



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: February 7, 2020

HCR20-009

COUNCIL DISTRICT(S): 7

ORIGINATING DEPARTMENT: Real Estate Division

CONTACT/PHONE NUMBER: J.P. Correia (619) 578-7575

REQUESTED ACTION:

Approve a proposed up to \$4,400,000 residual receipts loan and take the initial steps for the Housing Authority of the City of San Diego (Housing Authority) to issue up to \$25,000,000 of tax-exempt Multifamily Housing Revenue Bonds to facilitate 4132 Beyer L.P.'s acquisition and new construction of the Ventana al Sur Apartments, located at 4132 Beyer Boulevard, San Diego 92173, which consists of 100 rental housing units that will remain affordable for 55 years, and one manager's unit.

EXECUTIVE SUMMARY OF KEY FACTORS:

- This is the proposed new construction of 100 rental housing units, and one manager's unit, that is located at 4132 Beyer Boulevard, San Diego 92173.
- Recommendation approvals of an up to \$4,400,000 Housing Commission residual receipts loan, Housing Authority approval of initial steps to authorize issuance of up to \$25,000,000 of tax-exempt Multifamily Housing Revenue Bonds (Bonds), and San Diego City Council to hold an IRS-required Tax Equity and Fiscal Responsibility Act hearing.
- The Housing Commission's proposed loan is contingent upon the co-developers receiving all necessary third-party funding commitments, as described in this report.
- The co-developers are the non-profit Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County Inc. (MAAC) and the non-profit Kingdom Development Inc.
- The proposed development supports HOUSING FIRST-SAN DIEGO, the Housing Commission's Homelessness Action Plan.
- The total development cost is estimated at \$49,757,579 (\$492,649 per unit).
- The Housing Commission's proposed \$4,400,000 subsidy will be \$43,564 per unit.
- The 100 units will be affordable to tenants with incomes from 15 to 50 percent of San Diego Area Median Income. The mix is 80 one-bedroom units and 20 two-bedroom units.
- The proposal includes 25 federal Project-Based Housing Vouchers.
- The proposed development will pay federal Davis Bacon prevailing wages.
- If the Housing Commission approves the proposed actions then, on January 28, 2020, the bond issuance proposal will be presented for Housing Authority consideration.
- On March 20, 2020, the developer could apply to the California Debt Limit Allocation Committee for a May 20, 2020 bond allocation and to the California Tax Credit Allocation Committee for a four percent tax credits allocation.
- These proposed approvals are preliminary bond issuance steps. If the co-developers obtain necessary third-party funding commitments, then at a later date, staff will return for Housing Commission and Housing Authority consideration of a bond issuance final approval.



REPORT

DATE ISSUED: January 30, 2020

REPORT NO: HCR20-009

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of February 7, 2020

SUBJECT: Loan Recommendation and Preliminary Bond Authorization for Ventana al Sur Apartments

COUNCIL DISTRICT: 8

REQUESTED ACTION

Seven-day advance notice of San Diego Housing Commission (Housing Commission) hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(a)(b) for Staff Recommendations Nos. 1 – 2.

Approve a residual receipts loan, in an amount not to exceed \$4,400,000, to 4132 Beyer L.P., and take initial steps for the Housing Authority of the City of San Diego to issue up to \$25,000,000 tax-exempt Multifamily Housing Revenue Bonds, to facilitate the acquisition and new construction of the Ventana al Sur Apartments, a proposed 100-unit affordable rental housing development (including 75 units for low-income seniors, plus 25 units for chronically homeless seniors and homeless seniors with a serious mental illness (age 65+) residing in the City of San Diego, who meet certain income criteria, and who are identified as most appropriate for permanent supportive housing as determined by assessments conducted through the Coordinated Entry System) to be located at 4132 Beyer Boulevard, San Diego, 92173, that will remain affordable for 55 years, and one manager's unit.

STAFF RECOMMENDATION

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

Housing Commission:

Authorize the Housing Commission's President and Chief Executive Officer (President & CEO), or his designee, to take the following actions:

- 1) Approve a Housing Commission residual receipts loan of up to \$4,400,000 to the borrower 4132 Beyer L.P., a California limited partnership formed by the co-developers Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County Inc. (MAAC) and by Kingdom Development Inc. (Kingdom), to facilitate the proposed acquisition and new construction of Ventana al Sur Apartments (Ventana), a 100-unit multifamily rental housing development, to be located at 4132 Beyer Boulevard, San Diego, that will include 75 units for low-income seniors, plus 25 units for chronically homeless seniors and homeless seniors with a serious mental illness (age 65+) residing in the City of San Diego, who meet certain income criteria, and who are identified as most appropriate for permanent supportive housing as determined by assessments conducted through the Coordinated Entry System, that will remain affordable for 55 years.

- 2) The Housing Commission's proposed loan will be contingent upon: the developer receiving all necessary funding commitments from third-party sources as described in this report. Such third-party funding commitments will be subject to the Housing Commission's General Counsel's approval.
- 3) Recommend that the Housing Authority approve an application to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$25,000,000.
- 4) That the Housing Commission authorize the President and Chief Executive Officer (President & CEO), or his designee:
 - a. To execute any and all documents necessary to effectuate the transaction and implement the project in a form approved by the General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel.
 - b. To adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$4,400,000 maximum loan amount may not increase.
 - c. To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient, and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of the General Counsel.

Housing Authority

- 1) Approve the following initial steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds which are allocated by the State of California, for acquisition and new construction of Ventana, including:
 - a. Issue a bond inducement resolution (Declarations of Official Intent) for up to \$25,000,000 in tax-exempt Multifamily Housing Revenue Bonds with 4 percent tax credits.
 - 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 Multifamily Housing Revenue Bonds in an amount up to \$25,000,000 for Ventana. Issuance of the bonds will require Housing Authority final approval at a later date.
 - c. Approve a bond financing team of Quint & Thimmig LLP as Bond Counsel, and Ross Financial as Bond Financial Advisor.
- 2) Authorize the Housing Commission's President and Chief Executive Officer (President & CEO), or his designee to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by the General Counsel and the Bond Counsel, and to take such actions as are necessary, convenient and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel.

San Diego City Council

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt a resolution approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds up to \$25,000,000.

SUMMARY

A Development Summary is at Attachment 1.

Table 1 –Development Details

| | |
|--------------------------------|---|
| Address | 4132 Beyer Boulevard, San Diego, 92173 |
| Council District | 8 |
| Community Plan Area | San Ysidro Community Planning Area and San Ysidro Historic Village Specific Plan |
| Development Type | New construction |
| Construction Type | Type V (stucco with wood frame) |
| Parking Type | 64 parking spaces (surface parking under a podium deck) |
| Housing Type | Multifamily (one building with a four stories structure) |
| Lot Size | Two parcels totaling approximately 1.08 acres, 47,268 square feet |
| Units | 101 |
| Density | 93.07 dwelling units per acre (101 units ÷ 1.08 acres) |
| Unit Mix | 100 affordable units: 80 one-bedrooms, 20 two-bedrooms. Plus one unrestricted manager’s unit. |
| Gross Building Area | 70,411 square feet |
| Net Rentable Area | 66,013 square feet |
| Project Based Housing Vouchers | 25 federal Project-Based Housing Vouchers (PBV) |

The Development

Ventana is a proposed 101-unit, four stories new construction affordable rental housing development to be located at 4132 Beyer Boulevard in the San Ysidro Community Planning Area and San Ysidro Historic Village Specific Plan (Attachment 2 – Site Map). The new development will provide 100 affordable rental units (and one manager’s unit), including 80 one-bedrooms (each approximately 500 square feet), and 20 two-bedrooms (each approximately 700 square feet). Site amenities will include: a community room, a recreational courtyard and plaza, a laundry room, and a walking trail. Unit amenities will include: Energy Star appliances (including refrigerator, and range), balconies, and storage space. Security features will include gated restricted entry into the property. For Ventana, approximately 4,100 square feet of commercial space is proposed. However, neither the Housing Commission’s loan funds nor the Multifamily Housing Revenue bond proceeds can be used for commercial space financing nor for furnishings.

Housing First

The proposed Ventana development will provide 25 affordable units of permanent supportive housing designated for seniors (age 65+) experiencing homelessness, including those with a serious mental illness (age 65+), residing in the City of San Diego, who meet certain income criteria, and who are identified as most appropriate for permanent supportive housing as determined by assessments conducted through the Coordinated Entry System. PBV would be used to subsidize these units. The development is supported by HOUSING FIRST – SAN DIEGO, the Housing Commission’s homelessness action plan. This action plan is rooted in the national “Housing First” model of addressing homelessness – to provide housing as quickly as possible, with supportive services as needed. The current phase of HOUSING FIRST – SAN DIEGO, launched on July 1, 2017, included \$30 million over three years to support the development of affordable rental housing with supportive services for individuals experiencing homelessness.

The Housing Commission has partnered with the Regional Task Force on the Homeless to enable homeless service providers in the City of San Diego (City) to participate in a Coordinated Entry System

(CES), and utilize a single regional data management repository, the Homeless Management Information System (HMIS). Organizations serving individuals and families experiencing homelessness in the region share this single system, which enables the more efficient delivery of housing and critical services to San Diegans experiencing homelessness. The database allows homeless housing providers to screen homeless individuals for the most appropriate housing options based on who is most in need. The developer and service provider will participate in the CES and maintain client data in the HMIS as required by the Housing Commission.

Developer's Request

The co-developers submitted an application in response to the Housing Commission's FY 2019 Permanent Supportive Housing Notice of Funding Availability (NOFA). The co-developers submitted a loan request and a vouchers request. On April 19, 2019, the Housing Commission staff provided a preliminary recommended award for an up to \$4,400,000 residual receipts loan and 25 PBVs. The co-developers propose to apply for and obtain: a CDLAC allocation of authority to issue tax-exempt Multifamily Housing Revenue Bonds, a California Tax Credit Allocation Committee (CTCAC) approval for four percent tax credits, third-party financing as described in this report, relocate the existing tenant, demolish the existing structure, and construct 100 affordable apartment units.

The Property

The property includes two separate existing parcels (1.08 acres). The land parcels are 4132 Beyer Boulevard, on the eastern side of North Lane. These are improved with one unrestricted existing single family home that is planned to be demolished during site preparation. On March 5, 2018, 4132 Beyer L.P. acquired the property. Adjacent to the site's east is the La Bodeguita Market. Located to the west and to the north are residential housing. To the south and across Beyer Boulevard are residential housing and Our Lady of Mount Carmel School. Bus service is located .4 miles away at the corner of Cottonwood Road and Seaward Avenue. The property is located approximately 476 feet from the Beyer Boulevard Trolley Station.

Appraisal

On January 2, 2018, the property was appraised by Lea & Company at \$2,700,000.

Prevailing Wages

Ventana proposes to use HUD federal Project Based Housing Vouchers, which will require the project to pay Davis-Bacon prevailing wages. The proposed use of State Housing and Community Development Multifamily Housing Program (MHP) funds will require payment of state prevailing wages. The higher of the federal or state prevailing wages will apply.

Relocation

The co-developers plan to demolish an existing onsite single family unit, and that unit's existing tenant will need to be permanently relocated. As required under the NOFA the co-developers will need to engage a third-party relocation consultant, to coordinate a relocation plan, manage the relocation process, and assist with the tenant's relocation. The co-developers' proforma currently budgets \$50,000 for relocation costs.

Accessibility

The (CTCAC) requires the completed development have wheelchair accessibility in ten percent of the units with an additional four percent accessible to residents with visual and/or hearing impairment. The completed development will be 100 percent accessible for visitors. The development will include Universal Design features.

Project Sustainability

Ventana will be built under the Leadership in Energy and Environmental Design (LEED) certified green building rating system. The proposed LEED certification level is undetermined at this time. Ventana will comply with the CTCAC minimum energy efficiency construction standards for new construction. The development's planned features will include a solar component.

Development Team

The co-developers are the non-profit MAAC and the non-profit Kingdom. Founded in 1965, MAAC offers a variety of services for low-income persons, including operating comprehensive housing communities that offer supportive services. As one of the region's largest nonprofit social services providers, MAAC's various programs assist approximately more than 35,000 people each year. MAAC has developed nearly 1,000 units of affordable housing in San Diego County. Kingdom is acting as MAAC's financial consultant. Founded in 2015, Kingdom has developed approximately 1,957 rental units. The proposed borrower will be 4132 Beyer Boulevard L.P. that will include MAAC as its Managing General Partner, Kingdom as the Administrative General Partner, and a to-be-determined tax credit investor limited partner. An organization chart is at Attachment 3.

MAAC has developed affordable housing developments utilizing Housing Commission loans, including the following:

- Mercado Apartments, at 2001 Newton Avenue, San Diego, 144 units, was renovated in 1994 using a Housing Commission loan with a current estimated \$3,400,000 balance. On November 15, 2019, the Housing Commission approved preliminary bond authorization for up to \$35,000,000 of a tax-exempt Multifamily Housing Revenue bond issuance for a new acquisition with rehabilitation.
- Hillside Views Apartments (aka President John Adams Manor), at 5471 Bayview Heights Place, San Diego, is a 300-units acquisition with rehabilitation apartment development. On October 5, 2018 the Housing Commission approved final bond authorization for \$41,000,000 of a tax-exempt Multifamily Housing Revenue Bond issuance. The development is currently in construction.

MAAC's previous Housing Commission loans are in full compliance. Kingdom's founder has assisted property owners to develop approximately 30 affordable housing communities (including work on Hillside Views Apartments). Based upon their past experience and past performance, staff has determined that the co-developers have the requisite capacity to successfully complete the proposed Ventana project.

Supportive Services

The development's tenant supportive services will be provided by St. Vincent de Paul Inc. (SVDP) and by MAAC. Since 1950, Father Joe's Villages has delivered assistance to homeless persons. Using evidence-based practices, Father Joe's Villages' experienced staff will provide case management, life skills, and access to mental health services, plus substance use services.

Table 2 Development Team Summary

| ROLE | FIRM/CONTACT |
|-------------------------------|--------------------------|
| Co-developers | MAAC and Kingdom |
| Architect | Rodriguez & Associates |
| General Contractor | To be selected |
| Relocation Consultant | To be selected |
| Property Management | Barker Management & MAAC |
| Tenant Services Provider | SVDP and MAAC |
| Construction/Permanent Lender | To be selected |

Property Management

Ventana will be managed by Barker Management Incorporated (BMI) and by MAAC. BMI was formed in 1972 and specializes in the management of affordable housing including housing for seniors and for special needs tenants. It manages a portfolio of approximately 10,000 units with rental properties in California and Nevada.

FINANCING STRUCTURE

Ventana has an estimated total development cost of \$49,757,579 (\$492,649 per unit). Proposed financing will include a combination of sources including: four percent tax credits, tax exempt Multifamily Housing Revenue Bond financing, a State Department of Housing and Community Development loan and a Housing Commission proposed residual receipts loan. The Housing Commission requires affordable housing developers to pursue all viable sources of funding to reduce the financing gap and amount of Housing Commission subsidy required. The developer’s current pro forma is included as Attachment 4 and is summarized below.

