing the scope of resident and charitable services performed and to be performed by Seller at the Town and Country Learning Center located at the Property, for which

Buyer (and its successor and assigns) and Seller shall agree upon a mutually acceptable monthly service fee.

15. Title, Escrow & Closing. Title insurance shall be insured by and the sale of the Property shall be carried out through an escrow with Chicago Company ("Escrow Holder"). Escrow Holder shall be responsible for all prorations (i.e., rents, taxes, insurance, etc.) between Seller and Buyer.

16. Closing. Closing of the transaction shall take place by November 30, 2016 (the "Closing Date"). Buyer shall have the right to extend the Closing Date to December 31st, 2016 by paying (i) into escrow the Additional Deposit and (ii) to the Seller a non-refundable deposit in the amount of Fifty Thousand Dollars and No/100 (\$50,000.00) (the "Extension Deposit") by no later than November 30, 2016. The Extension Deposit shall be credited against the Purchase Price

17. Purchase Agreement. Within ten (10) business days of Buyer's acceptance of the terms and conditions contained herein, Buyer shall prepare and deliver to Seller, a Purchase and Sale Agreement incorporating the terms and conditions of this letter of intent. Buyer and Seller agree to use their best efforts and to act in good faith to enter into a Purchase and Sale Agreement based on the terms set forth in this letter of intent, provided that the form, terms and conditions of the Purchase and Sale Agreement shall be subject to the approval of Buyer and Seller in their sole discretions. If issues arise during preparation of a Purchase and Sale Agreement which are not resolved to the satisfaction of Buyer and Seller, this letter shall become null and void.

18. Broker Commission. Neither Seller nor Buyer has engaged a broker and will not engage a broker.

19. Confidentiality. Seller acknowledges that Buyer is a public agency and that the terms and conditions of this Letter of Intent and the purchase and sale agreement will be disclosed in at least a public meeting of the Housing Authority of the City of San Diego, and that the Buyer is required by applicable laws to disclose certain documents, writings and other information, including without limitation, this Letter of Intent and the purchase and sale agreement.


This letter is not a binding contract. This letter does not bind Buyer to purchase the Property, and this letter does not bind Seller to sell the Property to Buyer. This letter merely sets forth certain of the key terms and conditions on which Buyer and Seller may be willing to proceed with respect to a purchase and sale transaction. Neither Buyer nor Seller shall be bound in any respect unless and until a binding Purchase and Sale Agreement mutually acceptable to Buyer and Seller is signed and entered into by both Buyer and Seller.

If the foregoing is acceptable to you, contingent upon the parties' execution of a mutually acceptable Purchase and Sale Agreement, please execute this letter and return it to the undersigned on or before the close of business on September 6, 2016.

[Signatures On the Next Page]

BUYER:

San Diego Housing Commission

By:  _____
Deborah N. Ruane **Jeff Davis**
Executive Vice President/~~Chief Strategy Officer~~ **Chief Operating Officer**

SELLER:

Mountain View Properties, Ltd., a California limited partnership

By: San Diego Community Housing Corporation,
a California nonprofit public benefit corporation
Its: General Partner

By: _____
J. Robert St. Germain
President & CEO

BUYER:

San Diego Housing Commission

By: _____
Deborah N. Ruane
Executive Vice President/Chief Strategy Officer

SELLER:

Mountain View Properties, Ltd., a California limited partnership

By: San Diego Community Housing Corporation,
a California nonprofit public benefit corporation
Its: General Partner

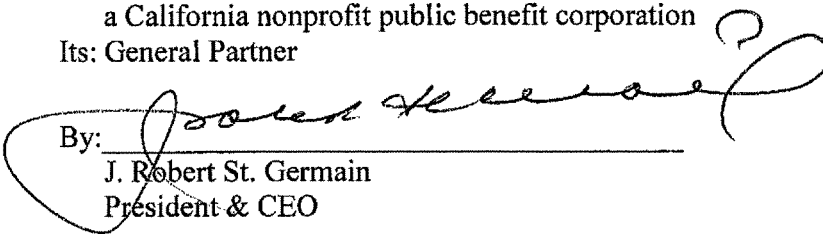
By:  _____
J. Robert St. Germain
President & CEO

EXHIBIT A

Resident Services Agreement

RESIDENT SERVICES AGREEMENT
(Town and Country Village Apartments)

This Resident Services Agreement (the "Agreement") is made as of _____, 2016 (the "Effective Date"), by and between San Diego Community Housing Corporation, a California nonprofit public benefit corporation ("SDCHC"), and _____, a _____ limited partnership (the "Partnership"). SDCHC and the Partnership are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

WHEREAS, the Partnership is the owner of a 145-unit multifamily affordable housing development located in San Diego, California known as Town and Country Village Apartments (the "Project");

WHEREAS, the Partnership and SDCHC wish to enter into this Agreement describing the scope of the Resident Services performed and to be performed by SDCHC at the Town and Country Learning Center (the "Learning Center") located at the Project, for which SDCHC is entitled to receive payment of a service fee subject to the terms and conditions contained in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Resident Services. The resident and charitable services or benefits to be rendered by SDCHC (Monday – Friday with special events planned on Saturdays) at the Learning Center shall consist of, but are not limited to, the following services provided under the Family Self Sufficiency Program during the term of this Agreement (collectively, the "Resident Services"):

- a. Assist in providing job readiness, resume writing, coaching, job placement and retention;
- b. Provide Earned Income Tax Credit free tax preparation services;
- c. Assist with Calfresh and Medi-Cal applications;
- d. Provide emergency food assistance;
- e. Provide nutrition education classes;
- f. Healthy Aging:
 - i. Provide home visits, information, referrals and advocacy;
 - ii. Provide "Senior Hour" weekly meetings to discuss issues surrounding healthcare, social security and safety issues; and
 - iii. Provide computer training and basic computer skills;
- g. Educational Enrichment:

- i. Facilitate meetings and mentoring between elementary to high school students and technology, math, science and engineering professionals working in such prospective fields; and
 - ii. Provide monitoring and evaluation of students through individual assessment;
- h. Multi-Media Program:
 - i. Provide comprehensive multi-media program in digital storytelling, stop-action animated movie creation, video gaming and telecommunications;
- i. Financial Education and Small Business Enterprise Programs:
 - i. Provide, through partnerships with local banking institutions, monthly workshops in financial education and business development, including but not limited to homebuyer education;
- j. Our Community to Your Home:
 - i. Provide basic English as a Second Language workshops;
- k. Career Pathway:
 - i. Provide pre-training assessment, work readiness strengths and deficiencies identification; and
 - ii. Provide individual supportive services for interviews, work and education history, basic skills, financial stability, and occupational skills;
- l. Student Achievement:
 - i. Provide tracking and evaluation of a student's individual and measurable progress in academic goals through quantitative testing and individual school report cards; and
- m. STEAM (Science, Technology, Engineering, Arts, and Mathematics):
 - i. Provide after-school training and assistance to elementary to high school youth in both individual and group learning settings with leadership skills, character development, and college preparedness in the areas of STEAM.

2. Resident Services Fee. In consideration for the Resident Services to be rendered to the Partnership by SDCHC under this Agreement, the Partnership agrees to pay to SDCHC a monthly fee equal to the costs incurred by SDCHC in rendering the Resident Services to the Partnership as a reimbursement (the "Resident Services Fee") in any month in which SDCHC provides Resident Services. The Resident Services Fee shall be payable on or before the _____ of each calendar month during the term of this Agreement.

