



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: April 2, 2021

HCR21-043

SUBJECT: Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for EPOCA Apartments

COUNCIL DISTRICT(S): 8

ORIGINATING DEPARTMENT: Real Estate Division

CONTACT/PHONE NUMBER: Colin Miller (619) 578-7429

REQUESTED ACTION:

Take the initial steps to issue Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds and taxable bonds to facilitate the construction of a new 120-unit affordable housing development that will be part of a larger, to-be-developed master-planned community along Cactus Road in the Otay Mesa neighborhood, which will consist of 119 units affordable for 55 years for individuals and families earning from 50 percent to 60 percent of the San Diego's Area Median Income and one unrestricted manager's unit.

EXECUTIVE SUMMARY OF KEY FACTORS:

- EPOCA Apartments is a new construction, family housing development located in the Otay Mesa community that is part of a larger master-planned community, to be located at the intersection of Airway and Cactus Roads.
- The development's tenant supportive services will be provided by Pacific Housing. Services will include, but will not be limited to, after-school programs, homework assistance, adult education, health and wellness, and skill-building classes.
- The owner of the Project will be CR Epoca L Communities, LP, a California limited partnership, or another limited partnership to be formed by ColRich California Realty, LLC (ColRich).
- ColRich is seeking preliminary approvals to issue up to \$40 million in tax-exempt Multifamily Housing Revenue Bonds and \$15,000,000 in taxable bonds.
- EPOCA Apartments has an estimated total development cost of \$53,204,542 (\$443,371/unit).
- No Housing Commission loan proceeds will be provided to this development.
- Staff recommends that the Housing Commission:
 - Issue a bond inducement resolution for up to \$40 million in tax-exempt Multifamily Housing Revenue Bonds and up to \$15 million in taxable Multifamily Housing Revenue Bonds
 - Authorize an application to the California Debt Limit Allocation Committee.
 - Approve the financing team of Quint & Thimmig as Bond Counsel and PFM as Financial Advisor
 - Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing.



SAN DIEGO
HOUSING
COMMISSION

REPORT

DATE ISSUED: March 25, 2021

REPORT NO: HCR21-043

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of April 2, 2021

SUBJECT: Preliminary Bond Authorization, and Tax Equity and Fiscal Responsibility Act (TEFRA)
Hearing for EPOCA Apartments

COUNCIL DISTRICT: 8

REQUESTED ACTION

Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) hearings are scheduled to be heard by the San Diego Housing Commission (Housing Commission) Board of Commissioners on April 2, 2021, at 9 a.m. Any two members of the Housing Authority of the City of San Diego (Housing Authority) or San Diego City Council (City Council) may request that these hearings not take place and instead be heard by the Housing Authority and City Council by giving notice to the Housing Commission's President & Chief Executive Officer, or designee, within seven days of the date of this notice.

Take the initial steps to issue Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds and taxable bonds to facilitate the construction of a new 120-unit affordable housing development that will be part of a larger, to-be-developed master-planned community along Cactus Road in the Otay Mesa neighborhood, which will consist of 119 units affordable for 55 years for individuals and families earning 50 percent to 60 percent of San Diego's Area Median Income and one unrestricted manager's unit.

STAFF RECOMMENDATION

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

- 1) Approve the following preliminary steps to issue Housing Authority of the City of San Diego (Housing Authority) tax-exempt Multifamily Housing Revenue Bonds to facilitate the development of EPOCA Apartments, which will be part of a larger, to-be-developed master-planned community at 2240 Cactus Road in the Otay Mesa neighborhood, which will consist of 119 units affordable for 55 years for individuals and families earning 50 percent to 60 percent of San Diego's Area Median Income (AMI) and one unrestricted manager's unit:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$40,000,000 in tax-exempt Multifamily Housing Revenue Bonds and \$15,000,000 in taxable bonds supporting the development of EPOCA Apartments by a limited partnership formed by ColRich California Realty, LLC.,
 - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-

- exempt private activity bonds in an amount up to \$40,000,000 for EPOCA Apartments;
and
- c. Approve the financing team of Quint & Thimmig as Bond Counsel and PFM as Financial Advisor;
- 2) Authorize the Housing Commission's President & Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.
- 3) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$40,000,000 to facilitate the development of EPOCA Apartments.

SUMMARY

A development summary is included as Attachment 1.

Table 1 – Development Details

Address	2240 Cactus Road
Council District	Council District 8
Community Plan Area	Otay Mesa Community Planning Area
Developer	ColRich California Realty, LLC
Development Type	Acquisition and New Construction
Construction Type	Type V-A
Parking Type	180 Surface parking spaces
Housing Type	Affordable Family
Lot Size	3.1 Acres
Units	120
Density	38.7 units/acre (120 units/ 3.1 acres)
Unit Mix	56 one-bedroom, 32 two-bedroom, 32 three-bedroom and 1 two-bedroom managers' units
Gross Building Area	105,125 square feet
Net Rentable Area	86,478 square feet

The Development

EPOCA Apartments is a new construction, family housing development located in the Otay Mesa community of San Diego that is part of a larger master-planned community, to be located at the intersection of Airway and Cactus Roads. The community will consist of 120 one-, two-, and three-bedroom units, along with associated common areas, parking, and landscape improvements, Resident services will be provided by Pacific Housing.