Table 3 – Ventana Estimated Permanent Sources and Uses

| Permanent Financing Sources | Amounts | Permanent Financing Uses | Amounts | Per Unit |
|--|---------------------|-------------------------------------|---------------------|------------------|
| Bond financed permanent loan | \$4,334,611 | Property acquisition | \$2,430,000 | \$24,059 |
| State Housing & Community Development Multifamily Housing Program (MHP) Loan | 20,000,000 | Construction costs | \$31,553,210 | |
| | | Contingency | +2,077,660 | |
| | | Total construction | \$33,630,870 | 332,979 |
| Housing Commission proposed loan | 4,400,000 | Financing costs | 2,758,416 | 27,311 |
| 4 percent (CTCAC) tax credit equity | 17,616,335 | Local permits & fees and studies | 2,980,000 | 29,505 |
| Deferred developer fee | 3,406,633 | Other soft costs | 1,367,411 | 13,539 |
| | | Relocation costs | 50,000 | 495 |
| | | Developer fee | 5,619,246 | 55,636 |
| | | Reserves | 921,636 | 9,125 |
| Total Development Cost | \$49,757,579 | Total Development Cost (TDC) | \$49,757,579 | \$492,649 |

The proposed Housing Commission residual receipts loan will be funded with up to \$4,400,000 from the City Affordable Housing Fund (Inclusionary Housing funds). The total amount of funding sources shall not exceed \$4,400,000. A final determination of Housing Commission funding sources will be made by the Housing Commission’s President & CEO, or designee, contingent upon budget availability. The proposed loan terms are summarized at Attachment 5. Developer Fee

\$5,619,246 – Gross Developer Fee

-3,406,633 – Minus Deferred Developer Fee

\$2,212,613 – Net Cash Developer Fee (paid from development sources)

On April 25, 2017, the Housing Authority approved the “Request for Approval of Updated Developer Fees” (HAR 17-011). That report approved certain developer fee guidelines for multifamily loans and bonds issuances. That report at Attachment 1 states: “Developer Fee [for] 4% tax credits, in project costs: 15% eligible basis....” The developer’s proposed \$5,619,246 is in conformance with the Housing Commission’s fee guidelines.

Development Cost Key Performance Indicators

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

Table 4 - Key Performance Indicators

| | | |
|--------------------------------------|---------------------------------|-----------|
| Development Cost Per Unit | \$49,757,579 ÷ 101 units = | \$492,649 |
| Housing Commission Subsidy Per Unit | \$4,400,000 ÷ 101 units = | \$43,564 |
| Land Cost Per Unit | \$2,430,000 ÷ 101 units = | \$24,059 |
| Gross Building Square Foot Hard Cost | \$33,630,870 ÷ 70,411 sq. ft. = | \$478 |
| Net Rentable Square Foot Hard Cost | \$33,630,870 ÷ 66,013 sq. ft. = | \$509 |

Project Comparison Chart

There are multiple factors and variables that influence the cost of developing multi-family affordable housing including but not limited to project location, site conditions, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City fees, developer experience and capacity, and the mission and goals of the organization developing the project. Similar construction-type developments (completed or approved) over previous recent years are listed in Table 5. These developments are similar in terms of new construction, target population and construction type and are provided as a comparison to Ventana.

Table 5 - Comparable Development Projects

| Project Name | Year | Unit Mix Construction | Units | Total Development Cost | Cost Per Unit | HC Subsidy Per Unit | Gross Hard Cost Per Sq. Ft. |
|---------------------------------|-------------|---|------------|---------------------------------------|------------------|---------------------|-----------------------------|
| Subject – Ventana Street | 2020 | 80 ones, 20 twos, + 1 manager | 101 | \$49,757,579 (with prev. wage) | \$492,649 | \$43,564 | \$478 |
| Ulric Street | 2019 | 12 studios, 21 ones, 33 twos, 29 threes, +1 manager | 96 | \$46,427,114 (with prev. wage) | \$483,616 | \$72,917 | \$264 |
| Keeler Court | 2019 | 10 studios, 18 twos, 22 threes, + 1 manager | 71 | \$35,692,466 (with prev. wage) | \$502,711 | \$0 | \$262 |
| Fairmount Family | 2017 | 32 ones, 23 twos, 24 threes, + 1 manager | 80 | \$29,828,500 (no prev. wage) | \$372,856 | \$118,356 | \$212 |
| North Park Seniors | 2016 | 7 studios, 65 ones, 3 twos, + 1 manager | 76 | \$24,818,921 (no prev. wage) | \$326,565 | \$92,105 | \$216 |
| Mesa Verde | 2016 | 3 studios, 34 ones, 36 twos, 26 threes, + 1 manager | 90 | \$22,963,066 (no prev. wage) | \$441,597 | \$60,000 | \$225 |

Proposed Housing Bonds

The Housing Commission utilizes the Housing Authority's tax-exempt borrowing status to pass on lower interest rate financing (and make four percent low-income housing tax credits available) to developers of affordable rental housing. The Housing Authority's ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first submit an application to the 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 CDLAC application submittal. A City Council Tax Equity and Fiscal Responsibility Act (TEFRA) resolution must be secured no later than 30 days after application submittal. These actions do not obligate the Housing Authority to issue bonds.

The developer plans to submit a bond application to CDLAC on March 20, 2020, and obtain a bond allocation at CDLAC's May 20, 2020 meeting and, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the development. However, the loan closing must occur within 18 months of the Housing Commission's proposed approval.

The developer will be seeking a CDLAC bond allocation of approximately \$25,000,000. The developer proposes to issue the bonds through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and will fully comply with the City's ordinance on bond disclosure. The bond amount that is ultimately issued will be based upon development costs, revenues, and interest rates prevailing at the time of bond issuance.

The developer proposes that the bonds will be used for acquisition, construction, and permanent financing. Housing Commission staff will return later to both the Housing Commission and Housing Authority for approval of the final bond amount. A general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 6.

Staff recommends assigning Quint & Thimmig LLP as the Bond Counsel and Ross Financial as the Financial Advisor 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 selected in accordance with the Housing Commission's Bond Policy.

AFFORDABLE HOUSING IMPACT

Under the proposed bond financing, the Ventana development will serve seniors (age 65+) with incomes from 20 percent to 50 percent of San Diego Area Median Income (including 25 units for chronically homeless seniors and homeless seniors with a serious mental illness residing in San Diego, who meet certain income criteria, and who are identified as most appropriate for permanent supportive housing as determined by assessments conducted through the Coordinated Entry System). On April 19, 2019, the Housing Commission's Contract and Procurement Division staff provided a preliminary award for 25 federal PBV's for the proposed development. That approval will be contingent upon a National Environmental Policy Act clearance, a subsidy layering review, and execution of an Agreement to Enter into Housing Assistance Payment. Under this PBV program, the tenants' rent portion is determined by using the applicable minimum rent or a calculated amount based on their income level, whichever is higher, with the remainder being federally subsidized up to a gross rent level approved by the Housing Commission. The Housing Assistance Payment provides a rental subsidy for the project's residents.

Under the proposed loan the Ventana development will be subject to a Housing Commission Declaration of Covenants and Restrictions, in addition to applicable tax credit and bond regulatory agreements that will restrict affordability of 100-units for 55 years. Under the proposed loan and bond financing, Ventana will have 100-units restricted to households with incomes ranging from 20 percent (estimated at \$17,100/year to 50 percent/year (\$42,800/year) for a one-bedroom unit two-person household) and 20 percent/year (estimated at \$19,250/year to 50 percent (\$48,150 for a two-bedroom three person household) of the San Diego Area Median Income (AMI). The remaining one unit will be an unrestricted manager’s unit. Table 6 summarizes the affordability:

Table 6 Ventana Affordability and Monthly Estimated Rent Table

| Unit Type | AMI | Units | Gross CTCAC Rents |
|-----------------------------------|-----|------------|-------------------|
| 1-bedrooms | 20% | 20 | \$401 |
| 1-bedrooms | 40% | 30 | \$856 |
| 1-bedrooms | 50% | 30 | \$1,003 |
| Subtotal One Bedroom Units | -- | 80 | |
| 2-bedroom | 20% | 5 | \$481 |
| 2-bedrooms | 40% | 15 | \$964 |
| Subtotal Two Bedroom Units | -- | 20 | -- |
| 2-bedroom Managers Unit | - | 1 | -- |
| Total Units | | 101 | |

The tax credit restricted units and/or the HOME-restricted units may be counted against the same specific units. The more stringent of the funding sources affordability/rent restrictions will take precedence during the term of their applicability.

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this proposed action were not included in the Housing Authority-approved Fiscal Year (FY) 2020 Housing Commission Budget.

Estimated funding sources approved by this action will be as follows:

- Inclusionary Housing funds - up to \$4,400,000
- Estimated bond issuance fee – \$62,500
- Total Funding Sources - up to \$4,462,500

Estimated funding uses approved by this action will be as follows:

- Loans - up to \$4,400,000
- Program Administration - \$62,500
- Total Funding Uses - up to \$4,462,500

Approving this action will further grant the President & CEO, or designee, the authority to substitute the above funding sources with other available funding sources so long as the total Housing Commission loan amount does not exceed the approved total loan amount, should the operational need arise or should such actions be to the benefit of the Housing Commission.

Development Schedule

| Milestones | Estimated Dates |
|---|------------------------|
| • Housing Authority consideration | • March 17, 2020 |
| • City Council IRS-required TEFRA hearing | • March 17, 2020 |
| • CDLAC bond application & CTCAC tax credit application | • March 20, 2020 |
| • CDLAC & CTCAC allocation meetings | • May 20, 2020 |
| • Housing Commission final bond authorization | • June 12, 2020 |
| • Housing Authority final bond authorization | • June 2020 |
| • Estimated bond issuance and escrow/loan closing | • June 2020 |
| • Estimated start of construction work | • June 2020 |
| • Estimated completion of construction work | • June 2021 |

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

The proposed development is located in the San Ysidro neighborhood. On June 18, 2018 and again on August 20, 2018, MAAC’s Ventana development (then called Beyer Boulevard) was presented to the San Ysidro Community Planning Group (SYCPG). On August 23, 2018, the SYCPG Chairman’s letter confirmed that, by unanimous vote, the group supported MAAC’s development proposal. That letter reads: “this development will provide much needed affordable housing and quality services for our community and fits well with the neighborhood as we see it evolving.”

PREVIOUS COUNCIL and/or COMMITTEE ACTION

None

KEY STAKEHOLDERS & PROJECTED IMPACTS

Stakeholders include MAAC and Kingdom as the developer, the Housing Commission as a proposed lender, the State of California as a proposed lender, the San Ysidro neighborhood and the low income tenant occupants. The development is anticipated to have a positive impact on the community as it will contribute to the quality of the surrounding neighborhood, contribute to a better quality of life for the tenants, and create 100 affordable rental homes for very low income seniors, including 25 units for homeless seniors with a serious mental illness (age 65+) residing in the City of San Diego, who meet certain income criteria, and who are identified as most appropriate for permanent supportive housing as determined by assessments conducted through the Coordinated Entry System.

STATEMENT for PUBLIC DISCLOSURE

The developers’ Disclosure Statements are at Attachment 7 and Attachment 8.

ENVIRONMENTAL REVIEW

On July 30, 2019 the City of San Diego, as Lead Agency, through the Development Services Department, issued an Environmental Determination that this activity is not a project under CEQA as there are no discretionary approvals associated with this action. Federal funds constitute a portion of this project making the project subject to U.S. Department of Housing and Urban Development under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). The Housing Commission received final NEPA clearance and authorizations to grant funds on June 21, 2019.

January 30, 2020

Loan Recommendation and Preliminary Bond Authorization for Ventana al Sur Apartments

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Respectfully submitted,

J. P. Correia

J.P. Correia
Sr. Real Estate Project Manager
Real Estate Division

Approved by,

Jeff Davis

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

Attachments:

1. Development Summary
2. Site Map
3. Organization Chart
4. Developer's Project Pro Forma
5. Proposed Loan Terms
6. Multifamily Housing Revenue Bond Program
7. MAAC - Developer's Disclosure Statement
8. Kingdom – Developer's Disclosure Statement

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

ATTACHMENT 1 – DEVELOPMENT SUMMARY

Table 1 –Development Details

| | |
|--------------------------------|---|
| Address | 4132 Beyer Boulevard, San Diego, 92173 |
| Council District | 8 |
| Community Plan Area | San Ysidro Community Planning Area and San Ysidro Historic Village Specific Plan |
| Development Type | New construction |
| Construction Type | Type V (stucco with wood frame) |
| Parking Type | 64 parking spaces (surface parking under a podium deck) |
| Housing Type | Multifamily (one building with a four stories structure) |
| Lot Size | Two parcels totaling approximately 1.08 acres, 47,268 square feet |
| Units | 101 |
| Density | 93.07 dwelling units per acre (101 units ÷ 1.08 acres) |
| Unit Mix | 100 affordable units: 80 one-bedrooms, 20 two-bedrooms. Plus one unrestricted manager’s unit. |
| Gross Building Area | 70,411 square feet |
| Net Rentable Area | 66,013 square feet |
| Project Based Housing Vouchers | 25 federal Project-Based Housing Vouchers (PBV) |

Table 2 Development Team Summary

| ROLE | FIRM/CONTACT |
|-------------------------------|--------------------------|
| Co-developers | MAAC and Kingdom |
| Architect | Rodriguez & Associates |
| General Contractor | To be selected |
| Relocation Consultant | To be selected |
| Property Management | Barker Management & MAAC |
| Tenant Services Provider | SVDP and MAAC |
| Construction/Permanent Lender | To be selected |

Table 3 – Ventana Estimated Permanent Sources and Uses

| Permanent Financing Sources | Amounts | Permanent Financing Uses | Amounts | Per Unit |
|--|---------------------|-------------------------------------|---------------------|--------------------|
| Bond financed permanent loan | \$4,334,611 | Property acquisition | \$2,430,000 | \$24,059 |
| State Housing & Community Development Multifamily Housing Program (MHP) Loan | 20,000,000 | Construction costs | \$31,553,210 | |
| | | Contingency | +2,077,660 | |
| | | Total construction | \$33,630,870 | 33,630,870 332,979 |
| Housing Commission proposed loan | 4,400,000 | Financing costs | 2,758,416 | 27,311 |
| 4 percent (CTCAC) tax credit equity | 17,616,335 | Local permits & fees and studies | 2,980,000 | 29,505 |
| Deferred developer fee | 3,406,633 | Other soft costs | 1,367,411 | 13,539 |
| | | Relocation costs | 50,000 | 495 |
| | | Developer fee | 5,619,246 | 55,636 |
| | | Reserves | 921,636 | 9,125 |
| Total Development Cost | \$49,757,579 | Total Development Cost (TDC) | \$49,757,579 | \$492,649 |

Table 4 - Key Performance Indicators

| | | |
|--------------------------------------|--|-----------|
| Development Cost Per Unit | $\$49,757,579 \div 101 \text{ units} =$ | \$492,649 |
| Housing Commission Subsidy Per Unit | $\$4,400,000 \div 101 \text{ units} =$ | \$43,564 |
| Land Cost Per Unit | $\$2,430,000 \div 101 \text{ units} =$ | \$24,059 |
| Gross Building Square Foot Hard Cost | $\$33,630,870 \div 70,411 \text{ sq. ft.} =$ | \$478 |
| Net Rentable Square Foot Hard Cost | $\$33,630,870 \div 66,013 \text{ sq. ft.} =$ | \$509 |