3. Term and Termination. The term of this Agreement commences on the Effective Date and continues thereafter for ten (10) years, unless and until sooner terminated as provided herein. Either the Partnership or SDCHC may terminate this Agreement for any reason by giving at least thirty (30) day written notice to the other.

4. Amendments. This Agreement is subject to amendment only with the written consent of SDCHC and the Partnership.

5. Notices. All notice required or permitted in connection with this Agreement will be in writing and shall be deemed to have been duly given if (i) delivered by electronic mail (ii) mailed, certified first class mail, postage prepaid, return receipt requested, (iii) personally delivered, or (iv) delivered by Federal Express or other comparable overnight delivery service to the party to whom the same is so given or made, at the address of such party as set forth below, which address may be changed by notice to the other parties hereto duly given pursuant hereto:

If to the Partnership: _____

Attention: _____
[EMAIL]

If to SDCHC: San Diego Community Housing Corporation
6160 Mission Gorge Road, Suite 204
San Diego, CA 92120
Attention: J. Robert St. Germain
rstg@ots-sdchc.org

6. Severability of Provisions. Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid or contrary to any existing or future law, such invalidity shall not affect those provisions of this Agreement that are valid.

7. No Continuing Waiver. The waiver by either party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

8. Applicable Laws. This Agreement shall be construed and enforced in accordance with the laws of the State of California applicable to agreements made and to be performed entirely therein.

9. Headings. All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

10. Successors and Assigns. This Agreement shall be binding on the parties hereto, their heirs, successors, and assigns.

11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

PARTNERSHIP:

[SIGNATURE BLOCK]

SDCHC:

San Diego Community Housing Corporation,
a California nonprofit public benefit corporation

By: _____
J. Robert St. Germain
President and CEO

EXHIBIT A: PROJECT SUMMARY

Town & Country Village Family Apartments, San Diego CA
4%Tax Credits w/ Tax Exempt Bonds 100% Affordable
145 Units

PROJECT DEAL STRUCTURE

<u>Development Costs :</u>		
Acquisition		20,000,000
Construction of New Community Center		1,026,000
Cost of Rehabilitation (inc Contractor OH/P & Contingency)	\$57,000/unit	8,265,000
Owner's Contingency		464,550
Developer Fee		4,139,212
Indirect/Soft Costs		3,861,989
<u>Total Development Costs</u>		<u>37,756,752</u>
<u>Sources:</u>		
LIHTC Equity		12,750,000
Permanent Loan		15,364,000
SDHC Seller Carryback Note		6,025,500
Income From Operations	<i>Assumes 70% of Operating Income</i>	878,039
Deferred Fee		2,739,212
<u>Total Sources</u>		<u>37,756,752</u>
	Total Developer Fee	4,139,212
	Paid from Development Sources	1,400,000
	Deferred & Paid from 50% of Cash Flow	<u>2,739,212</u>

FINANCING ASSUMPTIONS

4% Tax Rate	3.18%
Annual Federal Tax Credits	1,159,242
Federal Tax Credit Price	\$ 1.1000
DCR	1.15
CF After D/S	130,939
Amort	35
Vacancy Rate	5.00%
Interest - Permanent Loan	4.50%
Interest - Construction Loan	3.50%
Opr. Exp./unit/year	\$5,000/unit
Tenant Services	\$414/unit
Replacement Reserves/unit/year	\$0/unit
A Bond	15,364,000
B Bond	9,432,868
50% Test	69.36%

PROJECT UNIT & INCOME MIX

<u>AMI</u>	<u>Studio</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>Totals</u>
80%	0	0	0	0	<u>0</u>
60%	0	0	60	59	<u>119</u>
50%	0	0	19	5	<u>24</u>
<u>Manager Units</u>				2	<u>2</u>
<u>Totals</u>	<u>0</u>	<u>0</u>	<u>79</u>	<u>66</u>	<u>145</u>

SDHC Sales Proceeds:	
Net Sales Proceeds	\$ 20,000,000
Less SDHC Seller Carryback Note	\$ (6,025,500)
Net Sales Proceeds to SDHC	<u>\$ 13,974,500</u>

EXHIBIT C: PROJECTED SOURCES AND USES OF FUNDS

Town & Country Village Family Apartments, San Diego CA

145 units

80.00%	0	2BR	79
60.00%	119	3BR	66
50.00%	24	145	
Mgr Units	2		

B Bond	9,432,868
A Bond	15,364,000
Total	24,796,868

50% Test
pass
(Actual)

69.36%

		25%		25%		Total 25%		145 25%					
		Construction Period				Construction		break-even		Conversion		8609	
		Close		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Subtotal	
												Qtr 5	
SOURCES OF FUNDS													
1	Deferred Developer Fee	-	-	-	-	-	-	-	-	-	2,739,212	-	2,739,212
3	SDHC Seller Carryback Note	6,025,500						6,025,500			0	-	6,025,500
4	Income From Operations	-	175,608	175,608	175,608	175,608	702,431	175,608					878,039
5	Construction Loan	13,728,553	3,577,173	2,528,113	2,550,299	2,302,231	24,686,369	110,499	(24,796,868)				-
6	LIHTC Equity	1,912,500				-	1,912,500		10,582,500	255,000			12,750,000
7	Permanent Loan	-					-		15,364,000				15,364,000
8	Total Sources of Funds	21,666,553	3,752,781	2,703,721	2,725,907	2,477,839	33,326,801	286,107	3,888,844	255,000			37,756,752
USES OF FUNDS													
10	Site Acquisition	20,000,000					20,000,000						20,000,000
11	Off-site Improvements	-					-						-
12	Title/Recording & Escrow&RE Broker Fees	15,000					15,000						15,000
13	Subtotal Site Acquisition	20,015,000	-	-	-	-	20,015,000	-	-	-	-	-	20,015,000
14	Off-site Improvements	-					-						-
15	Construction of New Community Room		900,000	-			900,000						900,000
16	Structures, Common Areas	\$50,000/unit	1,812,500	1,812,500	1,812,500	1,812,500	7,250,000						7,250,000
17	Subtotal Hard Costs	-	2,712,500	1,812,500	1,812,500	1,812,500	8,150,000		-	-	-	-	8,150,000
18	Contractor Overhead, Profit & General Requirements	14%	379,750	253,750	253,750	253,750	1,141,000	-					1,141,000
19	Total Construction Contract	-	3,092,250	2,066,250	2,066,250	2,066,250	9,291,000	-	-	-	-	-	9,291,000
21	Contingency % of Hard Costs	5%	-	154,613	103,313	103,313	464,550	-					464,550
22	Contingency % of Soft Costs		20,000	20,000	20,000	20,000	100,000						100,000
23	Developer Fee		500,000				500,000		3,384,212	255,000			4,139,212
24	Permits & Development Impact Fees & Plan Check		\$179,000				179,000						179,000
25	Architects / Engineering Fees		150,000	10,000	10,000	10,000	190,000						190,000
26	Pre-construction - Market Study & PNAS&Relocation		25,000				25,000						25,000
27	Pre-construction - Appraisals		10,000				10,000						10,000
28	Title & Recording		25,000				25,000		7,500				32,500
29	Real Estate Taxes		3,500				3,500						3,500
30	Other - Accounting& etc		10,000	3,000	3,000	3,000	22,000	10,000					32,000
31	Liability/COC Insurance		75,000				75,000						75,000
32	Subtotal Improvements	997,500	3,279,863	2,202,563	2,202,563	2,202,563	10,885,050	10,000	3,391,712	255,000			14,541,762
33	Other Loan/TCAC Costs		13,592				13,592	59,040					72,632
34	TCAC & CDLAC Consultant		-				-						-
35	Bank Construction Loan Origination Fee	1.00%	247,969				247,969						247,969
36	Bank Legal Counsel Fee & Documentation		50,000				50,000						50,000
37	Construction / Rehab Inspection		15,000	2,700	2,700	2,700	25,800	900					26,700
38	Net Construction Interest	3.50%	130,558	158,799	180,984	202,576	672,918	216,167	(119)				888,965
39	Subtotal Interest/Fees	326,561	133,258	161,499	183,684	205,276	1,010,279	276,107	(119)	-			1,286,267
40	Marketing		-				20,000	20,000					20,000
41	Furnishings - Community Room						50,000	50,000					50,000
42	Relocation Cost - Estimate only, need relo plan		339,660	339,660	339,660		1,018,980						1,018,980
43	Operating Deficit Reserve (3 mos op exp, reserve & debt svc)						-		410,258				410,258
44	Bond Counsel		50,000				50,000						50,000
45	Bank Perm Loan Fee - Conversion Fee only		-				-		15,000				15,000
46	CDLAC/CDIAC		6,000				6,000						6,000
47	SDHC Financial Advisor		38,500				38,500						38,500
48	Issuer Fee and Counsel	0.25%	90,492				90,492		61,992				152,484
49	SDHC Monitoring Fee		15,000				15,000						15,000
50	Misc Bond Closing Costs		5,000				5,000						5,000
51	Trustee & Trustee Legal		12,500				12,500						12,500
52	Borrower's Counsel & Syndication Legal Costs		110,000				110,000		10,000				120,000
53	Total Uses of Funds	21,666,553	3,752,781	2,703,721	2,725,907	2,477,839	33,326,801	286,107	3,888,844	255,000			37,756,752
54	Net Source & Use	0	-	-	-	-	-	-	-	-	-	-	-
55	Distributions		-				-						-
56	Balance of Funds	0	-	-	-	-	-	-	-	-	-	-	-
Total Project Costs													\$37,756,752
													Basis Sheet