EPOCA Apartments will be located on a 3.1-acre parcel at the center of the ColRich master-planned community to be developed in the Otay Mesa community. This master-planned community will be located along Cactus Road, with the northern boundary formed by the Interstate 905 freeway, south of the Brown Field Municipal Airport, to the east by Cactus Road, to the west by the Pacific Gateway Park, and the south by undeveloped land and light commercial. It is adjacent to the City's Trails Park, hiking trails and walking paseo. Bike racks and bike maintenance stations will also be provided for the residents. The project will also exceed the City's private and open space requirements. Common area fitness center, club room, parcel storage and on-site laundry facilities will also be provided.

For the master planned community as a whole, 2,122 units are planned with an estimated 767 for-sale and 1,355 for rent. There will be a mix of product types, including townhomes (both for sale and for rent) and for-rent apartment buildings. There are two public parks associated with the master plan (approximately 3-acre Village Central Park and a portion of the 6-acre trails park). EPOCA is anticipated to have its own recreation facility that will include amenities such as, tot lots, BBQ, pool, fitness centers, leasing center etc. There is an approximately .73 acre central rec center (including pool and fitness facilities) for the for-sale units. A portion of the site (along with neighboring properties to the west) are set aside for an approximately 13-acre, K-8 school site. There is a grand walking paseo that runs the length of the master plan from north to south and "ties" all the neighborhoods together.

Project Sustainability

The development will be built as Green Point Rated to comply with and exceed California Tax Credit Allocation Committee (CTCAC) minimum energy efficiency construction standards for new construction. The roof design is focused on optimizing square footage to allow maximum area to install the Solar Photovoltaic system. Water conservation will be promoted via low-water-use fixtures in kitchens and bathrooms, low-flow toilets, and low-water-use native-plants landscaping with water-efficient irrigation controls.

The current project is being designed to meet and exceed California's Title 24 and California Green Building Standards and requirements. Water efficiency and conservation has been incorporated into the design of the project. Water fixtures will have reduced flow rate to 1.8 GPM to achieve water efficiency and conservation. The photovoltaic/solar system has been designed to exceed the Title 24 requirements. Electrical Vehicle Car Charging Stations will also be provided for the residents.

A phase I environmental site assessment prepared by C. Young Associates dated March, 8, 2021, determined that no current Recognized Environmental Conditions (RECs) exist on-site. The report did not require nor recommend additional assessments.

Development Team

The owner of the Project will be CR Epoca L Communities, LP, a California limited partnership, or another limited partnership to be formed by ColRich California Realty, LLC (ColRich).

ColRich is an experienced multifamily housing owner, builder, and operator with more than 16,000 units owned and nearly 3,000 affordable units in Arizona, California, Colorado, Oregon, New Mexico, Washington, Texas, and Utah.

ColRich has developed over 5,500 homes, including over a thousand apartments. The most recent projects completed are 118 rental townhomes in San Marcos, 140 unit apartment project in Temecula, 62 for-sale flats in Mission Valley, and 58 for-sale townhomes in Mission Valley. In addition the company will break ground in early 2021 on a 100 acre (~2,100 unit) master planned community in Otay Mesa and a separate 454 unit apartment project in Otay Mesa. ColRich has a \$1.6 billion pipeline consisting of approximately 4,400 units in San Diego, Phoenix, and Denver. Additionally, ColRich owns and operates 16,500 units including 2,947 affordable units throughout the Western United States and has pioneered an “Impact” program which uses project cash-flows to provide social services, including building standalone kids’ clubs to provide head-start type programming for children on the properties.

This is the first development in which the Housing Commission would participate with ColRich.

Supportive Services

The development’s tenant supportive services will be provided by Pacific Housing. Services will include, but will not be limited to, after-school programs, homework assistance, adult education, health and wellness, and skill-building classes that include, but are not limited to, financial literacy, computer training, homebuyer education, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, and on-site food cultivation and preparation.

Pacific Housing, Inc., (PHI) is a 501(c)(3) nonprofit organization with the mission of providing quality affordable housing and uplifting services for residents at its apartment communities across California. PHI has a portfolio of more than 17,000 rental housing units with a majority of those reserved for lower income families or seniors. In addition to serving as the Managing General Partner in the ownership of more than 120 affordable rental housing developments, PHI offers services and programs to its residents that enrich lives and build toward self-sufficiency. PHI has more than 20 years’ experience working with federal, state and regional funding and planning agencies, in addition to local constituents, to pursue the development of affordable housing. Additionally, PHI’s resident services team has more than 15 years’ experience working closely with property managers, community resources and resident groups to create service programs that meet the unique interests and needs of each individual property and its residents. Pacific Housing’s goal is an affordable housing community that positively interacts with its surrounding neighborhoods, is well-designed and maintained, and provides its residents with opportunities for a healthy, empowering and fun living experience.

Table 2 - Development Team Summary

<u>ROLE</u>	<u>FIRM/CONTACT</u>
Developer	CR EPOCA L Communities, LP
Owner/Borrower	CR EPOCA L GP, LLC
Managing General Partner	Pacific Housing / Hearthstone
Tax Credit Investor Limited Partner	Hunt Capital Partners
Architect	Dahlin Group Architecture
General Contractor	Colrich California Construction, Inc.,
Property Management	Greystar
Construction and Permanent Lender	Pacific Western Bank
Tenant Services Provider	Pacific Housing

Financing Structure

EPOCA Apartments has an estimated total development cost of \$53,204,542 (\$443,371/unit). Financing for the project will include Multifamily Housing Revenue Bonds, private bank debt, 4 percent federal low-income housing tax credits, state tax credits, a Master Developer Note, a Loan from the Managing General Partner, accrued interest and a deferred developer fee

No Housing Commission loan proceeds will be provided to this development.