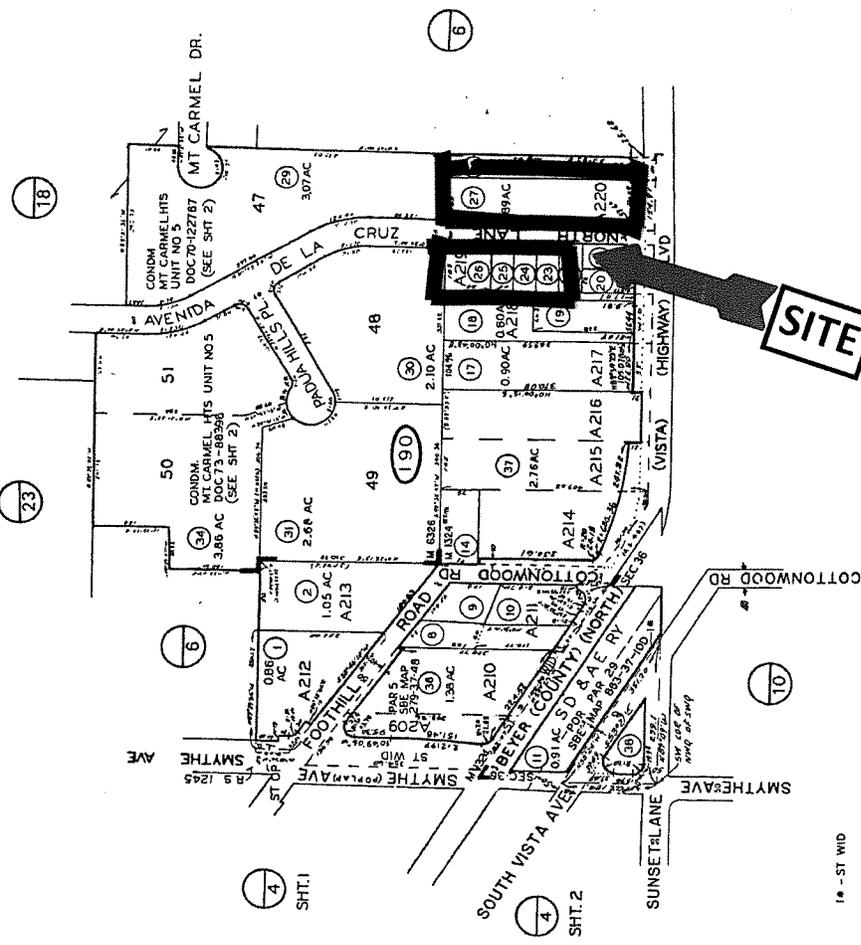
Table 5 - Comparable Development Projects

| Project Name | Year | Unit Mix Construction | Units | Total Development Cost | Cost Per Unit | HC Subsidy Per Unit | Gross Hard Cost Per Sq. Ft. |
|---------------------------------|-------------|---|------------|---------------------------------------|------------------|---------------------|-----------------------------|
| Subject – Ventana Street | 2020 | 80 ones, 20 twos, + 1 manager | 101 | \$49,757,579 (with prev. wage) | \$492,649 | \$43,564 | \$478 |
| Ulric Street | 2019 | 12 studios, 21 ones, 33 twos, 29 threes, +1 manager | 96 | \$46,427,114 (with prev. wage) | \$483,616 | \$72,917 | \$264 |
| Keeler Court | 2019 | 10 studios, 18 twos, 22 threes, + 1 manager | 71 | \$35,692,466 (with prev. wage) | \$502,711 | \$0 | \$262 |
| Fairmount Family | 2017 | 32 ones, 23 twos, 24 threes, + 1 manager | 80 | \$29,828,500 (no prev. wage) | \$372,856 | \$118,356 | \$212 |
| North Park Seniors | 2016 | 7 studios, 65 ones, 3 twos, + 1 manager | 76 | \$24,818,921 (no prev. wage) | \$326,565 | \$92,105 | \$216 |
| Mesa Verde | 2016 | 3 studios, 34 ones, 36 twos, 26 threes, + 1 manager | 90 | \$22,963,066 (no prev. wage) | \$441,597 | \$60,000 | \$225 |

ATTACHMENT 2 - SITE MAP

638-19
SHT 1 OF 2
1"=200'
N

| CHANGES | |
|---------|----------------|
| BLK | OLD NEW/RCUT |
| 13 | 35 75 26/07 |
| 14 | 132 27 20/02 |
| 15 | 12 27 17 06/02 |
| 16 | 12 27 17 06/02 |
| 17 | 12 27 17 06/02 |
| 18 | 12 27 17 06/02 |
| 19 | 12 27 17 06/02 |
| 20 | 12 27 17 06/02 |
| 21 | 12 27 17 06/02 |
| 22 | 12 27 17 06/02 |
| 23 | 12 27 17 06/02 |
| 24 | 12 27 17 06/02 |
| 25 | 12 27 17 06/02 |
| 26 | 12 27 17 06/02 |
| 27 | 12 27 17 06/02 |
| 28 | 12 27 17 06/02 |
| 29 | 12 27 17 06/02 |
| 30 | 12 27 17 06/02 |
| 31 | 12 27 17 06/02 |
| 32 | 12 27 17 06/02 |
| 33 | 12 27 17 06/02 |
| 34 | 12 27 17 06/02 |
| 35 | 12 27 17 06/02 |
| 36 | 12 27 17 06/02 |
| 37 | 12 27 17 06/02 |
| 38 | 12 27 17 06/02 |
| 39 | 12 27 17 06/02 |
| 40 | 12 27 17 06/02 |
| 41 | 12 27 17 06/02 |
| 42 | 12 27 17 06/02 |
| 43 | 12 27 17 06/02 |
| 44 | 12 27 17 06/02 |
| 45 | 12 27 17 06/02 |
| 46 | 12 27 17 06/02 |
| 47 | 12 27 17 06/02 |
| 48 | 12 27 17 06/02 |
| 49 | 12 27 17 06/02 |
| 50 | 12 27 17 06/02 |
| 51 | 12 27 17 06/02 |
| 52 | 12 27 17 06/02 |
| 53 | 12 27 17 06/02 |
| 54 | 12 27 17 06/02 |
| 55 | 12 27 17 06/02 |
| 56 | 12 27 17 06/02 |
| 57 | 12 27 17 06/02 |
| 58 | 12 27 17 06/02 |
| 59 | 12 27 17 06/02 |
| 60 | 12 27 17 06/02 |
| 61 | 12 27 17 06/02 |
| 62 | 12 27 17 06/02 |
| 63 | 12 27 17 06/02 |
| 64 | 12 27 17 06/02 |
| 65 | 12 27 17 06/02 |
| 66 | 12 27 17 06/02 |
| 67 | 12 27 17 06/02 |
| 68 | 12 27 17 06/02 |
| 69 | 12 27 17 06/02 |
| 70 | 12 27 17 06/02 |
| 71 | 12 27 17 06/02 |
| 72 | 12 27 17 06/02 |
| 73 | 12 27 17 06/02 |
| 74 | 12 27 17 06/02 |
| 75 | 12 27 17 06/02 |
| 76 | 12 27 17 06/02 |
| 77 | 12 27 17 06/02 |
| 78 | 12 27 17 06/02 |
| 79 | 12 27 17 06/02 |
| 80 | 12 27 17 06/02 |
| 81 | 12 27 17 06/02 |
| 82 | 12 27 17 06/02 |
| 83 | 12 27 17 06/02 |
| 84 | 12 27 17 06/02 |
| 85 | 12 27 17 06/02 |
| 86 | 12 27 17 06/02 |
| 87 | 12 27 17 06/02 |
| 88 | 12 27 17 06/02 |
| 89 | 12 27 17 06/02 |
| 90 | 12 27 17 06/02 |
| 91 | 12 27 17 06/02 |
| 92 | 12 27 17 06/02 |
| 93 | 12 27 17 06/02 |
| 94 | 12 27 17 06/02 |
| 95 | 12 27 17 06/02 |
| 96 | 12 27 17 06/02 |
| 97 | 12 27 17 06/02 |
| 98 | 12 27 17 06/02 |
| 99 | 12 27 17 06/02 |
| 100 | 12 27 17 06/02 |



MAP 6326 - MT CAMEL HTS UNIT NO. 5
MAP 1324 - LITTLE LANDERS ADD NO 4 - SAN YSIDRO
SEC 36 - TIBS-R2W-POR SW1/4
ROS 10223; 11377; 15490

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.

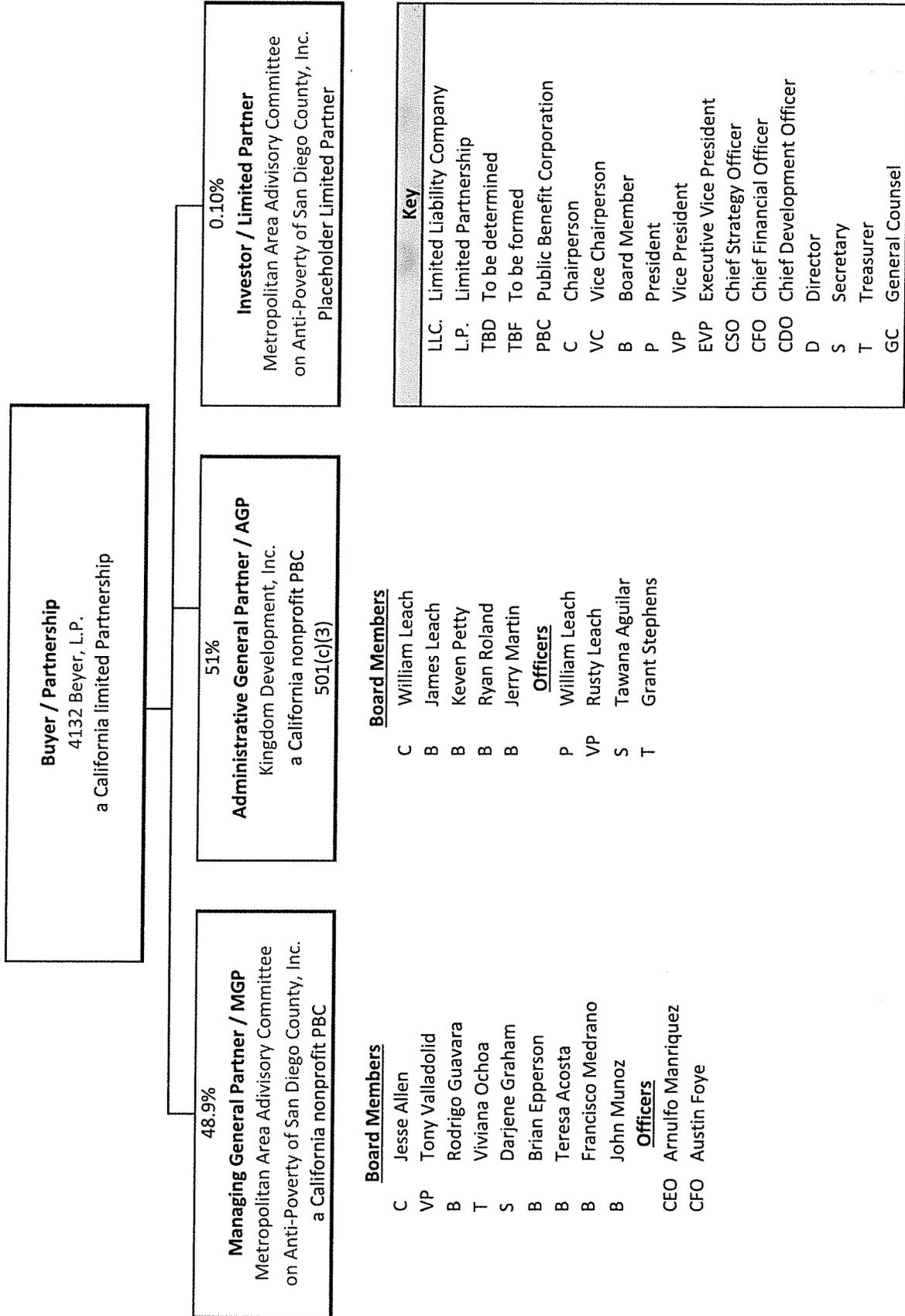
SAN DIEGO COUNTY
ASSESSOR'S MAP
BOOK 438, PAGE 18
SHT. 1 OF 2

08

This map/plot is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

ATTACHMENT 3 – ORGANIZATION CHART

Organizational Chart - 8/16/2019



ATTACHMENT 4 – DEVELOPER’S PROJECT PRO FORMA

| | | |
|----------------------------|---------------------------------|-----------------------|
| PROJECT SUMMARY | KINGDOM DEVELOPMENT INC. | VENTANA AL SUR |
| 100 units plus 1 mgr. unit | | TE Bonds + 4% Credits |
| NC | | Non-Rural |
| PW Senior project | | QCT-Yes DDA-No |

| Permanent Sources | | | | |
|------------------------|-------------|-------|------|---------------------|
| Source | Amount | Rate | Amm. | / Unit |
| Perm Bond Proceeds | \$4,334,611 | 4.63% | 40 | \$42,917 |
| Tax Credit Proceeds | 17,616,335 | NA | NA | 174,419 |
| SDHC Loan | 4,400,000 | 3.00% | RR | 43,564 |
| MHP | 20,000,000 | 3.00% | RR | 198,020 |
| Interest Income | 0 | NA | NA | 0 |
| Operating Income | 0 | NA | NA | 0 |
| Deferred Developer Fee | 3,406,633 | 6.00% | NA | 33,729 |
| | | | | \$49,757,579 |
| | | | | \$492,649 |

| Permanent Uses | | |
|-----------------------------|-------------|---------------------|
| Uses | Amount | Per Unit |
| Land Costs | \$2,430,000 | \$24,059 |
| Permits, Fees, & Studies | 2,980,000 | 29,505 |
| Direct Construction Costs | 31,553,210 | 312,408 |
| Contingency | 2,077,660 | 20,571 |
| Developer Fee | 5,619,246 | 55,636 |
| Indirect Construction Costs | 1,227,408 | 12,153 |
| Program Costs | 70,000 | 693 |
| Rent-Up Costs | 120,000 | 1,188 |
| Reserves | 921,636 | 9,125 |
| Financing Costs | 2,758,418 | 27,311 |
| | | \$49,757,579 |
| | | \$492,649 |

| Source Pay in Schedule | | | |
|------------------------|-------------|--------|---------|
| Source | Amount | Date | Notes |
| Perm Bond Proceeds | \$4,334,611 | Mar-22 | Convert |
| Tax Credit Proceeds | 3,523,267 | Jun-20 | Close |
| Tax Credit Proceeds | 10,219,801 | Sep-21 | |
| Tax Credit Proceeds | 3,523,267 | Mar-22 | Convert |
| Tax Credit Proceeds | 350,000 | Jun-22 | 8609s |
| SDHC Loan | 4,400,000 | Jan-22 | |
| MHP | 20,000,000 | Mar-22 | Convert |

| Hard Cost Breakdown | | | |
|----------------------|--------------|---------|-------------|
| Component | Amount | Sq. Ft. | Cost/Sq.Ft. |
| Demolition | \$50,000 | 1,150 | \$43.48 |
| On-site | 1,413,000 | 57,000 | 24.79 |
| Off-site | 1,335,000 | 2,640 | 505.68 |
| Transit Amenities | 0 | 0 | |
| Trans Infrastructure | 0 | 0 | |
| Solar | 0 | 0 | |
| Common Area | 964,244 | 59,598 | 16.18 |
| Residential | \$23,641,968 | 72,724 | \$325.09 |

| Bedroom Mix/Average Rent | | | |
|--------------------------|----------|------------|-----------|
| Bedrooms | Quantity | % of Units | Avg. Rent |
| 0 | | | |
| 1 | 80 | 80% | 720.94 |
| 2 | 20 | 20% | 769.45 |
| 3 | | | |
| 4+ | | | |

| Rent Schedule | | | | | |
|---------------|----------|----------|------|-------|-------|
| Calculation | Quantity | Bedrooms | AMI | Rent | Util. |
| TCAC | 20 | 1 | 20% | \$345 | \$56 |
| TCAC | 30 | 1 | 40% | 746 | 56 |
| TCAC | 30 | 1 | 50% | 947 | 56 |
| TCAC | 5 | 2 | 20% | 408 | 73 |
| TCAC | 15 | 2 | 40% | 890 | 73 |
| MGR | 1 | 2 | 100% | 0 | 0 |

| Operating Expenses | | |
|---------------------|------------------|----------------|
| Expenses | Amount | Per Unit |
| Management | 55,566 | \$550 |
| Administration | 48,312 | 478 |
| Salaries & Benefits | 192,250 | 1,903 |
| Operating Expenses | 0 | 0 |
| Maintenance | 81,805 | 810 |
| Utilities | 85,694 | 848 |
| Insurance | 15,973 | 158 |
| Taxes | 5,050 | 50 |
| Services | 155,917 | 1,544 |
| Reserves | 50,500 | 500 |
| Totals | \$691,067 | \$6,842 |

| Assumptions | | Assumptions | |
|-----------------|---------|-----------------|------------|
| TCAC Tiebreaker | NA | Con. Length | 14 |
| Site (acres) | 1.31 | CL Closing: | 6/1/20 |
| Debt Cov. Ratio | 1.15 | Est. Completion | 8/1/21 |
| Vacancy Factor | 5.0% | Con. Loan | 39,905,719 |
| HCD Tiebreaker | 38.000% | Con. Int. Rate | 4.13% |

USES, EXPENSES AND CREDIT

KINGDOM DEVELOPMENT INC.