EXHIBIT E: OPERATING BUDGET & INCOME ANALYSIS

Town & Country Village Family Apartments, San Diego CA

			Square	Total	Gross		Utility	Monthly	Annual
Rent:	%AMI	Units	Feet/Unit	Sq. Ft.	Rents		Allowance	Net Rent	Rent
2F -50%	50%	19	819	15,561	956		47	909	207,252
2F-60%	60%	49	1,015	49,735	1,147		47	1,100	646,800
2T - 60%	60%	11	1,015	11,165	1,147		47	1,100	145,200
3F -50%	50%	5	1,324	6,620	1,063		60	1,003	60,180
3F-60%	60%	37	1,324	48,988	1,275		60	1,215	539,460
3F-60%		2	1,324	2,648	Manager Units				
3T-60%	60%	22	1,075	23,650	1,275		60	1,215	320,760
Clubhouse			4,500					0	0
Total Rents		145		158,367					1,919,652
Common Area				4,500					
Construction Square Feet				167,367					
Laundry			\$ 14.00	Per unit/ Per month					24,360
Other Income (App. Fees, Late, etc.)			\$ 4.00	Per unit/ Per month					6,960
Sub-Total									1,950,972
Less: Vacancies @		5%							97,549
Total Income									\$1,853,423
Total Expenses			\$ 5,000	Per Unit					725,000
Tenant Services			\$ 414	Per Unit					60,000
Net Operating Income									\$1,068,423
SDHC Monitoring Fee			\$ 150.00	Per Unit					21,450
Reserves			\$ 300.00	Per Unit					43,500
Net Income Available for Debt Service									1,003,473

Perm Loan :

Debt Service Coverage 1.15

Interest 4.50%

Amortization 35

Per Bond Sizing 15,364,000

Rounded 15,364,000

Less: Excess Funding 0

Loan Amount 15,364,000

Monthly Payment 72,711

Annual Payment 872,534

Cash Flow After D/S 130,939

Town & Country Village Family Apartments, San Diego CA

[illegible]

EXHIBIT F: WATERFALL CF 55 YR

Town & Country Village Family Apartments, San Diego CA

				10	11	12	13	14	15
Total Income, net 5% vacancy				2,215,013	2,259,313	2,304,499	2,350,589	2,397,601	2,445,553
	Inflation @	2.00%							
Operating Expenses including Services				1,024,247	1,054,974	1,086,624	1,119,222	1,152,799	1,187,383
	Inflation @	3.00%							
<u>Net Operating Income</u>				<u>1,190,766</u>	<u>1,204,338</u>	<u>1,217,875</u>	<u>1,231,367</u>	<u>1,244,802</u>	<u>1,258,170</u>
Principal and Interest - Perm loc	15,364,000	4.50%		872,534	872,534	872,534	872,534	872,534	872,534
Replacement Reserves		3.00%		56,758	58,460	60,214	62,021	63,881	65,798
SDHC Monitoring Fee		0.00%		21,450	21,450	21,450	21,450	21,450	21,450
Limited Partner Asset Management Fee		3.00%		6,524	6,720	6,921	7,129	7,343	7,563
GP Partnership Fees		3.00%		26,095	26,878	27,685	28,515	29,371	30,252
<u>Net Project Cash Flow</u>				<u>207,405</u>	<u>218,296</u>	<u>229,071</u>	<u>239,718</u>	<u>250,223</u>	<u>260,574</u>
Cash Flow Payments :									
<u>Cash Available for Distribution</u>				<u>207,405</u>	<u>218,296</u>	<u>229,071</u>	<u>239,718</u>	<u>250,223</u>	<u>260,574</u>
SDHC Seller Carryback Note									
P & I	50.0%of Avail Cashflow	3.00%		(103,702)	(109,148)	(114,536)	(119,859)	(125,112)	(130,287)
		6,025,500							
<u>SUBORDINATE SOCIAL SERVICES FEES</u>				<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>REMAINING CASH FLOW FOR DISTRIBUTION</u>				103,702	109,148	114,536	119,859	125,112	130,287
Developer Fee									
	50.0%of Avail Cashflow								
Developer Fee				(103,702)	(109,148)	(114,536)	(119,859)	(125,112)	(130,287)
<u>Cash Flow Available After SDHC Loan & Developer Fee</u>		100.00%		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Incentive Mgt Fee to the GP		90.00%		0	0	0	0	0	0
LP Distribution		10.00%		0	0	0	0	0	0
<u>Remaining Cash Flow After Partnership Distribution</u>				<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Town & Country Village Family Apartments, San Diego CA

[illegible]

Town & Country Village Family Apartments, San Diego CA

[illegible]

Town & Country Village Family Apartments, San Diego CA

[illegible]



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

1. Name of CONTRACTOR: Chelsea Investment Corporation
2. Address and Zip Code: 5993 Avenida Encinas, Suite 101
Carlsbad, CA 92008
3. Telephone Number: 760-456-6000
4. Name of Principal Contact for CONTRACTOR: Cheri Hoffman, President
5. Federal Identification Number or Social Security Number of CONTRACTOR:
EIN No. 90-0151442
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)** Articles have been previously
provided.