Estimated permanent sources and uses of financing are provided in Table 3. The developer's project pro forma is provided as Attachment 4.

Table 3 – The EPOCA Apartments Estimated Sources and Uses of Financing

Financing Sources	Amount	Financing Uses	Amount	Per Unit
Permanent Loan	17,763,284	Land acquisition:	6,716,754	55,973
State Tax Credit Equity	11,357,362	Construction cost and contingency	27,800,383	231,670
4% Tax Credit Equity	16,207,293	Financing costs	4,095,631	34,130
Deferred Dev. Fee	2,898,217	Architecture and Engineering	876,000	7,300
Master Dev Note	3,000,000	Legal	340,000	2,833
MGP Sponsor Loan	1,642,285	City permits & impact fees	6,088,628	50,739
Accrued Interest	224,276	Developer's fee	5,971,945	49,766
		Reserves	392,588	3,272
		Other soft costs	499,364	4,161
		Contingency	373,249	3,110
Total Sources	\$53,204,542	Total Uses	\$53,204,542	\$443,371

Developer Fee

The planned net cash developer fee shall be \$2,900,000 in compliance with CTCAC and CDLAC regulations.

Developer Fee

\$5,971,945 – gross developer fee

-2,898,217 minus developer's deferred developer fee; paid out of developer's share of residual cash

-1,642,285 Managing General Partner contribution

\$1,431,443 net cash developer fee

The fee proposed is consistent with the Request for Approval of Updated Developer Fees (HAR17-011) approved by the Housing Authority on April 25, 2017.

On April 25, 2017, the Housing Authority approved the "Request for Approval of Updated Developer Fees" (Report No. HAR17-011; Resolution No. HA-1727). That report approved certain developer fee guidelines for multifamily loans and bond issuances. Attachment 1 to that report stated: "Developer Fee [for] 4% tax credits, in project costs: 15% eligible basis...." The developer is proposing a \$1,431,443 preliminary developer fee associated with the residential portion of development, which complies with

HAR17-011. The proposed fee is in conformance with the “Request for Approval of Updated Developer Fees” guidelines approved by the Housing Authority on April 25, 2017.

Prevailing Wages

The proposed project is not subject to payment of federal or state prevailing wages. State prevailing wages do not apply because the California Department of Industrial Relations (DIR) has concluded that certain tax-exempt bond financing mechanisms used for multifamily housing projects are exempt from prevailing wage requirements. Public Works Case No. 2004-016, Rancho Santa Fe Village Senior Affordable Housing Project (Feb. 25, 2005) (involving conduit bond financing); Public Works Case No. 2004-049, Silverado Creek Family Apartments (May 27, 2005) (involving private placement bonds). The DIR explained that these bond financing mechanisms do not involve “the payment of money or the equivalent of money by the state or political subdivision” and do not require the payment of prevailing wages under California Labor Code section 1720(b)(1) because the bond proceeds never enter the public agency’s coffers. *Id.*

Development Cost Key Performance Indicators

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

Table 4 – Key Performance Indicators

Development Cost Per Unit	\$443,371
Housing Commission Subsidy Per Unit	\$0
Acquisition Cost Per Unit	\$55,973
Gross Building Square Foot Hard Cost	\$264
Net Rentable Square Foot Hard Cost	\$321

Project Comparison Chart

Multiple factors and variables influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, site improvements needed, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City impact fees, developer experience and capacity, and amenities necessary to gain tax credit approval.

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

Table 5 – Comparable Development Projects

Development	Year	Unit Mix	Units	Prevailing Wage	Total Development Cost	Per Unit TDC	SDHC Subsidy	Gross Building Hard Cost per Square Foot
Subject – EPOCA Apartments	2021	56 1BR, 32 2BR, 31 3BR and 1 mgr. unit.	120	No	\$53,204,542	\$443,371	\$0	\$264
Hilltop Family Housing, L.P.	2020	14 Studios, 23 1BR, 36 2BR, 20 3BR, 18 4BR & 2 mgr. units	113	Yes	\$54,305,415	\$480,579	\$73,451	\$279
East Block Family	2019	33 2BR, 44 3BR & 1 mgr. unit	78	No	\$40,562,897	\$520,037	\$0	\$355
Keeler Court	2019	10 Studios, 20 1BR, 18 2 BR, 22 3 BR & 1 mgr. unit	71	Yes	\$35,692,466	\$502,711	\$0	\$262
Ulric Street I	2019	12 Studios, 21 1BR, 33 2BR, 29 3BR & 1 mgr. unit	96	Yes	\$46,427,114	\$483,616	\$72,917	\$264

Proposed Housing Bonds

The Housing Commission utilizes the Housing Authority’s tax-exempt borrowing status to pass on lower interest rate financing (and make 4 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 CDLAC for a bond allocation. Prior to submitting applications to CDLAC, developments are brought before the Housing Commission. Housing Commission bond inducement resolutions must be obtained prior to application submittal, and Housing Commission TEFRA resolutions must be secured no later than 30 days after application submittal. These actions do not obligate the Housing Authority to issue bonds.

The developer plans to submit a bond allocation application to CDLAC on May 13, 2021, for an August 11, 2021, bond allocation meeting (dates are subject to change at CDLAC’s discretion); however, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the development.

The developer will be seeking a CDLAC bond allocation of approximately \$40,000,000 in tax-exempt Multifamily Housing Revenue Bonds. The developer proposes to have the Housing Authority issue the bonds through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission’s Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego’s (City) ordinance on bond disclosure.