VENTANA AL SUR

100 units plus 1 mgr. unit

TE Bonds + 4% Credits

NC

Non-Rural

PW Senior project

QCT-Yes DDA-No

| Development Uses | | | | |
|----------------------------------|--------------|--------------|------------|-----------|
| Description | Amount | NC. Basis | Acq. Basis | Per Unit |
| Acquisition Cost | 2,160,000 | 0 | \$0 | \$21,386 |
| Appraisals | 10,000 | 0 | 0 | 99 |
| Holding Costs | 260,000 | 0 | 0 | 2,574 |
| Building Fees & Permits | 453,000 | 453,000 | 0 | 4,485 |
| Impact Fees | 1,567,000 | 1,567,000 | 0 | 15,515 |
| Architectural & Engineering | 960,000 | 960,000 | 0 | 9,505 |
| Demolition | 50,000 | 0 | 0 | 495 |
| On-Site Improvements | 1,413,000 | 0 | 0 | 13,990 |
| Off-Site Improvements | 1,335,000 | 1,335,000 | 0 | 13,218 |
| Commercial Construction | 964,244 | 964,244 | 0 | 9,547 |
| Residential Construction | 23,641,968 | 23,641,968 | 0 | 234,079 |
| General Conditions | 1,644,253 | 1,644,253 | 0 | 16,280 |
| Contractor's Overhead & Profit | 2,192,337 | 2,192,337 | 0 | 21,706 |
| Performance Bond | 312,408 | 312,408 | 0 | 3,093 |
| Construction Contingency | 1,577,660 | 1,577,660 | 0 | 15,620 |
| Developer Fee | 5,619,246 | 5,619,246 | 0 | 55,636 |
| Financial Advisor | 250,000 | 250,000 | 0 | 2,475 |
| Construction Manager | 250,000 | 250,000 | 0 | 2,475 |
| Builders Risk Insurance | 312,408 | 312,408 | 0 | 3,093 |
| Accounting | 80,000 | 60,000 | 0 | 792 |
| Legal Fees | 120,000 | 55,000 | 0 | 1,188 |
| Relocation | 50,000 | 0 | 0 | 495 |
| Market Study | 15,000 | 15,000 | 0 | 149 |
| Security During Construction | 150,000 | 0 | 0 | 1,485 |
| Program Costs | 70,000 | 0 | 0 | 693 |
| Project Contingency | 500,000 | 400,000 | 0 | 4,950 |
| Marketing & Advertising | 50,000 | 0 | 0 | 495 |
| Lease-up Reserve | 215,000 | 0 | 0 | 2,129 |
| Capitalized Operating Reserve | 506,636 | 0 | 0 | 5,016 |
| Acq Loan Interest Reserve | 200,000 | 12,500 | 0 | 1,980 |
| Common Area Furnishings | 70,000 | 70,000 | 0 | 693 |
| Construction Period Interest | 1,757,570 | 912,150 | 0 | 17,402 |
| Construction Loan Fees | 449,057 | 233,053 | 0 | 4,446 |
| Acquisition Loan Origination Fee | 58,500 | 3,656 | 0 | 579 |
| Permanent Loan Fees | 43,346 | 0 | 0 | 429 |
| TCAC Fees | 60,978 | 0 | 0 | 604 |
| CDLAC Fees | 113,967 | 0 | 0 | 1,128 |
| Bond Issuance Costs | 215,000 | 215,000 | 0 | 2,129 |
| Title and Recording | 60,000 | 25,000 | 0 | 594 |
| Totals | \$49,757,579 | \$43,080,884 | \$0 | \$492,649 |

| Operating Expenses | | |
|---------------------------|-----------|----------|
| Description | Amount | Per Unit |
| Property Management | \$55,566 | \$550 |
| Marketing | 4,989 | 49 |
| Audit | 12,112 | 120 |
| Legal | 6,321 | 63 |
| Office Expenses | 9,890 | 98 |
| On-site Manager | 80,000 | 792 |
| Assistant Manager | 40,000 | 396 |
| Janitorial Personnel | 20,000 | 198 |
| Payroll Taxes | 30,000 | 297 |
| Insurance | 22,250 | 220 |
| Supplies | 2,450 | 24 |
| Repairs Contract | 37,370 | 370 |
| Pest Control | 9,250 | 92 |
| Grounds Contract | 19,580 | 194 |
| Interior Painting | 4,980 | 49 |
| Elevator | 8,175 | 81 |
| Trash Removal | 13,432 | 133 |
| Electricity | 25,672 | 254 |
| Water & Sewer | 26,199 | 259 |
| Gas | 20,391 | 202 |
| Property & Liability Ins. | 15,973 | 158 |
| Real Estate Taxes | 5,050 | 50 |
| Social Services | 21,833 | 216 |
| Supportive Services | 119,083 | 1,179 |
| Software | 5,000 | 50 |
| Replacement Reserves | 50,500 | 500 |
| Clubhouse Expenses | 10,000 | 99 |
| SDHC monitoring fee | 15,000 | 149 |
| Total | \$691,067 | \$6,842 |

| Tax Credit Calculation | | | |
|------------------------|--------------|---------------|--------|
| | 4% Federal | Acq. Fed. | State |
| Eligible Basis | 43,080,884 | 0 | |
| Excluded | 0 | 0 | |
| Unadjusted | 43,080,884 | 0 | 0 |
| Basis Limit | 77,155,467 | | |
| Boost | 130% | 100% | |
| Adjusted | 56,005,149 | 0 | |
| Applicable | 100.0% | 100.0% | 100.0% |
| Qualified | 56,005,149 | 0 | 0 |
| Reduction | 0 | 0 | |
| Adj. Qualified | 56,005,149 | 0 | |
| Rate Factor | 3.21% | 3.21% | 13.00% |
| Annual Credits | 1,797,765 | 0 | |
| Federal Credits | 17,977,650 | State Credits | 0 |
| Credit Price | 0.98 | | 0.80 |
| Proceeds | 17,616,335 | | 0 |
| Total | \$17,616,335 | | |

CASH FLOW YR 1-10

KINGDOM DEVELOPMENT INC.

VENTANA AL SUR

100 units plus 1 mgr. unit
 NC
 PW Senior project

TE Bonds + 4% Credits
 Non-Rural
 QCT-Yes DDA-No

| Development Uses | | | | | | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Rental Income | 876,768 | 898,687 | 921,154 | 944,183 | 967,788 | 991,983 | 1,016,782 | 1,042,202 | 1,068,257 | 1,094,963 |
| Other Income | 15,000 | 15,375 | 15,759 | 16,153 | 16,557 | 16,971 | 17,395 | 17,830 | 18,276 | 18,733 |
| In-Kind Social Services | 14,092 | 14,514 | 14,950 | 15,398 | 15,860 | 16,336 | 16,826 | 17,331 | 17,851 | 18,386 |
| Subsidy Income | 210,876 | 216,148 | 221,552 | 227,090 | 232,768 | 238,587 | 244,552 | 250,665 | 256,932 | 263,355 |
| Vacancy Loss | 55,132 | 56,511 | 57,923 | 59,371 | 60,856 | 62,377 | 63,936 | 65,535 | 67,173 | 68,853 |
| Adjusted Gross Income | 1,061,603 | 1,088,214 | 1,115,492 | 1,143,454 | 1,172,117 | 1,201,500 | 1,231,619 | 1,262,493 | 1,294,142 | 1,326,585 |
| Standard Expenses | 479,600 | 496,386 | 513,760 | 531,741 | 550,352 | 569,614 | 589,551 | 610,185 | 631,542 | 653,646 |
| PSH Services | 140,917 | 145,144 | 149,498 | 153,983 | 158,603 | 163,361 | 168,262 | 173,310 | 178,509 | 183,864 |
| Property Taxes | 20,050 | 20,451 | 20,860 | 21,277 | 21,703 | 22,137 | 22,580 | 23,031 | 23,492 | 23,962 |
| Replacement Reserves | 50,500 | 51,005 | 51,515 | 52,030 | 52,551 | 53,076 | 53,607 | 54,143 | 54,684 | 55,231 |
| Total Expenses | 691,067 | 712,986 | 735,633 | 759,032 | 783,208 | 808,188 | 833,999 | 860,669 | 888,227 | 916,703 |
| Perm Debt Service | 238,206 | 238,206 | 238,206 | 238,206 | 238,206 | 238,206 | 238,206 | 238,206 | 238,206 | 238,206 |
| Tranche B Loan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MHP Annual Debt Svc | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 |
| Total Debt Service | 322,206 |
| Operating Reserve Balance | 506,636 | 506,636 | 506,636 | 506,636 | 506,636 | 506,636 | 506,636 | 506,636 | 506,636 | 506,636 |
| Draws on Reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Operating Income | 370,537 | 375,228 | 379,859 | 384,422 | 388,909 | 393,311 | 397,620 | 401,824 | 405,916 | 409,883 |
| Debt Service Coverage | 1.15 | 1.16 | 1.18 | 1.19 | 1.21 | 1.22 | 1.23 | 1.25 | 1.26 | 1.27 |
| Cash after Exp & DS | 48,331 | 53,022 | 57,653 | 62,216 | 66,703 | 71,105 | 75,414 | 79,619 | 83,710 | 87,677 |
| LP Fee Balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LP Fee Due | 7,000 | 7,210 | 7,426 | 7,649 | 7,879 | 8,115 | 8,358 | 8,609 | 8,867 | 9,133 |
| LP Fee Paid | 7,000 | 7,210 | 7,426 | 7,649 | 7,879 | 8,115 | 8,358 | 8,609 | 8,867 | 9,133 |
| Cash Flow | 41,331 | 45,812 | 50,227 | 54,567 | 58,825 | 62,991 | 67,055 | 71,009 | 74,842 | 78,543 |
| Deferred Developer Fee | 3,406,633 | 3,365,302 | 3,319,490 | 3,269,263 | 3,214,696 | 3,155,871 | 3,092,881 | 3,025,826 | 2,954,816 | 2,879,974 |
| Dev. Fee Payments | 41,331 | 45,812 | 50,227 | 54,567 | 58,825 | 62,991 | 67,055 | 71,009 | 74,842 | 78,543 |
| Cash Flow | 0 |
| MGP Fee Balance | 0 | 10,000 | 20,300 | 30,909 | 41,836 | 53,091 | 64,684 | 76,625 | 88,923 | 101,591 |
| MGP Fee Due | 10,000 | 10,300 | 10,609 | 10,927 | 11,255 | 11,593 | 11,941 | 12,299 | 12,668 | 13,048 |
| MGP Fee Paid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Flow | 0 |
| AGP Fee Balance | 0 | 10,000 | 20,300 | 30,909 | 41,836 | 53,091 | 64,684 | 76,625 | 88,923 | 101,591 |
| AGP Fee Due | 10,000 | 10,300 | 10,609 | 10,927 | 11,255 | 11,593 | 11,941 | 12,299 | 12,668 | 13,048 |
| AGP Fee Paid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Flow | 0 |
| Loan Balance | 24.4 M | 24.4 M | 25.13 M | 25.86 M | 26.6 M | 27.33 M | 28.06 M | 28.79 M | 29.52 M | 30.26 M |
| Interest Charge | 0 | 732,000 | 732,000 | 732,000 | 732,000 | 732,000 | 732,000 | 732,000 | 732,000 | 732,000 |
| Payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 24.4 M | 25.13 M | 25.86 M | 26.6 M | 27.33 M | 28.06 M | 28.79 M | 29.52 M | 30.26 M | 30.99 M |
| Cash Flow | 0 |
| MGP Cash Flow | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

CASH FLOW YR 11-20

KINGDOM DEVELOPMENT INC.

VENTANA AL SUR

100 units plus 1 mgr. unit

TE Bonds + 4% Credits

NC

Non-Rural

PW Senior project

QCT-Yes DDA-No

Development Uses

| Year | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Rental Income | | 1,150,396 | 1,179,155 | 1,208,634 | 1,238,850 | 1,269,821 | 1,301,567 | 1,334,106 | 1,367,459 | 1,401,645 |
| Other Income | 19,201 | 19,681 | 20,173 | 20,678 | 21,195 | 21,724 | 22,268 | 22,824 | 23,395 | 23,980 |
| In-Kind Social Services | 18,938 | 19,506 | 20,091 | 20,694 | 21,315 | 21,954 | 22,613 | 23,291 | 23,990 | 24,710 |
| Subsidy Income | 269,939 | 276,688 | 283,605 | 290,695 | 297,962 | 305,411 | 313,047 | 320,873 | 328,895 | 337,117 |
| Vacancy Loss | 70,574 | 72,338 | 74,147 | 76,000 | 77,900 | 79,848 | 81,844 | 83,890 | 85,987 | 88,137 |
| Adjusted Gross Income | 1,359,842 | 1,393,932 | 1,428,878 | 1,464,701 | 1,501,422 | 1,539,064 | 1,577,650 | 1,617,204 | 1,657,751 | 1,699,315 |
| Standard Expenses | 676,523 | 700,201 | 724,709 | 750,073 | 776,326 | 803,497 | 831,620 | 860,726 | 890,852 | 922,032 |
| PSH Services | 189,380 | 195,062 | 200,913 | 206,941 | 213,149 | 219,544 | 226,130 | 232,914 | 239,901 | 247,098 |
| Property Taxes | 24,441 | 24,930 | 25,428 | 25,937 | 26,456 | 26,985 | 27,524 | 28,075 | 28,636 | 29,209 |
| Replacement Reserves | 55,783 | 56,341 | 56,905 | 57,474 | 58,048 | 58,629 | 59,215 | 59,807 | 60,405 | 61,010 |
| Total Expenses | 946,128 | 976,534 | 1,007,955 | 1,040,425 | 1,073,979 | 1,108,654 | 1,144,489 | 1,181,522 | 1,219,795 | 1,259,348 |
| Perm Debt Service | 238,206 | 238,206 | 238,206 | 238,206 | 238,206 | 238,206 | 238,206 | 238,206 | 238,206 | 238,206 |
| Tranche B Loan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MHP Annual Debt Svc | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 |
| Total Debt Service | 322,206 | 322,206 | 322,206 | 322,206 | 322,206 | 322,206 | 322,206 | 322,206 | 322,206 | 322,206 |
| Operating Reserve Balance | 506,636 | 506,636 | 506,636 | 506,636 | 506,636 | 506,636 | 506,636 | 506,636 | 506,636 | 506,636 |
| Draws on Reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Operating Income | 413,714 | 417,398 | 420,923 | 424,276 | 427,443 | 430,409 | 433,161 | 435,682 | 437,956 | 439,966 |
| Debt Service Coverage | 1.28 | 1.30 | 1.31 | 1.32 | 1.33 | 1.34 | 1.34 | 1.35 | 1.36 | 1.37 |
| Cash after Exp & DS | 91,508 | 95,193 | 98,717 | 102,070 | 105,237 | 108,203 | 110,955 | 113,476 | 115,750 | 117,760 |
| LP Fee Balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LP Fee Due | 9,407 | 9,690 | 9,980 | 10,280 | 10,588 | 10,906 | 11,233 | 11,570 | 11,917 | 12,275 |
| LP Fee Paid | 9,407 | 9,690 | 9,980 | 10,280 | 10,588 | 10,906 | 11,233 | 11,570 | 11,917 | 12,275 |
| Cash Flow | 82,101 | 85,503 | 88,737 | 91,790 | 94,649 | 97,298 | 99,722 | 101,906 | 103,833 | 105,486 |
| Deferred Developer Fee | 2,801,431 | 2,719,330 | 2,633,827 | 2,545,090 | 2,453,300 | 2,358,651 | 2,261,353 | 2,161,631 | 2,059,725 | 1,955,892 |
| Dev. Fee Payments | 82,101 | 85,503 | 88,737 | 91,790 | 94,649 | 97,298 | 99,722 | 101,906 | 103,833 | 105,486 |
| Cash Flow | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MGP Fee Balance | 114,639 | 128,078 | 141,920 | 156,178 | 170,863 | 185,989 | 201,569 | 217,616 | 234,144 | 251,169 |
| MGP Fee Due | 13,439 | 13,842 | 14,258 | 14,685 | 15,126 | 15,580 | 16,047 | 16,528 | 17,024 | 17,535 |
| MGP Fee Paid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Flow | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| AGP Fee Balance | 114,639 | 128,078 | 141,920 | 156,178 | 170,863 | 185,989 | 201,569 | 217,616 | 234,144 | 251,169 |
| AGP Fee Due | 13,439 | 13,842 | 14,258 | 14,685 | 15,126 | 15,580 | 16,047 | 16,528 | 17,024 | 17,535 |
| AGP Fee Paid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Flow | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan Balance | 30.99 M | 31.72 M | 32.45 M | 33.18 M | 33.92 M | 34.65 M | 35.38 M | 36.11 M | 36.84 M | 37.58 M |
| Interest Charge | 732,000 | 732,000 | 732,000 | 732,000 | 732,000 | 732,000 | 732,000 | 732,000 | 732,000 | 732,000 |
| Payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 31.72 M | 32.45 M | 33.18 M | 33.92 M | 34.65 M | 35.38 M | 36.11 M | 36.84 M | 37.58 M | 38.31 M |
| Cash Flow | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MGP Cash Flow | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Printed on 12/17/19 at 10:22 AM