☐ **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:

Original formation date: July 30, 1986

Restructured: February 23, 2004

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

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

Corporation:

**Name, Address and
Zip Code**

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

The Schmid Family Trust

100% Interest

James J. Schmid

Co-Trustee

5993 Avenida Encinas #101
Carlsbad, CA 92008

760-456-6000 x104

Lynn Harrington Schmid

Co-Trustee

5993 Avenida Encinas #101
Carlsbad, CA 92008

760-456-6000 x133

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): None

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:

James J. Schmid Sole Director/Chief Executive Officer/ Treasurer (and Co-Trustee of Schmid Family Trust which has 100% interest)

Cheri Hoffman President
5993 Avenida Encinas #101
Carlsbad, CA 92008
760-456-6000 x106

Charles A. Schmid Vice President (son of James J. Schmid)
5993 Avenida Encinas #101
Carlsbad, CA 92008
760-456-6000 x102

Lynn Harrington Schmid Secretary (wife of James J. Schmid and Co-Trustee of Schmid Family Trust which has 100% interest)

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.

CIC Management, Inc. ("CICM")
5993 Avenida Encinas #101
Carlsbad, CA 92008

Asset Management Company for
Chelsea-affiliated companies

James J. Schmid Sole Director & Treasurer of CICM

William R. Peavey Acting President of CICM

Lynn Harrington Schmid Secretary of CICM

Emmerson Construction, Inc.
("Emmerson")
5993 Avenida Encinas #101
Carlsbad, CA 92008

General Contractor for Chelsea-affiliated
properties located in San Diego County

Charles A. Schmid Director & President of Emmerson

James J. Schmid Director & Secretary of Emmerson

Frontera Construction Corporation Sub-Contractor for Emmerson & Finish
("Frontera") Tech (landscaping, etc.)

Charles A. Schmid Director/President/Treasurer of Frontera

James J. Schmid Director & Secretary of Frontera

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 Chelsea Financial Statement as of 12/31/2015 attached.

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: Estimated Sources of Financing for the redevelopment of Town & Country Apartments is as follows:

Federal LIHTC Equity	34%	12,750,000
SDHC Seller Carryback Note	16%	6,025,500
Income from Operations	2%	878,039
Permanent Loan	41%	15,364,000
Deferred Developer Fee	7%	<u>2,739,212</u>
Total Development Sources	100%	<u>37,756,751</u>

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

- a. Name, Address & Zip Code of Bank/Savings & Loan: Equity will be funded by tax credit investor limited partner to be named later.

Amount: \$ 12,750,000 (Estimated)

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

Amount: \$ _____

- c. By sale of readily salable assets/including marketable securities: None

<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:

Sonia Rahm, Vice President Municipal Securities Division
Citi Community Capital
787 W. 5th Street, 29th Floor
Los Angeles, CA 90071
(213) 239-1726 Phone
sonia.m.rahm@citi.com

Waheed Karim, Vice President / Relationship Manager, US Bank
4747 Executive Drive, 3rd Floor
San Diego, CA 92121
858-334-0702 direct
waheed.karim@usbank.com

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:

Bond Type	Project Description	Date of Completion	Amount of Bond	Action on Bond
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See attached Experience Report.

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: Emmerson Construction, Inc., 5993 Avenida Encinas #101, Carlsbad, CA 92008
- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract?
___ Yes X No

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

- c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: \$ 144,000,000 completed projects.

General description of such work: Construction of affordable family and senior housing projects.

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. See attached Resume and List of Projects.

- 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>
Trolley Park Terrace	San Diego, CA	\$13,500,000	10/1/2016
Ouchi Courtyard	San Diego, CA	\$11,600,000	06/15/2017
Mesa Verde	San Diego, CA	\$17,100,000	04/1/2018

- 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: (See Attached Resume)

Emmerson Construction, Inc. (ECI) is an affiliate of Chelsea Investment Corporation (CIC). ECI serves as general contractor and/or construction manager generally on projects where CIC is an owner. ECI employs a full-time Director of Construction, CFO, multiple Construction Project Managers and Construction Superintendents, and Contract Administrators, each of whom have several years and many mills of dollars worth of experience. All work is subcontracted, enabling ECI staff to effectively manage multiple jobs. Depending on workload, some management and administrative functions are occasionally out-sourced to construction management firms.

ECI has served as construction manager on 4 rehabilitation projects and as general contractor for more than 40 new construction projects that were completed on time and under budget. ECI also benefits from the experience of CIC, which has overseen the construction on most projects listed in the Experience summary.

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

☐ Yes ☒ No

If yes, explain.

24. Statements and other evidence of the CONTRACTOR's qualifications and financial responsibility (other than the financial statement referred to in Item 8) are attached hereto and hereby made a part hereof as follows: In addition to 12/31/2015 financials for Chelsea Investment Corporation, please see attached financials for Emmerson Construction, Inc. as of March 31, 2015

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

☐ Yes ☒ No

If yes, explain:

26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverages: List the amount of coverage (limits) currently existing in each category: Evidence of Insurance has been for Chelsea Investment Corporation has been previously provided to the Commission.

The project will have adequate insurance coverage at commencement of construction. Broker is Cavnag & Associates, 450 B St., Suite 1800, San Diego, CA 92101 619-234-6848

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: None

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

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

Emmerson Construction:

Contractor's State License Board	Contractor's	775773	3/2/2000	Current	No
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33. Describe in detail any and all other facts, factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the COMMISSION. None

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

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

<u>Date</u>	<u>Entity Involved</u> (i.e., CITY COMMISSION, etc.)	<u>Status</u> (Current, delinquent repaid, etc.)	<u>Dollar</u> <u>Amount</u> (cash loans)
3/16/11	Estrella del Mercado (SDHC)	Current	\$ 7,000,000
3/2012	Terramar (SDHC)	Current	\$ 2,500,000
7/2014	Independence Point (SDHC)	Current	\$ 2,035,000
3/2014	Alpha Square	Current	\$17,160,000
4/2016	Mesa Verde	Current	\$ 9,600,000
7/2015	Trolley (SDHC & CivicSD)	Current	\$ 3,920,000
12/2015	Ouchi Courtyard (CivicSD)	Current	\$ 5,440,000

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

If yes, explain:

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

If yes, explain:

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

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 attached CIC Brochure.**

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

Construction Project Manager and Superintendent have not been assigned at this time. See attached Emmerson Resume for bios of construction personnel.

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 7 day of September, 2016, at San Diego, California.