The developer proposes that the bonds will be used to provide construction and permanent financing for the project. Housing Commission staff will later return to both the Housing Commission and Housing Authority for approval of the final bonds and transaction documents. A general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 5.

Staff recommends assigning Quint & Thimmig as Bond Counsel and PFM as 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, EPOCA Apartments would restrict 12 units to households with income at or below 50 percent of San Diego's Area Median Income (AMI) and 107 units at or below 60 percent of AMI. The affordable units will be restricted for a 55-year term.

Table 6 – EPOCA Apartments Affordability & Monthly Estimated Rent Table

<u>Unit Type</u>	<u>AMI</u>	<u>Number of Units</u>	<u>Gross Rents</u>
One Bedroom	50%	6	\$1,083
One Bedroom	60%	50	\$1,300
Two Bedroom	50%	3	\$1,300
Two Bedroom	60%	29	\$1,560
Three Bedroom	50%	3	\$1,502
Three Bedroom	60%	28	\$1,802
Subtotal		119	
Manager	NA	1	-
Total Units	-	120	-

Development Schedule

The estimated development timeline is as follows.

Milestone	
CTCAC/CDLAC application	May 13, 2021
CDLAC Award	August 11, 2021
Housing Commission Board meeting for Final Bond authorization	September 2021
Housing Authority & City Council meeting for Final Bond authorization	October 2021
Start Construction	October 2021
Complete Construction	February 2023

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action are not included in the Fiscal Year (FY) 2021 Housing Commission Budget. Approving this action will increase the FY 2021 total budget.

Funding sources approved by this action will be as follows:

Bond Issuance Fees - \$137,500 (.0025 bond issuer fee x \$55,000,000)

Funding uses approved by this action will be as follows:

Administration Costs - \$137,500

Approval of the bond inducement and TEFRA resolutions does not commit the Housing Authority to issue the bonds. The bonds would not constitute a debt of the City. If bonds are ultimately issued for the development, the bonds will not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue

sources of the development. Neither the faith and credit nor the taxing power of the City or the Housing Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission annual administrative fee, as well as Housing Commission Bond Council and Financial Advisor fees.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

A formal community group review is not required for a by-right project per City of San Diego guidelines. However, the developer will be presenting the project and the entire master-planned community to the Otay Mesa Community Planning Group in the near future.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include ColRich and the residents of the Otay Mesa community. The project is anticipated to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and create 120 new affordable rental homes for low-income individuals and families.

ENVIRONMENTAL REVIEW

This activity is not a “project” and is therefore not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15060(c)(3). This determination is predicated on Section 15004 of the Guidelines, which provides direction to lead agencies on the appropriate timing for environmental review. This action does not constitute approval of a project. Approval will occur once the environmental review has been completed in accordance with CEQA Section 15004. This action will not foreclose review of alternatives or mitigation measures by the public as part of the CEQA process. The proposed actions are approval of preliminary steps to issue bonds and do not constitute approval of the development activity or authorization for the issuance of bonds. Future actions to consider and approve development entitlement approvals related to the future development of the site will require additional review under the provisions of CEQA by the lead agency. Processing under the National Environmental Policy Act (NEPA) is not required as no federal funds are involved in this action.

Respectfully submitted,

Colin Miller
Colin Miller
Vice President
Multifamily Housing Finance
Real Estate Division

Approved by,

Jeff Davis
Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission

Attachments: 1) Development Summary
2) Site Map
3) Developer Disclosure Statements
4) Developer’s Project Sources and Uses Pro forma
5) Organizational Chart
6) Multifamily Housing Revenue Bond Program

Docket materials are available in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at www.sdhc.org

Development Summary – EPOCA Apartments**Table 1 – Development Details**

Address	2240 Cactus Road
Council District	Council District 8
Community Plan Area	Otay Mesa Planning Committee
Developers	ColRich California Realty, LLC
Development Type	New Construction
Construction Type	Type V- A
Parking Type	180 Surface parking spaces
Housing Type	Affordable Family
Lot Size	3.1 Acres
Units	120
Density	38.7 units/acre (120 units/3.1 acres)
Unit Mix	56 one-bedroom, 32 two-bedroom 32 three-bedroom and 1 manager's unit
Gross Building Area	105,125 SF
Net Rentable Area	86,478 SF
Commercial/Retail Space	None

Table 2 - Development Team Summary

ROLE	FIRM/CONTACT
Developer	CR EPOCA L Communities, LP
Owner/Borrower	CR EPOCA L GP, LLC
Managing General Partner	Pacific Housing / Hearthstone
Tax Credit Investor Limited Partner	Hunt Capital Partners
Architect	Dahlin Group Architecture
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		Reserves	392,588	3,272
		Other soft costs	499,364	4,161
		Contingency	373,249	3,110
Total Development Cost	\$53,204,542	Total Development Cost	\$53,204,542	\$443,371

Table 4 – Key Performance Indicators

Development Cost Per Unit	$\$89,421,776 \div 180 \text{ units} =$	\$443,371
Housing Commission Subsidy Per Unit	\$0	\$0
Acquisition Cost Per Unit	$\$7,500,000 \div 180 \text{ units} =$	\$55,973
Gross Building Square Foot Hard Cost	$\$51,967,248 \div 172,840 \text{ sq. ft.} =$	\$264
Net Rentable Square Foot Hard Cost	$\$51,967,248 \div 148,730 \text{ sq. ft.} =$	\$321