Version: 8.1.1

Updated by: Rusty Leach on 8/13/19

ATTACHMENT 5
PROPOSED LOAN NON-BINDING COMMITMENT TERMS SUMMARY

Ventana al Sur Supportive Housing
4132 Beyer Blvd. (Project)
January 16, 2020

The San Diego Housing Commission ("Housing Commission") is pleased to submit this non-binding commitment term summary. The commitment terms summary is not a binding contract and is subject to the approval by the San Diego Housing Commission Board of Commissioners ("Board of Commissioners") and, if necessary, the Housing Authority of the City of San Diego. The purpose of this commitment terms summary is to set forth the general terms and conditions under which the Housing Commission is interested in making a loan ("Housing Commission Loan") to 4132 Beyer L.P., ("Borrower"), a California limited partnership ("Ventana al Sur") with respect to the proposed new construction and permanent financing of a 101-unit development (with 100 affordable units and one unrestricted manager's unit) located at 4132 Beyer Blvd, San Ysidro. Closing must occur within eighteen (18) months of the Board of Commissioners approval of the Housing Commission loan, unless an extension is granted by the President & CEO of the Housing Commission (or by his designee) in his sole discretion.

In the event of a conflict between any term or provision (or absence of any term or provision) of this commitment terms summary and any term or provision of any approval of any applicable board or governing body, the term or provision of such board or governing body shall apply and shall prevail. Provided that the Housing Commission loan is approved by the Board of Commissioners, and if necessary by Housing Authority of the City of San Diego, the following terms shall apply to the Housing Commission loan. In addition, Exhibit A includes the Borrower's pro forma which models financial projections of the Project.

The terms of the Housing Commission's proposed financing shall be as follows:

1. **Maximum loan amount (not to exceed)** - Up to \$4,400,000 as a residual receipts loan. Loan funds to be used for the acquisition, construction and permanent financing of the Project.
2. **Interest Rate**- 3 percent simple interest.
3. **Loan Term** - The loan will be due, and payable in full, in 55 years from completion of the Project.
4. **Loan Payments** - Annual payments on the loan shall equal the 50% percent of the project's residual cash. Provided, however, if the Housing Commission approves other lenders whose loans will be paid from residual receipts , then the Housing Commission and such other approved lenders shall share the 50% percent of the project's residual receipts, in proportion to the original principal balances of their respective loans. The following items, in addition to other operating expenses, shall be payable by the Borrower prior to the calculation of residual receipts:
 - (i) The year 1 "Limited Partnership Fees" shall be capped at \$25,000 per year. "Limited

Partnership Fees” shall be defined to include any and all partnership-related fees including but not limited to: Investor Partnership fees, Asset Management fees, Other Limited Partnership oversight fees, and General Partner Fees. Partnership fee increases will be capped at three (3) percent annually. Unpaid partnership fees shall not accrue and the Housing Commission will require the Limited Partnership Agreement to explicitly state that requirement.

- (ii) Eligible deferred developer fee, and
- (iii) Repayment of eligible development deficit and operating deficit loans. The Housing Commission Loan will be due and payable in full in 55 years.

5. **Affordability-**

- a. Restricted units must remain affordable for at least 55 years. At escrow closing the Borrower and the Housing Commission shall cause a Declaration of Covenants, Conditions, and Restrictions (CC&R), restricting the rent and occupancy of the affordable units for 55 years, to be recorded against the Project. Such CC&R shall be in a form and format acceptable to the Housing Commission and its General Counsel in their sole discretions.
- b. The affordability shall be as follows:

| Unit Type | AMI | Affordable Units |
|-----------------------------------|------------|-------------------------|
| One-Bedroom | 20% | 20 |
| One-Bedroom | 40% | 30 |
| One-Bedroom | 50% | 30 |
| Subtotal One Bedroom Units | | 80 |
| Two-Bedroom | 20% | 5 |
| Two-Bedroom | 40% | 15 |
| Subtotal Two-Bedroom | | 20 |
| Two-Bedroom Manager Unit | 1 | |
| TOTAL UNITS | | 101 |

6. **Alternate Funding-** If the Borrower does not secure 4 percent tax credits in the California Debt Limit Allocation Committee’s (CDLAC) March funding round of 2020, then borrower shall make application for 4% credits in the subsequent CDLAC funding round of 2020. Borrower shall also seek alternative funding, including but not limited to the State of California Department of Housing and Community Development, County of San Diego, Federal Home Loan Bank, etc. Housing Commission legal counsel will determine if subsequent approvals for alternative financing structures are required by the San Diego Housing Commission Board of Commissioners and the Housing Authority of the City of San Diego.

7. **Appraised Value** - The purchase price of land and improvements shall not exceed the \$2,700,000 appraised value as shown in the Lea & Company January 2, 2018, appraisal report. In the event that the developer, 4132 Beyer L.P., or its affiliate, acquires the land prior to Housing Commission loan closing, 100% of any net sales proceeds resulting from a subsequent sale to the tax credit limited partnership shall be structured as a Seller Carryback Loan. Borrower will submit an updated appraisal report with an effective date that is no more than 90

days before the closing.

8. **Closing Costs** - The Borrower shall pay all escrow, title and closing costs, including, without limitation, paying for an American Land Title Association (ALTA) Lenders Policy for the Housing Commission loan with endorsements, as acceptable to the Housing Commission's legal counsel.
9. **Construction Costs Third-Party Review** -Prior to loan approval a costs review will be obtained by the Housing Commission with a third-party consultant. Borrower will reimburse the Housing Commission at escrow closing for all reasonable third-party review costs.
10. **Contractor** - The construction contract shall be competitively bid to at least three qualified General Contractors and shall be awarded to the lowest qualified and responsive bidder.
 - a. Borrower will submit copies of three qualified bids received from subcontractors for each trade.
 - b. Construction Agreement - Borrower shall submit the proposed Construction Agreement to the Housing Commission for its review and prior approval. The Housing Commission shall have a minimum of two weeks for its review of the proposed Construction agreement.
 - c. Subcontractors – the Borrower shall require the General Contractor to solicit and obtain competitive bids from at least three qualified subcontractors for each major trade involved in the construction of the project. Those bids will be reviewed and approved by the Borrower. The Borrower and General Contractor shall submit the subcontractors' competitive bids to the Housing Commission for prior review and reasonable approval.
 - d. Change orders at or in excess of \$50,000 shall have Housing Commission prior written approval. For proposed change orders over \$50,000, the Borrower and General Contractor shall submit to the Housing Commission a detailed explanation of why the change order work is necessary, why the issue was not included in the original scope of work, and why the change is not being charged against the General Contractor's contingency.
 - e. Agreement Changes - a Construction Agreement with a Guaranteed Maximum Price (GMP) may not be revised to a Lump Sum or other form of Construction Agreement without the prior written approval of the Housing Commission.
 - f. Insurance - prior to close of escrow, evidence of the General Contractor's insurance acceptable to the Housing Commission's legal counsel shall be provided. The Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego, shall be named as additional insureds on the General Contractor's insurance policies.
11. **Tax Credit Equity**- Borrower will provide the Letter Of Intent with equity pricing from the low-income housing tax credit (LIHTC) investor within 90 days of closing.
12. **First Mortgage**- Borrower will provide the term sheet from the first mortgage provider that was used at time of application as well as an update within 90 days of closing.
13. **Cost Certification** - The Borrower shall submit the final tax credit cost certification to the Housing Commission for its review and approval before the cost certifications

completed/finalized.

14. **Cost Savings and/or Additional Proceeds at Escrow Closing** - In the event that the Borrower obtains funds in excess of those shown as sources in Exhibit A Proforma, then upon the construction loan closing, the excess funds shall be used as follows:
- a. First, such excess funds shall be used to fund development cost overruns reasonably approved by the Housing Commission.
 - b. Second, upon Construction Loan Closing and subject to lender and investor approval, any excess funds shall be used to pay the Housing Commission Loan as set forth in Section 14 below.
 - c. Other Public Lenders - If the project financing includes other public lenders who may require cost savings sharing then the cost savings shall be split proportionately based upon the public lenders loan amounts and in conformance with the other public lenders' agreements.

15. **Cost Savings and/or Additional Proceeds at Conversion to Permanent Financing** - In the event that the Borrower obtains funds in excess of those shown as sources in Exhibit A Proforma, (including but not limited to cost savings, improved debt, improved tax credit equity pricing, deferred developer fee if any, and any other sources), then upon conversion to permanent loan, the excess funds shall be used as follows:
- a. First, to pay for development cost overruns reasonably approved by the Housing Commission.
 - b. Second, used to make any necessary adjustment to the total tax credit allocation as may be required by CTCAC.
 - c. Third, payment towards the Borrower's deferred developer fee. The deferred developer fee is currently modeled in the attached pro forma (Attachment A).
 - d. Fourth, cost savings shall be shared fifty percent (50%) to the Borrower and the other fifty percent (50%) will be paid to the Housing Commission and other soft lenders in proportion to the original principal balance of their loans.

16. **Debt Service Coverage Ratio** - Prior to closing, subject to lender and equity investor underwriting criteria, the Housing Commission Loan amount will be adjusted (with a commensurate adjustment to the permanent loan amount) to an amount necessary for the permanent loan to achieve a maximum projected 1.15 debt service coverage ratio.

The Housing Commission loan will be adjusted (with a commensurate adjustment to the permanent loan amount to an amount necessary for the project to remain feasible for a 16-year term. For example, if at closing the project remains feasible past year-16, then, the Housing Commission Loan will be reduced (and the permanent loan amount will be increased to archive a 16-year feasibility period). In no event however, will the Housing Commission subsidy exceed \$4,400,000.

17. **Developer Fee-**
- a. Maximum Fee \$2,212,613 paid from Development Sources with the excess Deferred Developer Fee calculated per TCAC and SDHC guidelines, not to exceed \$5,619,246.

- b. Additional developer fee provisions
 - i. If for any reason the Borrower does not collect the entire developer fee through the last equity installment, with the exception of negative tax credit adjusters, uncollected fee up to \$3,406,633 shall be given priority over Housing Commission residual receipt payments.
 - ii. If any amount of the developer fee is deferred, then such amount shall be repaid during the 15-year tax credit compliance period. Amounts outstanding after the expiration of the 15-year tax credit compliance period shall be contributed to the Project in the form of a capital contribution.
 - c. Developer fee payments shall be paid out incrementally: because this is a tax credit project, the developer fee payments shall be in accordance with lender and investor requirements.
18. **Due Diligence** - The Borrower, at Borrower's expense, shall provide the following: a current appraisal, an environmental review, a lead paint and asbestos review, and a relocation plan for the commercial tenants in the existing buildings that will be demolished upon commencement of construction of the Project.
- a. In order to confirm the above-referenced (at paragraph 15), 1.15 maximum debt service coverage ratio, the Borrower shall provide the Housing Commission with an updated appraisal within 90 days of the estimated escrow closing date.
19. **Environmental Requirements** - Currently HOME funds are planned for this project. Notwithstanding any provision of this Letter, the parties agree and acknowledge that this Letter constitutes a conditional reservation and does not represent a final commitment of HOME funds or site approval under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). HOME funds constitute a portion of the funding for the Project, and a final reservation of HOME funds shall occur only upon satisfactory completion of environmental review and receipt by the City of San Diego of a Release Of Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of NEPA. The parties agree that the provision of any HOME funds to the Project is conditioned on the City of San Diego's determination to proceed with, modify or cancel the Project based on the results of subsequent environmental review under NEPA. By execution of this Letter, you acknowledge no legal claim to any amount of HOME funds to be used for the Project or site unless and until the site has received environmental clearance under NEPA. You are also prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, clearance , rehabilitation, conversion, repair or construction prior to environmental clearance under NEPA. Violation of this provision may result in denial of any HOME funds for this Project.
20. **Fees/Payments to Housing Commission** - Borrower will pay to the Housing Commission:
- a) **Underwriting Fee** - a flat underwriting fee in the amount of **\$60,000** will be charged for each project as reimbursement of Housing Commission costs related to underwriting and issuing the loan. This must be included in the total development cost of a proposed project and is to be paid at close of escrow.
 - b) **Legal Fee**- the Housing Commission charges a legal costs fee for document preparation and review that must be included in the total development cost. Current Housing Commission

legal fees are **\$25,000** and are to be paid at the close of escrow.

- c) Compliance Affordability Monitoring Fee - compliance monitoring fees must be incorporated into the operating proforma. Borrower will pay the fee in accordance with the then-existing Housing Commission fee schedule. Current annual affordability monitoring are as follows: \$150 X 100 (Ventana al Sur project units to be affordability monitored) = **\$15,000** per year. Additional training and assistance is currently at \$100 per hour.
- d) Asset Management Fee- the Housing Commission charges a 15-year capitalized asset management fee of **\$15,000** and is paid at close of escrow.
- e) Environmental Noticing Fee- publishing costs

21. **Fees for Asset Management** (amounts not to exceed)-

- a. As detailed in paragraph 4 (above), the year 1 “Limited Partnership Fees” shall be capped at \$25,000 per year and shall not increase more than 3.0% annually. “Limited Partnership Fees” include Asset management fees (19(d)) related to the investor and general partner's management of the Project.
- b. Unpaid General Partner fees shall not accrue. The Housing Commission will require the Limited Partnership Agreement to explicitly state this requirement.
- c. Any changes to the asset management partnership fees will require the prior written approval of the Housing Commission’s President and CEO or his designee.

22. **Financing Gap** - The Borrower will cover any financing gap that arises after Housing Commission underwriting, with its equity, its developer fee, and/or other non-Housing Commission sources, all of which shall be subject to the approval of the Housing Commission in its sole discretion and will not be unreasonably withheld. No additional Housing Commission funds, beyond this Letter of Intent’s \$4,400,000, will be provided for this project in any Housing Commission’s future Notices of Funds Available.

23. **Funding Sources** - The Housing Commission may fund the Housing Commission Loan from various sources including local, State, and/or federal funds including HOME Investment Partnership Program funds. The Housing Commission reserves the right to allocate available program funds in the best interest of the Housing Commission. Borrower should be familiar with the HOME programs rules and regulations, Federal Davis Bacon law and Section 3.