CONTRACTOR

By:

Signature

Title

Chester Hoffman
President
Cheisea Investment Corporation

CERTIFICATION

The CONTRACTOR, Chelsea Investment Corp 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: Chen Hoffman

By: _____

Title: President

Title: _____

Dated: 9/7/16

Dated: _____

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

ATTEST:

State of California

County of _____

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

Signature of Notary

Name of Notary

SEAL

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

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

1 _____
2 _____
3 _____
4 _____
5 _____
6 _____

see attached

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

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

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me

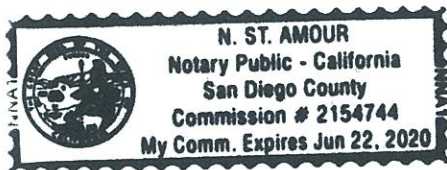
on this 7 day of September 2016,
by Cheri Hoffman
Date Month Year

(1) _____

(and (2) _____),
Name(s) of Signer(s)

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

Signature N. St. Amour
Signature of Notary Public



Seal
Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

	Property Name	Partnership Name	City	County	State	Units	Type	Year Acquired	LIHTC Investor	Lender
1	De Anza Hotel	De Anza Hotel, LP	Calexico	Imperial	CA	94	Senior/9%	1997	The Richman Group	CHRP
2	St. Regis Park	St. Regis Park, LP	Chula Vista	San Diego	CA	119	Family	2000	Boston Financial	Bank of America
3	Villa Serena	Serena Sunbow, LP	Chula Vista	San Diego	CA	132	Senior	1999	Boston Financial	Bank of America
4	Regency Centre	SD Regency Centre LP	San Diego	San Diego	CA	100	Family	2000	Boston Financial	PNC
5	Seabreeze Farms	Longacres at Seabreeze Farms, LP	San Diego	San Diego	CA	38	Family/9%	2000	N/A	Bank of America
6	Villa de Las Flores	VDLF, LP	Calexico	Imperial	CA	80	Senior/9%	2000	The Richman Group	Rabobank
7	Torrey Highlands	THA, LP	San Diego	San Diego	CA	76	Family	2001	N/A	PNC
8	Brawley Family	BFA, LP	Brawley	Imperial	CA	80	Family/9%	2002	The Richman Group	Rabobank
9	Calexico Family	CFA, LP	Calexico	Imperial	CA	80	Family/9%	2002	The Richman Group	Rabobank
10	Market Square Manor	Market Square Manor Associates, LP	San Diego	San Diego	CA	200	Senior/9%	2002	Highridge Costa	Berkadia
11	Villa Andalucia	CIC Villas, LP	San Diego	San Diego	CA	32	Family	2002	Boston Financial	Wells Fargo
12	Villa Glen	CIC Villas II, LP	San Diego	San Diego	CA	26	Family	2002	Boston Financial	Wells Fargo
13	Villa Lara	VLA, LP	Imperial	Imperial	CA	80	Family/9%	2002	Boston Financial	Rabobank
14	Windwood Village	CIC PHR, LP	San Diego	San Diego	CA	92	Family	2002	Boston Financial	US Bank
15	Countryside	CIC Countryside, LP	El Centro	Imperial	CA	73	Family	2003	The Richman Group	US Bank
16	Holtville Gardens	Holtville Gardens, LP	Holtville	Imperial	CA	81	Senior	2003	Boston Financial	US Bank
17	Imperial Gardens	IGA, LP	Imperial	Imperial	CA	81	Senior	2003	Boston Financial	US Bank
18	Mariposa	CIC Calavera, LP	Carlsbad	San Diego	CA	106	Family	2003	Wentwood	Red Capital
19	Rancho Buena Vista	CIC Eastlake, LP	Chula Vista	San Diego	CA	150	Family	2003	Wentwood	Red Capital
20	Rancho del Norte	Santaluz Family Apartments, LP	San Diego	San Diego	CA	119	Family	2003	Boston Financial	Wells Fargo
21	Westmorland Family	WFA, LP	Westmorland	Imperial	CA	65	Family	2003	The Richman Group	US Bank
22	Brawley Gardens	Brawley Gardens, LP	Brawley	Imperial	CA	81	Family	2004	The Richman Group	US Bank
23	Brawley Senior	BESA, LP	Brawley	Imperial	CA	81	Senior	2004	Boston Financial	Citibank
24	Heber Woods	Heber Family, LP	Heber	Imperial	CA	81	Family	2004	The Richman Group	US Bank
25	Fairbanks Ridge	CIC Fairbanks, LP	San Diego	San Diego	CA	204	Family	2005	The Richman Group	US Bank
26	The Crossings	CIC Crossings, LP	San Diego	San Diego	CA	108	Family	2005	Boston Financial	Berkadia
27	City Heights	City Heights Square, LP	San Diego	San Diego	CA	150	Senior/9%	2006	Wentwood	Red Capital
28	Hunters Pointe	CIC La Costa, LP	Carlsbad	San Diego	CA	168	Family	2006	Boston Financial	Oak Grove Capital
29	Villa Dorada	Calexico II, LP	Calexico	Imperial	CA	80	Family	2006	Boston Financial	USDA
30	Villa Paloma	Heber Family II, LP	Heber	Imperial	CA	72	Family	2006	The Richman Group	US Bank
31	Glen Ridge	CIC Glen Ridge, LP	Carlsbad	San Diego	CA	78	Family	2007	Boston Financial	US Bank
32	The Landings	CIC Landings, LP	Chula Vista	San Diego	CA	92	Family	2007	Boston Financial	US Bank
33	Villa Esperanza	Calipatria Family Apts., LP	Calipatria	Imperial	CA	72	Family	2007	The Richman Group	CCRC
34	Willow Glen	CIC Natomas, LP	Sacramento	Sacramento	CA	135	Family	2007	The Richman Group	MMA
35	Beachwind Court	Beachwind Court, LP	Imperial Beach	San Diego	CA	15	Family	2008	The Richman Group	US Bank
36	Courtyard Terraces	Dawson Ave. Senior Apts., LP	San Diego	San Diego	CA	88	Senior/9%	2008	Bank of America	CCRC
37	Cedar Creek	Fanita 48, LP	Santee	San Diego	CA	48	Family	2009	Boston Financial	US Bank
38	Silver Sage	CIC Sage CIC, LP	Lakeside	San Diego	CA	80	Family	2009	Boston Financial	US Bank
39	City Place	CIC South Mill Creek, LP	Bakersfield	Kern	CA	70	Family/9%	2010	US Bank	US Bank
40	Oakridge	CIC Oakridge Apts., LP	Oakdale	Stanislaus	CA	41	Family	2010	Boston Financial	Bonneville
41	The Landings II	Landings II, LP	Chula Vista	San Diego	CA	143	Family	2010	Raymond James	US Bank
42	Verben	Verben San Ysidro, LP	San Ysidro	San Diego	CA	80	Family/9%	2010	The Richman Group	Impact CIL LLC
43	Estrella del Mercado	Mercado CIC, LP	San Diego	San Diego	CA	92	Family/9%	2011	Raymond James	Citibank
44	Las Brisas	CIC El Centro Family Apts., LP	El Centro	Imperial	CA	72	Family	2011	Boston Financial	Rabobank
45	Park Terramar	Terramar CIC, LP	San Diego	San Diego	CA	21	Family	2011	US Bank	US Bank
46	Villa Del Sol	Calexico Andrade, LP	Calexico	Imperial	CA	52	Family/9%	2011	Boston Financial	USDA
47	Villa Fortuna	Brawley Pioneers, LP	Brawley	Imperial	CA	76	Family/9%	2011	The Richman Group	USDA
48	El Quintero	De Anza II CIC, LP	Calexico	Imperial	CA	54	Senior	2012	The Richman Group	Rabobank
49	Emperor Estates	Dinuba Senior Apartments CIC, LP	Dinuba	Tulare	CA	62	Senior/9%	2012	The Richman Group	Rabobank
50	Iris	Iris Apartments CIC, LP	Encinitas	San Diego	CA	20	Family/9%	2012	Raymond James	Citibank
51	Fairbanks Commons	Fairbanks Commons CIC, LP	San Diego	San Diego	CA	165	Family	2012	US Bank	Citibank
52	Casa Hermosa	Michigan Drive CIC LLLP	Hobbs	Lea	NM	88	Family	2013	The Richman Group	US Bank
53	Cesar Chavez	Vista Montana Coachella, LP	Coachella	Riverside	CA	56	Family	2013	US Bank	US Bank
54	Fairbanks Square	Fairbanks Square CIC, LP	San Diego	San Diego	CA	100	Senior	2013	US Bank	Citibank
55	Versa	Versa CIC, LP	San Diego	San Diego	CA	150	Senior	2013	Raymond James	Citibank
56	Alpha Square 4%	Alpha Square 4%, LP	San Diego	San Diego	CA	53	Family	2014	US Bank	US Bank
57	Alpha Square 9%	Alpha Square 9%, LP	San Diego	San Diego	CA	150	Family/9%	2014	US Bank	US Bank
58	Independence Point	WJJ CIC, LP	San Diego	San Diego	CA	32	Family	2014	US Bank	N/A
59	Mill Creek Courtyard	Mill Creek Courtyard CIC, LP	Bakersfield	Kern	CA	62	Senior	2014	US Bank	Rabobank
60	Las Palmeras	Las Palmeras Imperial, LP	Imperial	Imperial	CA	56	Family	2014	Raymond James	USDA
61	Villa Primavera	Villa Primavera CIC, LP	Calexico	Imperial	CA	48	Family	2014	CREA	Rabobank
62	Westminster Manor	Westminster Manor, LP	San Diego	San Diego	CA	200	Senior	2014	The Richman Group	Union Bank
63	Rancho Del Sol	Unit 24 CIC, LP	San Diego	San Diego	CA	96	Family	2015	Raymond James	Union Bank
64	Trolley Residential	Trolley Residential CIC, LP	San Diego	San Diego	CA	52	Family	2015	Raymond James	Citibank
65	Mill Creek Village	Mill Creek Village CIC, LP	Bakersfield	Kern	CA	63	Senior	2015	The Richman Group	Rabobank
66	Ouchi Courtyard	Ouchi CIC, LP	San Diego	San Diego	CA	45	Family	2015	Union Bank	Union Bank
67	Torrey Vale	Torrey Vale CIC, LP	San Diego	San Diego	CA	28	Family	2015	The Richman Group	Citibank
68	Duetta	F Street Family CIC, LP	Chula Vista	San Diego	CA	87	Family	2016	Raymond James	Citibank
69	Volta	G Street Seniors CIC, LP	Chula Vista	San Diego	CA	123	Senior	2016	Raymond James	Citibank
70	Mesa Verde	Mesa Verde CIC, LP	San Diego	San Diego	CA	90	Family	2016	The Candeur Group	Citibank
71	Fairbanks Terrace	Fairbanks Terrace CIC, LP	San Diego	San Diego	CA	83	Senior	2016	US Bank	Citibank
TOTALS						6,147				