Table 5 – Comparable Development Projects

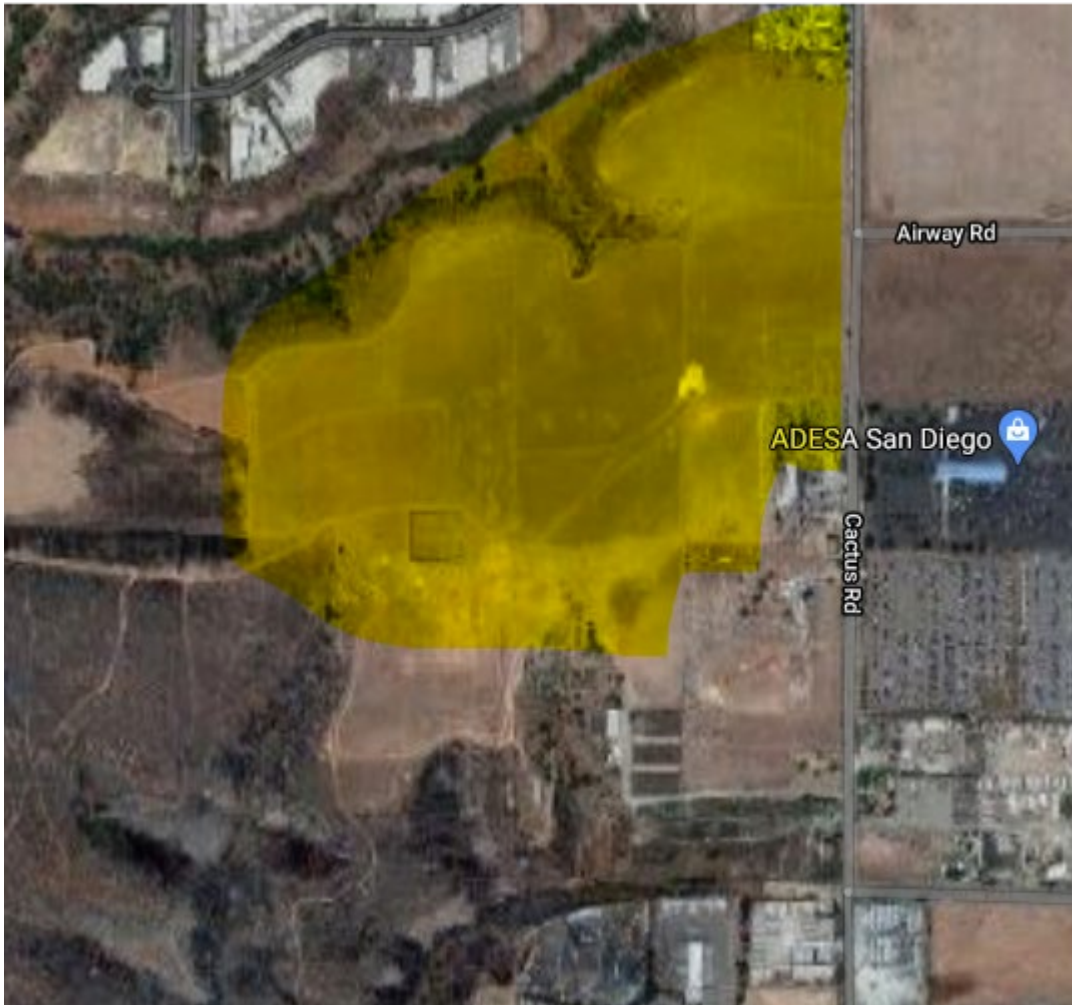
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Three Bedroom	50%	3	\$1,502
Three Bedroom	60%	28	\$1,802
Subtotal		119	
Manager	NA	1	-
Total Units	-	120	-

Site Map

Master Planned Community Parcels in yellow



Project is Neighborhood "L"





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

Statement for Public Disclosure

1. Name of CONTRACTOR: ColRich California Construction, Inc.
2. Email: ryanm@colrich.com
2. Address and Zip Code: 444 W. Beech St #300, San Diego, CA 92101
3. Telephone Number: 858-490-2346
4. Name of Principal Contact for CONTRACTOR: Dan Gabriel
5. Federal Identification Number or Social Security Number of CONTRACTOR: 45-4046940
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 (*select and upload requested documents*):

☒ A corporation (*Upload Articles of Incorporation*)

☐ A nonprofit or charitable institution or corporation. (*Upload copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status*)

☐ A partnership known as (Name): _____

Check one:

☐ General Partnership (*Upload statement of General Partnership*)

☐ Limited Partnership (*Upload Certificate of Limited Partnership*)

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

☐ A Federal, State or local government or instrumentality thereof.

☐ Other (*Please explain*): _____

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

12/19/2011



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: Dan Gabriel	Chief Executive Officer
Address: 444 W. Beech St #300	75%
San Diego, CA 92101	858-490-2300
Name: Graeme Gabriel	Chief Financial Officer
Address: 444 W. Beech St #300	25%
San Diego, CA 92101	858-490-2300
Name: Robert Mitchell	Secretary
Address: 444 W. Beech St #300	858-490-2300
San Diego, CA 92101	

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.

Yes - Kirk Philo left the company and was replaced by Robert Mitchell.