24. **HOME Investment Partnerships (HOME) Funds** -

HOME funds may be utilized for this project. In the event that HOME funds are utilized, it is estimated that the project would have up to 24 HOME restricted units.

- a. HOME program regulations will be applicable.
- b. HOME funds may not be used to fund any of the following:
 - i) Any reserves are not eligible for HOME funds (including but not limited to operating reserves).
 - ii) Offsite improvements are not eligible for funding with HOME funds.
 - iii) Furnishings costs are not eligible for funding with HOME funds.
 - iv) Commercial space improvements are not eligible for funding with HOME funds.
- c. The HOME IDIS funding system requires at least one HOME draw in a 12 month period and at least

of small portion of the HOME funds must remain in the IDIS system until the project is ready for occupancy.

25. **Insurance** - Borrower shall at all times during the term of the loan maintain General Liability and Property Insurance (fire and extended coverage), workers compensation, builder's completed value risk insurance against "all risks of physical loss" (during construction) and, if required by the Housing Commission, floor and earthquake insurance, in forms acceptable to the Housing Commission and approved by the Housing Commission's General Counsel. The San Diego Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego shall be listed as an additional insureds: for General Liability Insurance, for Property Insurance, and in the General Contractor's Insurance policy. The San Diego Housing Commission shall be endorsed as a loss payee of the private insurance policies. Evidence of borrower's insurance coverage shall be provided to the Housing Commission prior to close of escrow.
26. **Loan Disbursement Schedule** - Upon submittal and approval of eligible costs, the Housing Commission Loan (up to **\$4,400,000**) will be disbursed as follows:
- Up to 75 percent (**\$3,300,000**) at escrow closing.
 - Up to 15 percent (**\$660,000**) to be distributed at 50 percent construction completion,
 - Up to 5 percent (**\$220,000**) to be withheld until the issuance of a Certificate of Occupancy and all unconditional lien releases are forwarded to the Housing Commission.
 - Up to 5 percent (**\$220,000**) upon conversion to permanent financing.
- a. The Housing Commission's President and Chief Executive Officer, or his designee, is authorized to modify the Housing Commission loan disbursement schedule in their sole reasonable discretion.
- b. A portion of the HOME program funds must be withheld until issuance of a Certificate of Occupancy and all unconditional lien releases are forwarded to the Housing Commission, if applicable.
- c. Loan proceeds are disbursed for work completed upon Housing Commission approval of payment requests in a form approved by the Housing Commission. Verifiable documentation of expenses must be submitted with all payment requests.
27. **Loan Payments** – Annual hard payments will not be required. Annual residual receipts payments at 50 percent of cash flow is required.
- a. Starting at the end of the first year after project completion, the Housing Commission will split its share of residual cash flow with Housing Commission-approved public lenders loans, in proportion to their respective loan amounts. Residual payments will begin on May 1, in the year immediately following the calendar year in which construction is completed.
- b. The Housing Commission defines residual receipts as the net cash flow of the development after specified expenses and other debt service are paid.
28. **Management of the Development** -
- a. **Management Plan** - Prior to occupancy the Borrower shall submit a Management Plan to the Housing Commission for its review and approval. The Management Plan shall be subject to initial and periodic approval by the Housing Commission, at its reasonable discretion.
- b. **Approval of Management Fee** - The Borrower's proposed property manager's fee must be approved by the Housing Commission.
- c. The Housing Commission reserves the right to declare Borrower in default of the loan agreement after an uncured ninety (90) day written notice of malfeasance and/or misfeasance in management of the Project.

- d. Manager's Units -Experienced on-site management is required. There shall be one manager's unit.
 - e. Marketing Plan – to ensure compliance with HOME regulations and with federal fair housing requirements prior to occupancy the Borrower shall submit a proposed marketing plan for review and approval by the Housing Commission's Civil Rights Analyst in the Procurement and Compliance Division.
29. **Maximum Resident Service Expenses & Case Management-**
- a. For the calculation of Housing Commission's residual receipts the attached pro forma's operating expense budget models maximum allowable resident supportive services expenses at \$165,466 per year (with a 3 percent annual escalator). Increasing this amount will require prior Housing Commission approval.
30. **Annual Budget Submittal** -three months prior to the end of each calendar year, the borrower shall submit an annual budget for Housing Commission review and prior approval.
31. **Permanent Supportive Housing** - This project will have Twenty-five (25) Project Based Vouchers (PBV) from the Housing Commission.
32. **Prevailing Wage** - It is anticipated that the Project will be subject to Federal Davis-Bacon prevailing wage rates because the Project Based Vouchers 24 HOME program restricted units are above the 12 HOME unit federal threshold level.
33. **Recourse** - The Housing Commission's loan will be recourse until the timely completion of the construction, after which it will become non-recourse.
34. **Reserves:** Replacement reserves and operating reserves must be consistent with lender and equity investor requirements. The Housing Commission reserves the right to require higher operating or replacement reserves.
- a. Replacement Reserve -The attached proforma models an annual replacement reserve at **\$50,500 (\$500 per unit per year)**.
 - b. Operating Reserve - The attached proforma models a capitalized operating reserve at **\$506,636** that is comprised of six months of operating expenses plus debt service, per third party lender requirements. The operating reserve is to be maintained for the entire term of the Housing Commission's loan.
 - c. Disbursements from Reserves: Housing Commission prior written approval shall be required for any and all disbursements, which exceed \$5,000, from either the project's operating reserve funds and/or from the project's replacement reserve funds.
35. **Section 3** - of the HUD Act of 1968 will be applicable and Borrower should be familiar with, and remain in compliance with, all Section 3 requirements.
36. **Security** -The Housing Commission Loan will be secured by a Declaration of Covenants, Conditions and Restrictions (CC&R), a Loan Agreement, and a Deed of Trust which will be senior to the deeds of trust and security instruments securing all other sources of funds secured by the Property, except that the Housing Commission's CC&R and Deed of Trust shall be subordinated to:
- a) The deed of trust and security instruments securing the construction and permanent loan.
 - b) **Lien position** - The lien positions will be approved by the Housing Commission's President and CEO and the Housing Commission's General Counsel. It is intended that the lien positions will be conformance with the public lenders' program requirements, and the requirements of private lenders which may require Housing Commission subordination.
 - c) **Cure Rights** - The Housing Commission shall have the right, but not the obligation, to cure all senior

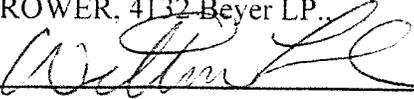
encumbrances in all subordinating agreements that it executes. All subordination agreements shall be subject to the sole approval of the Housing Commission's President and Chief Executive Officer and General Counsel.

37. **Tenant Service Delivery Plan** - Borrower shall submit a draft tenant service delivery plan 90-days prior to occupancy for Housing Commission staff review and comment. Borrower shall submit a revised draft incorporating Housing Commission comment prior to occupancy of the first tenant. A final tenant service deliver plan shall be subject to the approval of the Housing Commission in its reasonable discretion and will not be unreasonably withheld prior to project lease up.
38. **Title (ALTA Lender's Policy)** -The Borrower shall acquire, at its sole cost and expense, ALTA Lender's Policies for the loan with endorsements acceptable to the Housing Commission insuring the Housing Commission' s loan.
39. **Miscellaneous Additional Conditions** - The Housing Commission reserves the right to impose such additional conditions in the final documentation of the transaction as are reasonably necessary to protect the interests of the Housing Commission and fulfill the intent of this letter.
40. **Exhibit A - Proforma** - is attached hereto and is hereby incorporated.

If the Borrower is willing to proceed on the terms and conditions referenced herein, please execute this letter of intent and return it to the undersigned by January 29, 2020, so that this letter of intent may be attached to the Housing Commission Board report.

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ACKNOWLEDGED AND AGREED TO BY:
BORROWER, 4132 Beyer LP.

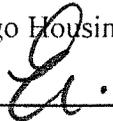
By: 

Print Name: William Feuch

Title: President of ACP of LP

Date: 1/29/20

San Diego Housing Commission

By: 

Print Name: Emily S. Jacobs

Title: CVP

Date: 1-29-2020

Attachment: Exhibit A Developer's Pro forma

ATTACHMENT 6
HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE
BOND PROGRAM SUMMARY

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

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

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

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

Approval Process:

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

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

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

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

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

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

ATTACHMENT 7
MAAC - DEVELOPER'S DISCLOSURE STATEMENT

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

1. Name of CONTRACTOR: Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County Inc
("MAAC")
2. Address and Zip Code: 1355 Third Ave, Chula Vista, CA 91911
3. Telephone Number: 619-426-3595
4. Name of Principal Contact for CONTRACTOR: Isabel St.Germain Singh
5. Federal Identification Number or Social Security Number of CONTRACTOR: 95-2457354
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)

ATTACHMENT: Articles of Incorporation & 2 Amendments (3 files)

ATTACHMENT: IRS Determination Letter (2019)

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:

June 14, 1965

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%. (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: | Jesse Q. Allen | Board Chairperson |
| Address: | 1078 Vega Way, San Marcos, CA 92078 | Interest: 0% |
| Name: | Rodrigo Guevara | Board Vice Chair |
| Address: | 4508 New Hampshire St. San Diego, CA 92116 | Interest: 0% |
| Name: | Viviana Ochoa | Board Treasurer |
| Address: | 8477 Denton Street La Mesa, CA 91942 | Interest: 0% |
| Name: | Darjene Graham | Board Secretary |
| Address: | 812 Daybreak Place Vista, CA 92084 | Interest: 0% |
| Name: | Rebecca Chaney | Board Member |
| Address: | 611 Norwynn Lane Fallbrook, CA 92028 | Interest: 0% |
| Name: | Teresa Acosta | Board Member |
| Address: | 7185 Estrella de Mar Road, Unit B Carlsbad, CA 92009 | Interest: 0% |
| Name: | Francisco Medrano | Board Member |
| Address: | 7798 Starling Dr, Unit 315 San Diego CA 92123 | Interest: 0% |
| Name: | John Muñoz | Board Member |
| Address: | 2065 Diamond, San Diego, CA 92109 | Interest: 0% |
| Name: | Gustavo Perez | Board Member |
| Address: | 1443 Avenida La Posta Encinitas, CA 92024 | Interest: 0% |
| Name: | Shreya Sasaki | Board Member |
| Address: | 13558 Arroyo Dale Lane San Diego, CA 92130 | Interest: 0% |
| Name: | Jeffrey Dziedzic | Board Member |
| Address: | 16953 New Rochelle Way, Unit 60 San Diego, CA 92127 | Interest: 0% |

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.

YES. Board Members Rebecca Chaney, Teresa Acosta, and Francisco Medrano will all be leaving the board of directors within the next 12 months. The board then goes to a screening of applicants to fill the vacant positions.

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):

N/A

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:

N/A

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. YES.

| Name and Address | | Relationship to CONTRACTOR |
|------------------|---|--|
| Name: | Seniors on Broadway LP | MAAC is the general partner of the LP |
| Address: | 1355 3 rd Ave, Chula Vista, CA 91911 | Commonality: MAAC Board of Directors & Execs |
| Name: | Mercado Apartments LP / MAAC Mercado LLC | MAAC is the general partner of the LP, and the sole member of LLC (which is the limited partner of the LP) |
| Address: | 1355 3 rd Ave, Chula Vista, CA 91911 | Commonality: MAAC Board of Directors & Execs |
| Name: | Mercado 2019 LP / Mercado MGP 2019 LLC | MAAC is the general partner of the LP, and the sole member of the LLC (the limited partner of the LP) |
| Address: | 1355 3 rd Ave, Chula Vista, CA 91911 | Commonality: MAAC Board of Directors & Execs |
| Name: | 5471 Bayview Heights LP / MAAC Bayview Heights LLC | MAAC is manager of the LLC, which is the general partner of the LP. |
| Address: | 1355 3 rd Ave, Chula Vista, CA 91911 | Commonality: MAAC Board of Directors & Execs |
| Name: | MAAC San Martin de Porres LLC | MAAC is sole member of the LLC |
| Address: | 1355 3 rd Ave, Chula Vista, CA 91911 | Commonality: MAAC Board of Directors & Execs |
| Name: | Carlsbad Laurel Tree Apartments LP | MAAC is general partner of the LP |
| Address: | 1355 3 rd Ave, Chula Vista, CA 91911 | Commonality: MAAC Board of Directors & Execs |
| Name: | 4132 Beyer LP | MAAC is general partner of the LP |
| Address: | 1355 3 rd Ave, Chula Vista, CA 91911 | Commonality: MAAC Board of Directors & Execs |

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.

ATTACHMENT: MAAC Statement of Financial Position 2019-06-30

Statements reflecting financial condition for period 24 months prior to date of the above-referenced report are included in the attached audited financial statements

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

Ventana al Sur Apartments has a projected total development cost of \$49,757,579 (\$492,649/unit). Financing will include a combination of tax-exempt bonds, federal 4% tax credits, San Diego Housing Commission Loan, California Department of Housing & Community Development MHP Loan and deferred developer fees..

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

- a. In banks/savings and loans:
 - Name: East West Bank
 - Address: 19540 Jamboree Rd, Ste 150, Irvine, CA 92612
 - Amount: \$ 500,000
- b. By loans from affiliated or associated corporations or firms: N/A.
 - Name:
 - Address:
 - Amount: \$
- c. By sale of readily salable assets/including marketable securities: N/A.

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

| Name and Address | Contact Name |
|---|----------------|
| Name: East West Bank | Maureen Finn |
| Address: 19540 Jamboree Rd, Ste 150 Irvine, CA 92612 | |
| Name: California Bank & Trust | Jacob Richards |
| Address: 4320 La Jolla Village Dr, Ste 130 San Diego, CA 92122 | |
| Name: Red Stone Equity Partners | Matt Grosz |
| Address: 5800 Armada Dr, Ste 235 Carlsbad, CA 92008 | |

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: NONE / 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: N/A

a. Name and addresses of such contractor or builder: N/A

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): N/A

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

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

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

23. Does any member of the governing body of the San Diego Housing Commission ("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 the 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: N/A

24. Statements and other evidence of the CONTRACTOR's qualifications and financial responsibility (other than the financial statement referred to in Item 8) are attached hereto and hereby made a part hereof as follows: NONE.

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

Yes No

If yes, explain: N/A

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

ATTACHMENT: Certificate of Liability Insurance (MAAC) 2019-07-02

NOTE: This attachment applies to items a. through f.

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

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

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)]

COVERAGE TYPE: Abuse Liability: \$1M/\$2M

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 SDHC setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the 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 the SDHC, 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 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: NONE
31. Has the CONTRACTOR ever been disqualified, removed from or otherwise prevented from bidding on or completing a federal, state, or local government project because of a violation of law or a safety regulation?

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) |
|-------------------|---------------------|----------------|------------------------|------------------|---------------------|
|-------------------|---------------------|----------------|------------------------|------------------|---------------------|

| | | | | | |
|-------|--|--|--|--|--|
| None. | | | | | |
|-------|--|--|--|--|--|

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 SDHC.

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 SDHC.

MAAC is proposing to develop MAAC's own project using tax-exempt bond funding. The experience of the development team and consultants will help to ensure timely performance and completion of the project. The developer has a dedicated staff to ensure compliance with program requirements and timely achievement of project goals and outcomes. The general contractor has over 30 years of experience, much of it constructing and rehabilitating affordable housing.

35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from SALES of Real Property to, the 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 |
|---------|--|---|------------------|
| 11/2007 | SDHC | Repaid 2015 | 670,000 |
| 11/2007 | SDHC | Repaid 2015 | 799,957 |
| 1/2007 | SDHC | Repaid 2015 | 799,370 |
| 6/2004 | County of San Diego HCD | Current | 356,000 |
| 6/2004 | County of SDRA | Current | 1,000,000 |
| 5/1995 | City of San Diego (successor agency to) | Current | 1,425,000 |
| 5/1995 | City of San Diego (success agency to) | Current | 1,998,440 |

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:

NONE.

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

Yes

No

If yes, explain:

NONE.