Executives

James J. Schmid

Founder / CEO

Chelsea Investment Corporation

Jim is an attorney with an advanced degree in tax law and has extensive experience in all areas of development and management of commercial and residential properties. During his career, his responsibilities have included project acquisition, financing, design, construction, marketing and property management of office, commercial, industrial and residential projects.

He founded Chelsea Investment Corporation in 1986 and later specialized in financing and developing affordable housing. The company has developed over 6,300 units at a cost of over \$1 billion. Its core competencies include finance, development, construction and property management services. It is also active in economic development activities utilizing New Markets Tax Credits.

As CEO, Jim is responsible for management of CIC and all of its affiliated companies.

Cheri Hoffman

President

Chelsea Investment Corporation

Cheri Hoffman has been part of the Chelsea Investment Corporation development team since 1994. She has participated in the financing and development of more than 40 affordable apartment communities involving over \$800 million in financing. With projects in San Diego, Imperial, Yuma and Sacramento counties, Cheri is an authority in financial modeling incorporating tax credits, tax exempt bonds, HOME financing, Proposition 46 financing, Proposition 1C financing (including the Multifamily Housing Program), USDA Financing and Affordable Housing Program financing. Her experience includes financing, acquisition, rehabilitation and special needs projects, and she is involved with the early project feasibility analysis and obtaining and closing project financing. Cheri received her degree in Accounting from California State University in Fullerton and continued her education with finance studies at California Polytechnic University in Pomona.

Charles Schmid

President

Emmerson Construction, Inc.

Charles has been with the Company since 1986, and applies experience with real estate finance, development and management to facilitate the needs of the Company. With his specialized training in multifamily projects, he now serves as President of our construction companies.

Charles, a licensed general contractor, has supervised the construction of more than 2,500 units in Southern California and Arizona. With a degree from the University of California, San Diego, he has a thorough understanding of the life cycle of apartment development, from feasibility analysis through lease-up. Recent projects range from rural developments of 80 units to suburban

San Diego projects of more than 200 units.

Jerry Hannon

Chief Financial Officer

Chelsea Investment Corporation

Jerry Hannon has been part of the Chelsea Investment Corporation team since 2004. His current capacity is Chief Financial Officer of Chelsea Investment Corporation. Jerry's responsibilities include overseeing the management and coordination of all fiscal reporting activities, assisting in the development of financial and tax strategies, monitoring the company's banking activities and arranging credit facilities, and participating in development of new business. In addition, he is responsible for the investing and oversight of the company's New Market Tax Credits portfolio and has experience in creating and maintaining foreign insurance captives. Jerry holds a Bachelor's Degree in Accounting and prior to joining Chelsea was employed in public accounting working largely in the real estate and construction industry.

Adam Gutteridge

Director of Development

Chelsea Investment Corporation

Adam oversees Chelsea's project management professionals as they manage the design, entitlement, financing, construction, and leasing of their projects. He also runs the Asset Management department, which is responsible for some 6,000 units in over 60 properties. Adam has 14 years of experience in affordable housing development, most recently as Chelsea's Director of Asset Management, and, prior to that, as Vice President of Asset Management with Vitus Group. While at Vitus Adam managed the Asset Management department and also worked as a Project Manager managing the design and construction of over 30 acquisition-rehabilitation projects financed with a mix of tax-exempt bonds, low income housing tax credits and HUD and USDA RD loan proceeds. Adam's previous experience also includes asset management with Raymond James Tax Credit Funds.

Adam holds a B.S. in business with an emphasis in finance from the University of Florida.

Tim M. Gray

Chief Financial Officer

Emmerson Construction, Inc.

Tim has over 25 years of professional accounting experience with a primary focus on the construction industry. Tim obtained his CPA while working with Ernst & Young and PricewaterhouseCoopers and holds an accredited CCIFP designation (Certified Construction Industry Financial Professional). Formerly with Viewpoint Construction Software, his experience includes managing accounting teams of up to 50 in various leadership roles. Companies also include Holiday Retirement, Matrix Development, Zephyr Communities, Legend Homes and DR Horton. Tim has been involved in over 300 communities during all stages of development, construction and property management. He currently serves on several construction associations including CFMA-Treasurer, ABC-Director, and ICCIFP-Secretary.

Tim Baker

Senior Project Manager

Chelsea Investment Corporation

Tim Baker has over 25 years of experience in affordable housing development as well as commercial real estate development and financing in San Diego. In the affordable housing field, he has been involved in the development of over 2,500 housing units, and previously worked for a local non-profit developer as well as a state-wide non-profit developer of affordable housing. Tim's overall scope as Senior Project Manager at Chelsea is two-fold: first to manage the development of specific projects from pre-construction through completion and lease-up; second to serve in a supervisory role by assisting the project management team during pre-construction. Tim holds a BA degree in History with a Minor in Business from University of Notre Dame, a Master of Business Administration from University of San Diego, and a Master of City Planning with a Concentration in Housing and Project Development from U.C. Berkeley.