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

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

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



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

Name and Address	Relationship to CONTRACTOR
Name: ColRich GD, LLC	Parent Company
Address: 444 W. Beech St #300	
San Diego, CA 92101	
Name: Dan Gabriel	President and CEO of ColRich GD, LLC
Address: 444 W. Beech St #300	75% owner
San Diego, CA 92101	
Name: Graeme Gabriel	Secretary of ColRich GD, LLC
Address: 444 W. Beech St #300	25% owner
San Diego, CA 92101	

14. Provide description of 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 financial statements that was requested (attached) as part of the Application, including, but not necessarily limited to, profit and loss statements and statements of financial position: See separate saved attachment

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:

CDLAC and TCAC funds

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: US Bank

Address: 633 West Fifth Ave, PL 25 Los Angeles, CA 90071

Amount: \$ 127,503.92 as of 1/31/21 Statement

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

Name: US Bank

Address: 633 West Fifth Ave, PL 25 Los Angeles, CA 90071

Amount: \$ 1,493,425.56 as of 1/31/21 Statement



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

Description	Market Value (\$)	Mortgages or Liens (\$)
N/A		

Additional Information, as needed: _____

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

Name and Address	Contact Name
Name: US Bank	Christy Cortes
Address: 633 West Fifth Ave, PL 25	(858) 334-0815
Los Angeles, CA 90071	christy.cortes@usbank.com
Name:	
Address:	
Name:	
Address:	

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

☐ Yes ☒ No

If yes, provide date, place, and under what name: _____

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

☐ Yes ☒ No

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



Case 1: _____

Case 2: _____

Case 3: _____

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

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

Performance | City of San Diego - Grading & Public Improvement | May 2020 | 1,458,843 | released

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

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

Name and Address	Affiliation
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	



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

☐ Yes

☒ No

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

- c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: \$89.7.M

General description of such work: Developed 120 for sale units (townhomes & condos) and 202 rental apartments. ColRich California Construction performed all on-site improvements (rough grading, demo, utility improvements, and surface improvements), vertical construction of all structures (clubhouse/pools) and dwelling units as well as off site improvements and closing of bonded improvements.

Complete one table for each project:

Project Name	Anden	
Project Owner Contact Information	ColRich	
	Name Dan Gabriel	Address 444 W. Beech St, San Diego
Project Location	San Marcos, California	
Project Details	118 unit for rent townhomes. Hard costs of \$26.6 Million	
Bonding Company Involved	Stewart Surety & Insurance Services, Inc	
	Name Bart Stewart	Amount of Contract \$1,053,930
Change Order Details		
Change Order Cost		
Litigation Details	N/A	
	Location/Date	Outcome Details



Project Name	Civita	
Project Owner Contact Information	ColRich	
	Name Dan Gabriel	Address 444 W. Beech St, San Diego
Project Location	Mission Valley, California	
Project Details	62 for sale residential condos. Hard costs of \$23.6 Million	
Bonding Company Involved	Stewart Surety & Insurance Services, Inc	
	Name Bart Stewart	Amount of Contract \$629,878
Change Order Details		
Change Order Cost		
Litigation Details	N/A	
	Location/Date	Outcome Details

Project Name	The Harlow	
Project Owner Contact Information	ColRich	
	Name ColRich	Address 444 W. Beech St, San Diego
Project Location	Mission Valley, California	
Project Details	58 for sale townhomes. Hard costs of \$20.1 Million	
Bonding Company Involved	Stewart Surety & Insurance Services, Inc	
	Name Bart Stewart	Amount of Contract \$1,408,182
Change Order Details		
Change Order Cost		
Litigation Details	N/A	
	Location/Date	Outcome Details



Project Name	Campus of Life	
Project Owner Contact Information	ColRich/Saloner's	
	Name Dan Gabriel	Address 444 W. Beech St, San Diego
Project Location	Scripps Ranch	
Project Details	84 rental apartments . Hard costs of \$19.3 Million	
Bonding Company Involved	Stewart Surety & Insurance Services, Inc	
	Name Bart Stewart	Amount of Contract \$1,458,743
Change Order Details		
Change Order Cost		
Litigation Details	N/A	
	Location/Date	Outcome Details

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



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

Identification of Contract or Development	Location	Amount	Date to be Completed
Airway Gardens	Otay - ColRich Project	\$32,276,976	Q2 2022
EPOCA	Otay-ColRich Project	\$37 Million	Q4 2026

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

Awarding Agency	Amount	Date Opened

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

ColRich California Construction, Inc. (CCC) was formed in 2011 and is a continuation of the greater company ColRich which was founded in 1977. The company has developed over 5,500 homes, including over a thousand apartments. The company is guided by a senior team that has over 100 years of experience developing and operating San Diego real estate assets. Financially the company is uniquely well situated based on carrying zero debt and a stream of recurring fee income that is not dependent on sales, but rather generated from its 16,500 unit portfolio, of which 2,947 are affordable units.

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:



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

N/A

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

☒ Yes

☐ No

If yes, please explain:

The company is currently involved in a single standard construction defect lawsuit on a for sale condo project. The contested claim is expected to be resolved in mediation significantly below the policy limits carried specific to this project.

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

- a. General Liability, including Bodily Injury and Property Damage Insurance [Attach certificate of insurance showing the amount of coverage and coverage period(s)]: Robby Savitch. Alliant Insurance Services, Inc.-701 B Street, 6th FL, San Diego, CA 92101 (619) 849-3887
Limits: \$1M each occurrence; \$2M general agg and completed ops. (see (f) below)

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)]: Robby Savitch. Alliant Insurance Services, Inc.
701 B Street, 6th FL, San Diego, CA 92101 (619) 849-3887
Limits: \$1M combined single limit

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)]:
Robby Savitch. Alliant Insurance Services, Inc. 701 B Street, 6th FL, San Diego, CA
-
- d. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)]:
92101 (619) 849-3887 Limits: \$2M per claim/agg
-
- e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]:
Robby Savitch. Alliant Insurance Services, Inc. 701 B Street, 6th FL, San Diego, CA
92101 (619) 849-3887 Limits: \$50M
-
- f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]:
The GL listed above is for renovation/repairs on existing projects. For new projects
a project specific OCIP with primary and excess limits are purchased
-

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:

Government Complaint	Entity	Making	Date	Resolution
N/A				

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

☐ Yes

☒ No

If yes, please explain in detail: N/A

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

Government Agency	License Description	License Number	Date Issued (Original)	Status (Current)	Revocation (Yes/No)
Dept. of	B - General Building	969211	1/13/2012	current	No
Consumer	Contractor				
Affairs					



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.