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

N/A. Developer is not proposing to perform general contracting duties; general contractor will be a third party.

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.

MAAC has developed, owned, and managed affordable housing communities since 1994. MAAC’s own portfolio includes six affordable housing communities (over 700 units) in San Diego County. Over the years, MAAC and its team have formed lasting relationships within the community and industry that enable it to be successful in funding, building, and operating its communities. MAAC’s development team has decades of combined experience in their respective fields bringing thousands of affordable housing to market. Most recently, in 2019, MAAC began the renovation of 300 units at Hillside Views which is expected to complete early 2020.

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

| Name | Experience |
|--|--|
| <p>Chance Hudson Project Superintendent Sun Country Builders</p> | <p><u>Summary of Qualifications</u></p> <ul style="list-style-type: none"> • Detail oriented, efficient manager of schedules and timelines, great relationships with owners, subs, and site personnel. • Eight years of construction management experience, all managing the renovation of affordable multi-family apartments. <p><u>Employment History</u></p> <p><u>2015-Present Sun Country Builders / Project Superintendent / Vista, CA</u></p> <ul style="list-style-type: none"> • Led the construction and rehab of both interior and exterior scopes. • Obtained building permits and scheduled inspections. • Effectively created hourly production schedules. • Made all field decisions through clear and professional communication between owners, architects, and property management. • Create for approval all RFI’s, IFD’s and other work orders / change orders. • Responsible for the following daily / weekly reports: Daily Construction Report, 3 week look ahead, Site Sub list report, Site Super Inspection Report, Time Cards for all SCB personnel. • Responsible for the overall site safety and safety of the work performed by all contractors on site which includes ensuring all PPE is worn and all procedures are followed daily. <p><u>Successful projects:</u></p> <ul style="list-style-type: none"> • Vista Las Flores – Carlsbad, CA <p>Complete interior renovation of 28 unit apartment complex with addition of solar PV.</p> |

- **Cypress Cove Apartments - 260 N. Midway Escondido, CA**
200 unit full interior rehab, new roof sheathing, hot mop roofing system, framing and stucco repairs throughout site, installation of new soccer field, solar PV and solar thermal hot water system. Correction of construction defects resulting from the work of another contractor. Work involved correction of challenging water intrusion issues.
- **Cedar Nettleton Apartments - Vista, CA**
68 unit full interior rehab, new flat roof.
- **Beautiful Light Inn Apartments - San Bernardino, CA**
100 unit full interior rehab, new shingle, and TPO roof.
- **Manzanita Apartments - Escondido, CA**
60 unit rehab of kitchen cabinets and flooring.

2008-2011 – Portrait Homes / Project Superintendent / Corona, CA

- Led the construction and rehab of both interior and exterior scopes.
- Obtained building permits and scheduled inspections.
- Effectively created hourly production schedules.
- Made all field decisions through clear and professional communication between owners,

Successful Projects:

- **Country Club Apartments** 100 unit rehab Oceanside, Ca
- **Village Green Apartments** 150 unit rehab San Diego, Ca
- **Vista Grande** 68 unit rehab with new construction of community bldg. San Diego, Ca
- **740 Olive St.** 300 unit / 12 story rehab Downtown LA

2002-2008 – Lowe’s Home Improvement / Operations Manager / Corona, Lake Elsinore, Temecula

- Held positions as an Assistant Store Manager and Sales Manager
- Responsible for the budgets, special order/commercial/installed sales, along with the overall appearance of the store.
 - Outside vendor relations and sales.

1996-2000 – United States Marine Corps / SGT of Marines, E-5 / Saudi Arabia 2 years. Camp Pendleton, Japan, Kenya

Education, Qualifications and Certificates

| | |
|--|---------------------|
| • United States Marine Corps | • Microsoft Project |
| • Escambia HS Pensacola, FL / HS diploma | • OSHA 10 & OSHA 30 |
| • SMART SAFETY Scaffold Course | • First Aid / CPR |

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 the 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 the 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 the 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 26 day of December, 20 19, at San Diego, California.

CONTRACTOR

By: 
Signature

President & CEO
Title

CERTIFICATION

The CONTRACTOR, METROPOLITAN AREA ADVISORY COMMITTEE ON ANTI-POVERTY OF SAN DIEGO COUNTY, INC., hereby certifies that this CONTRACTOR's Statement for Public Disclosure and the attached information/evidence of the CONTRACTOR's qualifications and financial responsibility, including financial statements, are true and correct to the best of CONTRACTOR's knowledge and belief.

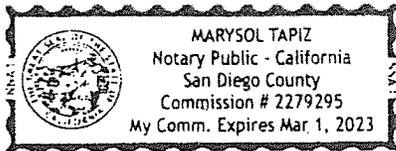
By: *Arnulfo Manriquez* By: _____
Title: PRESIDENT & CEO Title: _____
Dated: 12.26.19 Dated: _____

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

JURAT

State of California
County of San Diego

Subscribed and sworn to (or ~~affirmed~~) before me on this 26th day of December, 2019
by Arnulfo Manriquez personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



Marysol Tapiz
Signature of Notary

SEAL

*Marysol Tapiz
Comm # 2279295
Exp. 03/01/2023*

MAAC, REO and AFFILIATES
STATEMENT OF FINANCIAL POSITION (Unaudited)
AS OF JUNE 30, 2019

| | | <u>CURRENT YEAR BALANCE</u> | <u>SENIORS ON BROADWAY</u> | <u>5471 BAYVIEW HEIGHTS LP</u> | <u>TOTAL MAAC & AFFILIATES</u> |
|---|----|-----------------------------|----------------------------|--------------------------------|------------------------------------|
| Current assets | | | | | |
| Cash & Cash Equivalents | 1 | 5,267,181 | 53,834 | 50,811 | 5,371,825 |
| Restricted Cash | 1A | 9,623,952 | - | 2,008,411 | 11,632,364 |
| Accounts Receivable (Net) | 3 | 7,783,113 | 1,001 | 55,014 | 7,839,128 |
| Prepaid Expenses | 4 | 377,455 | 2,750 | 8,051 | 388,256 |
| Other Current Assets & Deposits | 5 | 309,866 | 11,391 | 4,093 | 325,352 |
| Total Current assets | | 23,361,567 | 68,975 | 2,126,382 | 25,556,925 |
| Restricted Cash -Reserves | 2 | 2,910,480 | 136,276 | 1,020,406 | 4,067,162 |
| Property & Equipment (Net) (Includes CIP) | 6 | 6,961,060 | 8,190,220 | 21,987,357 | 37,138,637 |
| Investment in Rental Property | 7 | 26,968,344 | - | - | 26,968,344 |
| Investment in Other Entities | 8 | 9,831,129 | - | - | 9,831,129 |
| Total Other assets | 9 | 1,950,430 | 38,300 | 120,122 | 2,108,852 |
| Long Term Receivables | | 25,639,906 | - | 29,050,001 | 54,689,907 |
| Bonds Collateral Held by Trustees | | - | - | - | - |
| Total assets | | 97,622,917 | 8,433,771 | 54,304,268 | 160,360,955 |
| Current Liabilities | | | | | |
| Accounts Payable | 10 | 324,926 | 87,153 | 1,160,606 | 1,572,686 |
| Other AP and Accrued Payables | 11 | 1,245,606 | 225 | 60,363 | 1,306,393 |
| Accrued Payroll and Related Expenses | 12 | 1,374,479 | 2,765 | 9,558 | 1,386,802 |
| Current Portion Long Term Debt | 13 | 576,790 | - | - | 576,790 |
| Taxes Payable | 14 | 185,728 | - | - | 185,728 |
| Deferred Revenue and Cash Advances | 15 | 170,150 | -34 | 13,403 | 183,986 |
| Total Current Liabilities | | 3,877,679 | 90,577 | 1,244,130 | 5,212,386 |
| Long term liabilities | | | | | |
| Long Term Debt | 16 | 21,172,719 | 7,017,316 | 81,327,133 | 109,517,168 |
| Accrued Interest Long Term Debt | 17 | 5,736,624 | 1,398,478 | 79,401 | 7,214,502 |
| Other Liabilities | 18 | 223,382 | 24,665 | 3,626,528 | 5,874,575 |
| Total Long Term Liabilities | | 27,132,724 | 8,440,459 | 87,033,062 | 122,606,245 |
| Total Liabilities | | 31,010,403 | 8,531,036 | 88,277,192 | 127,818,631 |
| Net Assets | | | | | |
| Fund Balance | 19 | 66,804,590 | 161,166.99 | (34,433,589) | 32,532,168 |
| Changes From Activities | 20 | (192,077) | (258,432) | 460,666 | 10,156 |
| Total Net Assets | | 66,612,513 | (97,265) | (33,972,923) | 32,542,325 |
| Total Liabilities & Net Assets | | 97,622,917 | 8,433,771 | 54,304,268 | 160,360,955 |



**ATTACHMENT 8
KINGDOM - DEVELOPER'S DISCLOSURE STATEMENT**

COMMISSION

Real Estate Department

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

1. Name of CONTRACTOR: Kingdom Development

2. Address and Zip Code: 6451 Box Springs Blvd., Riverside, CA 92507

3. Telephone Number: 951-538-6244

4. Name of Principal Contact for CONTRACTOR: William Leach

5. Federal Identification Number or Social Security Number of CONTRACTOR:
32-0483333

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:

4/26/2016

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

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

| Name, Address and Zip Code _____ | Position Title (if any) and percent of interest or description of character and extent of interest |
|-------------------------------------|--|
|-------------------------------------|--|

(Attach extra sheet if necessary)

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

No.

10. Is it anticipated that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.
No.

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

Name, Address and
Zip Code _____

Position Title (if any) and
extent of interest _____

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

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.
No.

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.
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:

We anticipate the following sources: Perm bond proceeds, Tax credit proceeds, SDHC Loan, MHP loan, Deferred developer fee

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: TBD

Amount: \$ 17,616,335 Equity

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

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

Amount: \$ 49,757,579

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

| <u>Description</u> | <u>Market Value</u> | <u>Mortgages or Liens</u> |
|--------------------|---------------------|---------------------------|
| | \$ | \$ |

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

Mike Hemmens- Citibank

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

 Yes X No

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

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

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

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

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

Not Applicable.

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

N/A

- 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: \$ 100M+

-

General description of such work:

Completed New Construction on the Following:

- a. New Construction homeless project in Escondido
 - a. Solutions Escondido Apartments
 - b. 32 Units
- b. Historic Rehab project in Tacoma, WA
 - a. The Winthrop
 - b. 190 Units
- c. Rehabilitation project in Anaheim
 - a. Pebble Cove
 - b. 111 Units
- d. Rehabilitation project in Garden Grove
 - a. Sycamore Canyon
 - b. 78 Units
- e. Highrise Rehab in Long Beach
 - a. City View
 - b. 296 Units

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

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

| <u>Identification of Contract or Development</u> | <u>Location</u> | <u>Amount</u> | <u>Date to be Completed</u> |
|--|-----------------|---------------|-----------------------------|
| N/A | | | |

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

| <u>Awarding Agency</u> | <u>Amount</u> | <u>Date Opened</u> |
|------------------------|---------------|--------------------|
| N/A | | |

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

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

If yes, explain.

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

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

If yes, explain:

26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverages: List the

amount of coverage (limits) currently existing in each category: See Certificates Attached.

- 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:

| <u>Government Entity</u> | <u>Date</u> | <u>Resolution</u> |
|--------------------------|-------------|-------------------|
| <u>Making Complaint</u> | | |
| 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. If so, please explain the circumstances in detail. If none, please so state:

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

| Governmental Description Revocation | License | Date Issued | Status |
|--|----------------|---------------|------------------------------------|
| <u>Agency</u> (yes/no) | <u>License</u> | <u>Number</u> | <u>(original)</u> <u>(current)</u> |

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.
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> |
|-------------|--|--|--------------------------------|
|-------------|--|--|--------------------------------|

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:

Name: Karen Youel- Housing Manager

Address: 201 N Broadway, Escondido, CA 92025

Phone: 760-839-4518

Project Name and Description: Solutions Escondido- 32 Homeless units

Name: Margery Pierce- Neighborhood Services

Address: 321 N. Nevada St., Oceanside, CA 92054

Phone: 760-435-3360

Project Name and Description: North Coast Terrace- 31 Homeless Units

Name: Andy Nogal

Address: 201 S. Anaheim Blvd, Anaheim, CA 92805

Phone: 714-765-4368

Project Name and Description: Pebble Cove- 86 Rehab Units

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.

William Leach, President of Kingdom Development, has over 15 years experience in the industry.

40. Give the name and experience of the proposed Construction Superintendent.
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 ("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).

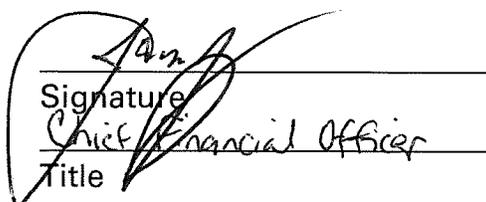
CONTRACTOR represents and warrants to the COMMISSION, the AUTHORITY and the CITY that by providing the information requested herein and waiving any and all privileges available under the Evidence Code of the State of California, State and Federal Law, (to the extent of this disclosure that the information 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 26 day of December, 2019, at San Diego, California.

CONTRACTOR

By:



Signature
Chief Financial Officer

Title

CERTIFICATION

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

By: [Signature]
Title: Chief Financial Officer
Dated: 12-26-19

By: _____
Title: _____
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 Riverside

Subscribed and sworn to before me this 26 day of December, 2019.

California Loose Certificate Attached

Signature of Notary

Name of Notary

SEAL

JURAT

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

State of California

County of Riverside

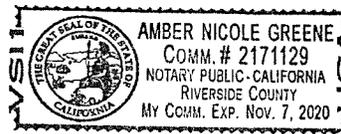
Subscribed and sworn to (or affirmed) before me on this 26 day of December,
2019 by James Jernigan

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



Signature

(Seal)



OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

Certification

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages 2 ^{of} 17 Document Date 12/26/19

Additional information

INSTRUCTIONS

The wording of all Jurats completed in California after January 1, 2015 must be in the form as set forth within this Jurat. There are no exceptions. If a Jurat to be completed does not follow this form, the notary must correct the verbiage by using a jurat stamp containing the correct wording or attaching a separate jurat form such as this one with does contain the proper wording. In addition, the notary must require an oath or affirmation from the document signer regarding the truthfulness of the contents of the document. The document must be signed AFTER the oath or affirmation. If the document was previously signed, it must be re-signed in front of the notary public during the jurat process.

- State and county information must be the state and county where the document signer(s) personally appeared before the notary public.
- Date of notarization must be the date the signer(s) personally appeared which must also be the same date the jurat process is completed.
- Print the name(s) of the document signer(s) who personally appear at the time of notarization.
- Signature of the notary public must match the signature on file with the office of the county clerk.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different jurat form.
 - ❖ Additional information is not required but could help to ensure this jurat is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
- Securely attach this document to the signed document with a staple.

ARTICLES OF INCORPORATION
OF
Kingdom Development, Inc.

FILED *ank*
Secretary of State
State of California

DEC 29 2015

ICC

Article I

The name of the corporation is Kingdom Development, Inc.

Article II

- A. This corporation is a nonprofit Public Benefit Corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.
- B. The specific and exempt purpose of this corporation is to charitably assist people in need with improving their welfare and/or living conditions, including through (i) the fostering of low income housing; (ii) indirectly or directly developing, promoting, financing, constructing, owning, leasing, acquiring, transferring, managing, operating and/or rehabilitating senior housing intended to relieve stress on the elderly and/or low income housing; (iii) providing service to, and/or consulting for or with, persons who are indirectly or directly developing, promoting, financing, constructing, owning, managing operating and/or rehabilitating senior housing intended to relieve stress on the elderly and/or low income housing; and/or (iv) providing services to people who reside in senior or low income housing.