Kursat Misirlioglu, CEDFP

Director of Project Finance

Chelsea Investment Corporation

As a versatile and creative strategist, Kursat Misirlioglu brings over 15 years' experience in financial engineering and risk analysis to Chelsea's development team. In addition to managing the modeling, financing strategies, and investment underwriting of the Chelsea portfolio, Kursat is an expert in regulatory requirements and sustainable energy initiatives. He holds an MSBA from San Diego State University and a BA in Finance & Accounting from Bogazici University.

Shannon Vanderhei

Capital Transactions Manager

Chelsea Investment Corporation

Shannon Vanderhei has been a real estate professional for over 15 years while working for real estate development, syndication, lending and property management companies. Her experience includes acquisitions, dispositions, financing, property management, asset management, construction, rehabilitation, and due diligence. Her role at Chelsea Investment Corporation includes financing and financial modeling of projects along with managing the closing and conversion transactions. Shannon earned a B.B.A. in Real Estate and Marketing from the University of Wisconsin at Milwaukee.

Nkechi Odu

General Counsel

With a background of representing lenders and equity investors in the financing of affordable housing and developments throughout the country, Nkechi provides advice across the spectrum of our operations and is closely involved with closing new transactions, conversions, and other transactional matters. She earned her Juris Doctorate from NYU School of Law and received her B.S. degree from the University of Florida, where she graduated with honors.



Bob Cummings

Project Manager

Chelsea Investment Corporation

Bob has over 22 years of real estate development experience. Previous to Chelsea, he was the San Diego Division President for Barratt American for 5 years. Prior to Barratt, he was with K. Hovnanian Homes for 12 years and was their San Diego Area President. Bob also worked 5 years at Patrick Development after his service as a Naval Flight Officer, flying the carrier based S-3 Viking jet. He received his MBA from the University of San Diego and his BS from the United States Naval Academy, Annapolis. He was the 2010 Chairman of the San Diego Building Industry Association.

Randy Slabbers

Project Manager

Chelsea Investment Corporation

Randy Slabbers joined Chelsea with over 15 years of experience in both affordable housing and market rate real estate development. In the affordable sector, Randy has managed over 1,600 units at various stages of development from acquisition, entitlement, financing construction, and through to lease up. As a real estate agent, he has negotiated and secured land acquisitions providing for the development of over 400 units in Los Angeles. Randy comes to us with an education in business economics from Cal Poly State University in San Luis Obispo and is currently CA State licensed as a real estate agent.

Chris Earl

Project Manager

Chelsea Investment Corporation

Chris has 30 years of real estate development experience. Previous to Chelsea, he worked for Affirmed Housing Group as a Senior Project Manager, where he managed multiple affordable and market rate developments from acquisition and financing to completion. His project experience includes master planned communities, multi-family, commercial, mixed-use, urban infill, redevelopment, podiums, family and senior affordable communities, and inclusionary housing. He managed the development and construction of thousands of homes for America's top builders throughout the western United States, in positions as a Construction Manager, Vice President of Construction, Project Manager, Director of Entitlements and Forward Planning and Division Manager for Centex, Lennar, Richmond American, and KB HOME. Chris earned a B.A. in Urban Studies and Planning from the University of California San Diego and is a licensed general contractor in the state of California. He works closely with government, developers, LIHTC equity investors and lenders to achieve project funding and design excellence.

Ron Brockhoff

Project Manager

Chelsea Investment Corporation

Ron Brockhoff has performed real estate development management, construction management and project management services on more than \$250 million of housing over his 28 years in the business. Prior to joining Chelsea Investment Corporation, Ron was director of Pardee Homes' Multi-Family Division in San Diego County. Ron Currently serves as Project Manager and is responsible for entitlements and project management of complex construction projects.

Ron received his Bachelor's degree in Business Administration with an emphasis on Real Estate Development from San Diego State University.

Robin Pelton

Project Manager, New Mexico Division
Chelsea Investment Corporation

Robin Pelton has a long history in property management and the development business configurations. Her asset and property management expertise covers lease-up to sustained occupancy, capital needs assessments, corrective and preventive maintenance, due diligence, construction and property renovation and employee supervision and training. Additionally, Robin is responsible for regulatory compliance and reporting to regulatory agencies, lenders, investors and partners. Her wide range of experience is instrumental in assisting both the CEO and CFO with the outstanding growth of the company.

Zion Patton

Director of Construction
Emmerson Construction, Inc.

Zion has more than 25 years of building experience in the affordable and market rate multi-family housing sectors. He has been responsible for the construction of multiple affordable housing and student housing projects throughout central and southern California, with project values ranging from \$10 to \$120 million, and with units in excess of 300. In his career, Zion has been responsible for the completion of more than 2,500 units. He leads Emmerson's Project Managers and also has overall responsibility for estimating and preconstruction services.

Janice Patterson

Senior Project Manager
Emmerson Construction, Inc.

Janice Patterson joined Emmerson Construction, Inc. after working in the construction industry over 25 years. As Senior Project Manager, she leads her field and office construction teams and collaborates with the Development Project Managers, Architects, Consultants and City and Government entities. The scope of her responsibilities includes purchasing the offsite and onsite work, implementing the plans and specifications with quality, energy efficient and durable construction products and practices for multiple projects simultaneously. Janice obtains building permits, prepares and maintains budgets and construction schedules for tactical field operations to ensure strategic goals are met.

William R. Peavey

Outside Director
Chelsea Investment Corporation

Mr. Peavey has over 40 years of experience as a CEO, CFO and Board member with technology

companies from start-up to \$125 million in revenues. He has taken one semiconductor company (Brooktree Corporation, later acquired by Conexant) from start-up through its IPO and served as their public company CFO for more than 2 years, advised on another IPO, sold a company to a public company as CEO, and has participated as a CFO/CEO, Board member, advisor and investor for many San Diego technology companies. He also co-founded and sold a technology company to Cirrus Logic. He has significant hands on experience in real estate transactions, international operations, mergers, acquisitions and divestitures, human resource management, budgeting and financing. Most recently he served as President and CEO of Nurlogic Design, Inc, a mixed signal and analog intellectual property company for the semiconductor industry which was sold in 2003 to Artisan Components, a public company later acquired by ARM Holdings plc. Since 2003 he has been a consultant advising early stage technology companies including RF Magic, Symwave, Ethertronics, Syntricity, IO Semiconductor and others. Mr. Peavey received his BA from Stanford University and his MBA from San Diego State University and is a licensed CPA.