N/A

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

The company has developed over 5,500 homes, including over a thousand apartments. The company is guided by a senior team that has over 100 years of experience developing and operating San Diego real estate assets. Financially the company is uniquely well situated based on carrying zero debt and a stream of recurring fee income that is not dependent on sales, but rather generated from its 16,500 unit apartment portfolio, of which 2,947 are affordable units.

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
N/A			

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, please 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, please explain: _____



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

1. Name: Greg Shields
Address: 701 B St # 800, San Diego CA
Phone: 619-881-2539
Project Name and Description: Civil Engineer on EPOCA, Point Loma, and 5th & Nutmeg
2. Name: Kirk McKinley
Address: 1818 First Ave, San Diego CA
Phone: 858-350-0587
Project Name and Description: Architect on Elevate, Anden, La Costa Oaks, and EPOCA
3. Name: PJ DeRisi
Address: 485 Corporate Dr, Escondido CA
Phone: 619-850-3980
Project Name and Description: Soils engineer on Carmel Row, Elevate, Harlow, Anden, and EPOCA

39. Provide 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.

ColRich has built over 5,500 residential units over the past 30 years and currently owns approximately 16,500 residential units in the Western United States valued at approximately \$4 billion.

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

Name	Experience
Larry Willis	Larry has worked for ColRich California Construction for approximately 15 years and has worked on 30+ projects over the course of his career and built over a thousand units.



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 18th day of Feb, 20 21, at San Diego, California.

CONTRACTOR

By: [Signature]
Signature

Secretary
Title



SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

CERTIFICATION

The CONTRACTOR, CallRight California Construction, 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]

By: _____

Title: Secretary

Title: _____

Dated: 2/18/2021

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

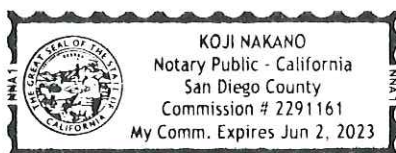
State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 18th day of Feb, 2021

by Robert Eric Mitchell personally known to me or proved to me on the basis of

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



SEAL

[Signature]
Signature of Notary

PROJECT SUMMARY
Nbhd L Family Affordable Apartments_120 units
03.18.2021

"Draft Analysis & Subject To Change"

SOURCES AND USES SUMMARY

DEVELOPMENT COSTS

Acquisition

Land Cost	\$46,000/unit	\$5,520,000
Basis Eligible Acquisition Cost	\$9,973/unit	\$1,196,754
Master Dev Reimbursable Eligible Cost	\$0/unit	\$0
Subtotal Acquisition	\$55,973/unit	\$6,716,754

Hard Costs

General Liability Insurance	\$2,185/unit	\$262,144
Master Dev Reimbursable Off-site Improvements	\$25,000/unit	\$3,000,000
Site Work	\$23,312/unit	\$2,797,396
Solar System	\$10,000/unit	\$1,200,000
Vertical	\$125,263/unit	\$15,031,521
GC Contingency	\$9,179/unit	\$1,101,446
Overhead, Profit, General Conditions	\$25,700/unit	\$3,084,048
Hard Cost Contingency	\$11,032/unit	\$1,323,828
Subtotal Hard Costs	\$231,670/unit	\$27,800,383

Soft Costs

A&E	\$7,300/unit	\$876,000
Financing Fees and Interest	\$34,130/unit	\$4,095,631
Legal Fees	\$2,833/unit	\$340,000
Reserves	\$3,272/unit	\$392,588
Development Impact and Permit Fees	\$50,739/unit	\$6,088,628
Developer Fee	\$49,766/unit	\$5,971,945
MGP Services Fee	\$417/unit	\$50,000
Remaining Development Soft costs	\$4,161/unit	\$499,364
Owner Soft Costs Contingency	\$3,110/unit	\$373,249
Subtotal Soft Costs	\$155,728/unit	\$18,687,405

TOTAL DEVELOPMENT COSTS	\$443,371/unit	\$53,204,542
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Cash Developer Fee		\$1,431,443
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SOURCES

Federal LIHTC Equity	30%	\$16,207,293
State LIHTC Equity	21%	\$11,357,362
Solar Equity	0%	\$111,825
Permanent Loan (Tranche A)	33%	\$17,763,284
Master Dev Reimbursable Note	6%	\$3,000,000
Deferred Developer Fee	5%	\$2,898,217
Land Note	0%	\$0
CALHFA Mixed-Income	0%	\$0
MGP Sponsor Loan	3%	\$1,642,285
Residual Receipt Loans Accrued Interest	0%	\$224,276