Article III

The name and address in the State of California of this Corporation's initial agent for service of process is:

William Leach, 8140 Northpark Dr., Riverside, CA 92508

Article IV

The initial corporate street address is:

8140 Northpark Dr., Riverside, CA 92508

The initial corporate mailing address is:

8140 Northpark Dr., Riverside, CA 92508

Article V

- A. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code.
- B. Notwithstanding any other provision of these articles, this corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (b) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.
- C. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

Article VI.

- A. The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer, or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, the assets remaining after the payment, or provision for payment of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501 (c) (3) of the Internal Revenue Code.
- B. Personal Liability of all directors of the corporation to the corporation for monetary damages of breach of duty of care and other duties as a director is hereby eliminated to the extent allowed by the California Nonprofit Corporation Law. To the fullest extent provided by California law, the private property of the directors shall be non-assessable and shall not be subject to the payment of any corporate debts, nor shall the directors of the corporation become individually or corporately liable or responsible for any debts or liabilities of the corporation.

Dated: December 28, 2015



 William D. Leach, Incorporator



I hereby certify that the foregoing transcript of 2 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

JAN 6 - 2016 *AP*

Date: _____

Alex Padilla

ALEX PADILLA, Secretary of State

State of California
Secretary of State

CERTIFICATE OF STATUS

ENTITY NAME:

KINGDOM DEVELOPMENT, INC.

FILE NUMBER: C3857671
FORMATION DATE: 12/29/2015
TYPE: DOMESTIC NONPROFIT CORPORATION
JURISDICTION: CALIFORNIA
STATUS: ACTIVE (GOOD STANDING)

I, ALEX PADILLA, Secretary of State of the State of California,
hereby certify:

The records of this office indicate the entity is authorized to
exercise all of its powers, rights and privileges in the State of
California.

No information is available from this office regarding the financial
condition, business activities or practices of the entity.



IN WITNESS WHEREOF, I execute this certificate
and affix the Great Seal of the State of
California this day of July 22, 2019.

A handwritten signature in black ink, appearing to read "Alex Padilla".

ALEX PADILLA
Secretary of State



1300 I Street
P. O. Box 903447
Sacramento, CA 94203-4470
Telephone: (916) 445-2021 Ext. 4
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September 27, 2016

KINGDOM DEVELOPMENT, INC.
8140 NORTH PARK DR.
RIVERSIDE, CA 92058

CT FILE NUMBER: **CT0242555**

RE: CONFIRMATION OF REGISTRATION WITH THE ATTORNEY GENERAL'S
REGISTRY OF CHARITABLE TRUSTS

The captioned **entity is now registered** with the Registry of Charitable Trusts and has been assigned the registration ("CT") number set forth above.

The RRF-1 must be filed annually four months and 15 days after the end of the organization's accounting period. If an extension was requested from IRS, please file the RRF-1 with the completed IRS informational return together with a copy of all extension requests.

The organization's address of record is used for any necessary contact. Please advise us, in writing, of any address change.

If the captioned organization contracts with a commercial fundraiser for charitable purposes or fundraising counsel, that entity must also register and file annual reports with the Registry.

All forms and instructions are available on our website at <http://ag.ca.gov/charities>.

Directors of nonprofit corporations are required to adhere to the provisions of the California Nonprofit Corporation Law (Corporations Code section 5000, et seq.).

Trustees for charitable purposes are required to adhere to the provisions of California Probate Code (commencing with section 15000).

Your directors should adhere to the provisions of the Nonprofit Corporation Law, particularly Corporations Code sections 5230-5260 relating to standards of conduct, investments, examination by the Attorney General, and compliance with the Internal Revenue Code. The code should be available in a local library.

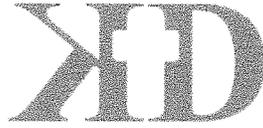
Charitable trustees should be aware of and adhere to the statutory requirements relating to obligations and duties of trustees as set forth in California Probate Code section 15000, et seq.

Sincerely,

Registry of Charitable Trusts

For

KAMALA D. HARRIS
Attorney General



Kingdom Development believes that everyone deserves a loving family and safe place to live.

#EndFamilylessness

Board of Directors

Kingdom's board of directors is a pragmatic group of public servants, dedicated to using their talents to love their neighbors. Comprised of pastors, law enforcement officers, military veterans, and business administrators, the board exemplifies delivering hope, protecting the community, defending the weak, and converting plans into action.

William Leach is an **Affordable Housing Developer** with 13 years' experience. William has a Bachelor's Degree from Southern Illinois University in Workforce Education and an MBA from University of Southern California. William also served in the United States Army for 10 years.

Keven Petty has been an **Assemblies of God Pastor** for 19 years. Keven has a Bachelor's Degree in Pastoral Studies and a Master's Degree in Church Leadership from Vanguard University, Costa Mesa, CA. Keven currently serves his community as a Pastor in Rialto, CA.

Ryan Roland, has been a **California Highway Patrolman** for 4 years. Ryan has a Bachelor's Degree in Kinesiology from Cal State Long Beach and has served his community as a lifeguard and Sports Medicine Trainer for youth programs. Ryan also provides passion and perspective, having aged out of foster care from the County of San Diego.

Jim Leach is a retired **County Administrator**, serving the Riverside County Department of Social Service for over 20 years. Jim has a Bachelor's Degree in Bible from Central Bible College and a Master's in Public Administration from Cal State San Bernardino. Jim also served as a US Marine for 5 years and currently serves as a Pastor in Jasper, Oregon.

Jerry Martin has been a **Law Enforcement Officer** for over 8 years. Jerry acts as an Officer Safety Trainer and Drug Recognition Expert. Jerry also serves his community as a tennis, softball, Jujitsu, and soccer coach to the youth in his community.

Advisory Committee

Caleb Roope, President of The Pacific Companies, an experienced developer of affordable housing, market rate housing, and charter schools

Josh Hamilton, Vice President of Lending for Century Housing., a Community Development Financial Institution, having financed over 25,000 affordable units

Thomas Hodgin, President of TAH Consulting, a General Contractor having built over 1,000 affordable housing units in the past 11 years

Peter Barker, President of Barker Management Inc., a property management company, currently managing approximately 10,000 affordable housing units

Kingdom Development, Inc.
a California nonprofit public benefit corporation

Officers

Vice President
Rusty
Leach

President
William
Leach

Secretary
Mallory
Drohan

Directors

James
Leach

William
Leach

Jerry
Martin

Keven
Petty



Ryan
Roland

Run Date: 12/26/2019

Kingdom

User: Krista Bain

Income Statement

For Month and Year Ending 12/26/2019

| | <u>Month To Date</u> | <u>Year To Date</u> |
|---|----------------------|-----------------------|
| Income | | |
| Revenue Consulting | \$60,000.00 | \$971,624.38 |
| Revenue Partnership Fees | \$0.00 | \$12,318.39 |
| Revenue Donations | \$0.00 | \$25,250.00 |
| Revenue Interest | \$0.00 | \$5,550.99 |
| Total Income | \$60,000.00 | \$1,014,743.76 |
| Cost of Sales | | |
| Supplies | \$579.33 | \$11,528.64 |
| Total Cost of Sales | \$579.33 | \$11,528.64 |
| Gross Margin | \$59,420.67 | \$1,003,215.12 |
| General and Administrative Costs | | |
| Mileage | \$161.62 | \$2,550.58 |
| Bank Charges | \$15.00 | \$136.00 |
| Charitable Contributions | \$0.00 | \$41,130.93 |
| Program Expenses | \$732.58 | \$767.39 |
| Corporate Meals | \$1,658.06 | \$24,562.77 |
| Education | \$0.00 | \$14,335.10 |
| Hardware and Software | \$558.84 | \$21,649.18 |
| Events | \$1,128.08 | \$9,030.77 |
| Insurance | \$0.00 | \$4,294.00 |
| Professional Fees | \$0.00 | \$5,228.00 |
| Phone | \$0.00 | \$100.00 |
| Medical | \$0.00 | \$550.00 |
| Marketing Media | \$0.00 | \$0.00 |
| Payroll Wages | \$39,409.74 | \$416,660.48 |
| Payroll Taxes | \$13,770.16 | \$179,661.36 |
| Payroll Service | \$68.00 | \$712.00 |
| Rent and Utilities | \$0.00 | \$35.00 |
| Printing and Shipping | \$69.16 | \$1,734.18 |
| Taxes and Filing Fees | \$0.00 | \$2,051.51 |
| Corporate Travel | \$133.96 | \$6,035.35 |
| Marketing Travel | \$561.19 | \$11,341.62 |
| Marketing Meals | \$305.44 | \$1,634.70 |
| Total General and Administrative | \$58,571.83 | \$744,200.92 |
| Other Income (Expense) | | |
| Dividends Income | \$0.00 | \$0.00 |
| Depreciation | \$0.00 | \$0.00 |
| Other Misc. Costs | \$0.00 | \$0.00 |
| Total Other Income (Expense) | \$0.00 | \$0.00 |

| | <u>Month To Date</u> | <u>Year To Date</u> |
|-------------------|----------------------|---------------------|
| Net Income | <u>\$848.84</u> | <u>\$259,014.20</u> |

Run Date: 12/26/2019

Kingdom

User: Krista Bain

Balance Sheet Summary

As of Monday, December 31, 2018

ASSETS

Current Assets

| | |
|---------------------------------|----------------|
| Cash and Short Term Investments | \$570,629.46 |
| Accounts Receivable - Net | \$213,910.85 |
| Other Current Assets | \$1,490,154.17 |

| | |
|-----------------------------|------------------------------|
| Total Current Assets | <u>\$2,274,694.48</u> |
|-----------------------------|------------------------------|

Long Term Assets

| | |
|--------------------|-------------|
| Fixed Assets - Net | \$18,471.11 |
|--------------------|-------------|

| | |
|-------------------------------|---------------------------|
| Total Long Term Assets | <u>\$18,471.11</u> |
|-------------------------------|---------------------------|

| | |
|---------------------|------------------------------|
| Total Assets | <u>\$2,293,165.59</u> |
|---------------------|------------------------------|

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities

| | |
|------------------|-------------|
| Accounts Payable | \$17,925.42 |
|------------------|-------------|

| | |
|----------------------------------|---------------------------|
| Total Current Liabilities | <u>\$17,925.42</u> |
|----------------------------------|---------------------------|

| | |
|------------------------------|----------------------------|
| Long Term Liabilities | <u>\$178,259.90</u> |
|------------------------------|----------------------------|

| | |
|--------------------------|----------------------------|
| Total Liabilities | <u>\$196,185.32</u> |
|--------------------------|----------------------------|

Equity

| | |
|--------|--------------|
| Equity | \$249,453.97 |
|--------|--------------|

| | |
|---------------------|----------------------------|
| Total Equity | <u>\$249,453.97</u> |
|---------------------|----------------------------|

| | |
|-------------------------------------|----------------------------|
| Total Liabilities and Equity | <u>\$445,639.29</u> |
|-------------------------------------|----------------------------|

Run Date: 12/26/2019

Kingdom

User: Krista Bain

Balance Sheet Summary

As of Thursday, December 26, 2019

ASSETS**Current Assets**

| | |
|---------------------------------|----------------|
| Cash and Short Term Investments | \$779,982.58 |
| Accounts Receivable - Net | \$193,910.85 |
| Other Current Assets | \$1,827,338.23 |

| | |
|-----------------------------|------------------------------|
| Total Current Assets | <u>\$2,801,231.66</u> |
|-----------------------------|------------------------------|

Long Term Assets

| | |
|--------------------|-------------|
| Fixed Assets - Net | \$18,471.11 |
|--------------------|-------------|

| | |
|-------------------------------|---------------------------|
| Total Long Term Assets | <u>\$18,471.11</u> |
|-------------------------------|---------------------------|

| | |
|---------------------|-------------------------------------|
| Total Assets | <u><u>\$2,819,702.77</u></u> |
|---------------------|-------------------------------------|

LIABILITIES AND STOCKHOLDER'S EQUITY**Current Liabilities**

| | |
|---------------------------|--------------|
| Accounts Payable | \$76.65 |
| Other Current Liabilities | \$250,000.00 |

| | |
|----------------------------------|----------------------------|
| Total Current Liabilities | <u>\$250,076.65</u> |
|----------------------------------|----------------------------|

| | |
|------------------------------|----------------------------|
| Long Term Liabilities | <u>\$213,631.65</u> |
|------------------------------|----------------------------|

| | |
|--------------------------|----------------------------|
| Total Liabilities | <u>\$463,708.30</u> |
|--------------------------|----------------------------|

Equity

| | |
|-----------------------|----------------|
| Equity | \$249,453.97 |
| Current Year Earnings | \$259,014.20 |
| Retained Earnings | \$1,847,526.30 |

| | |
|---------------------|------------------------------|
| Total Equity | <u>\$2,355,994.47</u> |
|---------------------|------------------------------|

| | |
|-------------------------------------|-------------------------------------|
| Total Liabilities and Equity | <u><u>\$2,819,702.77</u></u> |
|-------------------------------------|-------------------------------------|

Run Date: 12/26/2019

Kingdom

User: Krista Bain

Income Statement**For Month and Year Ending 12/31/2018**

| | <u>Month To Date</u> | <u>Year To Date</u> |
|---|-----------------------|-----------------------|
| Income | | |
| Revenue Consulting | \$1,568,396.93 | \$911,432.28 |
| Revenue Development | \$4,720.67 | \$0.00 |
| Revenue Software | \$16,100.00 | \$0.00 |
| Revenue Partnership Fees | \$40,000.00 | \$20,000.00 |
| Revenue Donations | \$22,130.00 | \$22,130.00 |
| Revenue Interest | \$33,933.10 | \$21,499.06 |
| Total Income | \$1,685,280.70 | \$975,061.34 |
| Cost of Sales | | |
| Supplies | \$20,835.62 | \$6,161.86 |
| Total Cost of Sales | \$20,835.62 | \$6,161.86 |
| Gross Margin | \$1,664,445.08 | \$968,899.48 |
| General and Administrative Costs | | |
| Non Collectable Advances | \$1,012.58 | \$425.19 |
| Bank Charges | \$387.05 | \$154.05 |
| Charitable Contributions | \$56,100.90 | \$24,883.27 |
| Corporate Meals | \$16,734.43 | \$10,215.38 |
| Education | \$38,250.74 | \$18,415.67 |
| Hardware and Software | \$16,031.25 | \$6,979.87 |
| Events | \$14,061.59 | \$7,378.55 |
| Insurance | \$4,714.94 | \$4,189.94 |
| Interest Expense | \$26,592.31 | \$16,092.31 |
| Professional Fees | \$15,236.25 | \$2,573.75 |
| Janitorial | \$2,366.80 | \$820.00 |
| Payroll Wages | \$517,558.90 | \$235,389.30 |
| Payroll Taxes | \$144,107.55 | \$122,928.85 |
| Payroll Service | \$484.00 | \$484.00 |
| Rent and Utilities | \$14,128.55 | \$2,533.21 |
| Repairs and Improvements | \$3,211.28 | \$419.04 |
| Printing and Shipping | \$1,140.16 | \$322.61 |
| Taxes and Filing Fees | \$3,366.98 | \$54.99 |
| Corporate Travel | \$23,776.19 | \$15,357.88 |
| Marketing Travel | \$26,601.86 | \$11,273.49 |
| Marketing Meals | \$2,245.68 | \$1,127.01 |
| Total General and Administrative | \$928,109.99 | \$482,018.36 |
| Other Income (Expense) | | |
| Dividends Income | \$0.00 | \$0.00 |
| Depreciation | \$1,360,645.18 | \$1,360,645.18 |
| Other Misc. Costs | \$0.00 | \$0.00 |
| Total Other Income (Expense) | \$1,360,645.18 | \$1,360,645.18 |

| | <u>Month To Date</u> | <u>Year To Date</u> |
|-------------------|-----------------------|-----------------------|
| Net Income | <u>\$2,096,980.27</u> | <u>\$1,847,526.30</u> |