SAN DIEGO
HOUSING
COMMISSION

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

1. Name of CONTRACTOR: Housing Development Partners of San Diego
2. Address and ZIP Code: 1100 Broadway San Diego, CA 92101
3. Telephone Number: 619-269-4686
4. Name of Principal Contact for CONTRACTOR: Emily S. Jacobs
5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0427639
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: Housing Development Partners was formed in California in April 1990 as a 501(c) (3) non-profit.
8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
 - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10 percent of any class of stock.
 - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

- c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
- d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10 percent.(Attach extra sheet if necessary)

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Richard C. Gentry	President and CEO
Address: 619-578-7532	0
Name: Gary Grambling	HDP Board Chair
Address: 760-455-4978	0
Name: Roberta Spoon	HDP Board Vice Chair
Address: 619-234-4173	0
Name: Sal Salas	HDP Board Member
Address: 619-709-1860	0
Name: Sam Guillen	HDP Board Member
Address: 619-247-9300	0
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 percent interest in the CONTRACTOR (for example, more than 20 percent of the stock in a corporation that holds 50 percent of the stock of the CONTRACTOR, or more than 50 percent of the stock in the corporation that holds 20 percent of the stock of the CONTRACTOR):

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

Name:	
Address:	
Name:	
Address:	

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

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Michael Pavco	Senior Vice President
Address: 1100 Broadway	
San Diego, CA 92101	
Name: Emily Jacobs	Vice President
Address: 1100 Broadway	
San Diego, CA 92101	
Name: Colin Miller	Director
Address: 1100 Broadway	
San Diego, CA 92101	

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

Name and Address	Relationship to CONTRACTOR
Name: San Diego Housing Commission	Affiliate through shared board members, Gentry, Gramling, Spoon
Address: 1122 Broadway	
San Diego, CA 92101	
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:
Housing Development Partners is applying for funding from the San Diego Housing Commission, Civic San Diego, The California Housing Finance Agency/San Diego County Mental Health, a to-be-determined 4% Low-Income Housing Tax Credit Investor, and a to-be-determined tax-exempt bond loan provider.
16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking:
- In banks/savings and loans:
Name: US Bank
Address: 11988 El Camino Real, Suite 100 San Diego, CA 92130

Amount: \$ 4,142,000

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

Name: N/A

Address:

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 and Address	Contact Name
Name: US Bank	Veronica Villasenor
Address: 11988 El Camino Real, Suite	
100 San Diego, CA 92130	
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.

N/A

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.

N/A

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 and Address	Affiliation
Name: N/A	N/A
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:

N/A

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

General description of such work:

N/A

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

Project Name	N/A	
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:

Identification of Contract or Development	Location	Amount	Date to be Completed
N/A			

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

Awarding Agency	Amount	Date Opened
N/A		

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:

Housing Development Partners is uniquely qualified to complete this project. It has over \$4,142,000 in unrestricted cash of which the pre-development budget indicates that approximately \$1,500,000 will be required to reach a closing. The team has deep experience in the development aspects required for this project, including thorough due diligence effort, budgeting, scheduling, assembling and managing a consultant which will include an owner's representative and third-party contractor who will manage the design and rehab effort. The team also has substantial experience with the required financing steps.

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

☐ Yes

☒ No

If yes, explain:

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

See attached General Insurance Policy for HDP

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

☐ Yes

☒ No

If yes, explain:

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

- 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 SDHC setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not, without prior written consent of SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of SDHC, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
29. CONTRACTOR warrants and certifies that no member, Commissioner, Councilperson, officer, or employee of SDHC, the AUTHORITY and/or the CITY, and no member of the governing body of the locality in which the PROJECT is situated, no member of the governing body in which SDHC was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has, during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

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

Government Complaint	Entity	Making	Date	Resolution
N/A				

31. Has the CONTRACTOR ever been disqualified, removed from or otherwise prevented from bidding on or completing a federal, state, or local government project because of a violation of law or a safety regulation?

☐ Yes ☒ No

If yes, please explain, in detail,
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 SDHC.

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 SDHC.

Since inception, HDP has developed 1,053 units of affordable housing within the City of San Diego, with 80 more units in development. HDP's portfolio serves San Diego's diverse affordable housing needs by providing apartments for seniors, families, workers and special needs tenants.

Housing Development Partners staff is led by its Senior Vice President, Michael Pavco, Vice President, Emily Jacobs, and Director of Development, Colin Miller. HDP relies on various technical and administrative consultants for property management, asset management, accounting and legal services.

The Housing Development Partners' management team has overseen operations and development for the organization since November of 2010. The same team was also responsible for implementation of the San Diego Housing Commission's rental housing development plan, which produced over 800 units of new affordable housing within the City of San Diego.

Prior to joining the Housing Commission & HDP, each of the team members managed affordable and market rate development projects in San Diego and in other major metropolitan areas throughout the United States. Michael Pavco served as Development Director for an affordable housing development consultancy, National Affordable Housing Trust; Emily Jacobs worked at Wakeland Housing and Development Corporation; and Colin Miller previously worked for the Los Angeles Housing Department.

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

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
1 Hotel Churchill	827 C Street San Diego, CA 92101	\$15,396,409	Loan
2 Knox Glen Apartments	4720-4770 Logan Ave San Diego, CA 92113	\$2,693,633	Loan
3 Studio 15	70 15 th Street San Diego, CA 92101	\$511,708	Loan
4 Casa Colina del Sol	5207 52 nd Place San Diego, CA 92105	\$1,600,000	Loan
5 Courtyard Terrace	4321 Dawson Ave San Diego, CA 92115	\$6,000,000	Loan
6 Island Village	1245 Market Street San Diego, CA 92101	\$4,400,000	Loan

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:

38. List three local references that would be familiar with your previous construction projects:

1. Name: San Diego Housing Commission

Address: 1122 Broadway, San Diego, CA 92101

Phone: 619-578-7555

Project Name and Description: San Diego Square- acquisition and substantial renovation of a 156-unit senior HUD building

2. Name: Civic San Diego

Address: 401 B Street Suite 400, San Diego, CA 92101

Phone: 619-235-2200

Project Name and Description: Hotel Churchill – extensive renovation of a 100+ year old historic hotel in downtown San Diego

3. Name: California Housing Finance Agency

Address: 500 Capitol Mall, Ste 1400, Sacramento, CA 95814

Phone: 877-922-5432

Project Name and Description: Hotel Churchill – extensive renovation of a 100+ year old historic hotel in downtown San Diego

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

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

Name	Experience
TBD	

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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

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

Executed this 8 day of September, 20 16, at San Diego, California.

CONTRACTOR

By: _____

Signature

Title

Emily S. Jacobs
Vice President

CERTIFICATION

The CONTRACTOR, Housing Development Partners, 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: Emily S. Jacobs By: _____
Title: Vice President Title: _____
Dated: 9/8/2016 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

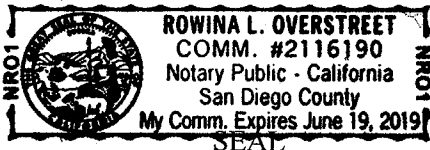
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 8th day of September, 2016

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



Rowina L. Overstreet
Rowina L. Overstreet
Signature of Notary

ATTACHMENT 5
HOUSING COMMISSION MULTIFAMILY
HOUSING REVENUE BOND PROGRAM
Summary

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

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

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

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

Approval Process:

- **Inducement Resolution:** The bond process is initiated when the issuer (Housing Authority) adopts an “Inducement Resolution” to establish the date from which project costs may be reimbursable from bond proceeds (if bonds are later issued) and to authorize staff to work with the financing team to perform a due diligence process. The Inducement Resolution does not represent any commitment by the Housing Commission, Housing Authority, or the developer to proceed with the financing.
- **TEFRA Hearing and Resolution (Tax Equity and Fiscal Responsibility Act of 1982):** To assure that projects making use of tax-exempt financing meet

appropriate governmental purposes and provide reasonable public benefits, the IRS Code requires that a public hearing be held and that the issuance of bonds be approved by representatives of the governmental unit with jurisdiction over the area in which the project is located (City Council). This process does not make the City financially or legally liable for the bonds or for the project.

- **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.