TOTAL DEVELOPMENT SOURCES	100%	\$53,204,542
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FINANCING ASSUMPTIONS

EQUITY

Equity Pay In	Closing	Completion	Conversion	8,609
	10.0%	40.0%	47.0%	3.0%
Federal Tax Credit Price				\$0.8875
State Tax Credit Price				\$0.8550
Solar Tax Credit Price				\$0.8875
9% Credit Rate				9.00%
4% Credit Rate		2021 Flat Rate		4.00%
LP Interest				99.99%
10 Yr Federal Tax Credits				\$18,263,565
3 Yr State Credits			\$110,707	\$13,284,793
Solar Credits				
IRR				4.72%
Tax Rate				21.00%
Yr 11 Capital Acct Balance				\$3,186,244
Tax Credit Equity IRR				4.72%

DEBT

Opr. Exp./Unit/Year	\$5,600
Services Exp./Unit/Year	\$0
Replacement Reserves/Unit/Year	\$250
Vacancy Rate	5.00%
DCR	1.15
Perm Loan Amort	40
Interest Rate - Permanent Loan	3.75%
Interest Rate - Construction Loan - Tax-Exempt Portion	3.50%
Interest Rate - Construction Loan - Taxable Portion	3.25%
Tax- Exempt Bonds - Construction/Perm-Tranche B	\$17,763,284
Tax- Exempt Bonds - Construction	\$10,129,223
Total Tax Exempt Bonds	\$27,892,507
Taxable Construction Loan	\$7,618,286
Total Construction Loan	\$35,510,793

TAX CREDIT CONSIDERATIONS

DDA/QCT	No		
BIPOC	No		
50% Test	54.50%		
CA 9% Site Amenity Score	15		
CA 9% Tiebreaker	N/A		
Housing Set Aside	Large Family		
Prevailing Wage (State, Federal, Both):	No		
2023	Solar	State	Fed
1st Yr Credit Delivery	\$0	\$0	\$760,906
2nd Yr Credit Delivery	\$0	\$0	\$1,826,174
3rd Yr Credit Delivery	\$0	\$0	\$1,826,174

CASH FLOW

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Net Income	\$1,700,004	\$1,742,505	\$1,786,067	\$1,830,719	\$1,876,487	\$1,923,399	\$1,971,484	\$2,020,771	\$2,071,290	\$2,123,073	\$2,176,149	\$2,230,553	\$2,286,317	\$2,343,475	\$2,402,062	\$2,462,113
Operating Exp	\$672,000	\$695,520	\$719,863	\$745,058	\$771,135	\$798,125	\$826,060	\$854,972	\$884,896	\$915,867	\$947,922	\$981,100	\$1,015,438	\$1,050,978	\$1,087,763	\$1,125,834
NOI	\$1,028,004	\$1,046,985	\$1,066,204	\$1,085,660	\$1,105,351	\$1,125,274	\$1,145,424	\$1,165,799	\$1,186,395	\$1,207,206	\$1,228,227	\$1,249,454	\$1,270,879	\$1,292,496	\$1,314,299	\$1,336,279
Debt Service	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352
Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserves	\$30,000	\$31,050	\$32,137	\$33,262	\$34,426	\$35,631	\$36,878	\$38,168	\$39,504	\$40,887	\$42,318	\$43,799	\$45,332	\$46,919	\$48,561	\$50,260
Issuer Fees	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Mandatory Pymts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Managing GP/LP Fee	\$5,000	\$5,175	\$5,356	\$5,544	\$5,738	\$5,938	\$6,146	\$6,361	\$6,584	\$6,814	\$7,053	\$7,300	\$7,555	\$7,820	\$8,093	\$8,377
Residual CF	\$124,653	\$142,408	\$160,359	\$178,504	\$196,836	\$215,353	\$234,049	\$252,918	\$271,955	\$291,152	\$310,504	\$330,003	\$349,640	\$369,406	\$389,293	\$409,290
DCR	1.15	1.17	1.19	1.21	1.23	1.26	1.28	1.30	1.32	1.34	1.37	1.39	1.41	1.44	1.46	1.48

PRELIM DEVELOPMENT PROGRAMMING SUMMARY

City:	City:	Otay MESA
MSA:	MSA:	San Diego, CA
4 Person 50% AMI:	4 Person 50% AMI:	\$92,700
Site (acres):	Site (acres):	3.1 acres
Construction Type:	Construction Type:	Type VA
No. of Stories:	No. of Stories:	4
Parking Type:	Parking Type:	Surface
No. of Stalls:	No. of Stalls:	180
Land Acq. Cost / unit	Land Acq. Cost / unit	\$0
Impact Fees per Unit:	Impact Fees per Unit:	\$48,958
Financing Sources:	Financing Sources:	4% TCs & Seller Note
Solar System Integration / unit	Solar System Integration / unit	\$10,000

PROJECT UNIT & INCOME MIX

AMI	SRO/Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	Totals
Sq. Ft.	420	550	732	922	83,728

	UA	\$59	\$69	\$91	\$113
80%	0	0	0	0	0
60%	0	0	0	0	0
50%	0	56	32	31	119
45%	0	0	0	0	0
40%	0	0	0	0	0
35%	0	0	0	0	0
30%	0	0	0	0	0
Mgr.	0	0	0	1	1
Totals	0	56	32	32	120

Average AMI%	50.00%
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Common	3,000	Net SF	86,728	Cost psf	\$	320.55
Eff Loss	18%	Gross SF	105,125	Cost psf	\$	251.86

PROJECT TIMING

Tax Credit Allocation	11/18/21
Construction Begin - Initial Closing	1/31/22
Construction Complete	7/31/23
Lease Up Complete	8/31/23
Conversion/Stabilization	1/31/24
8609	4/30/24

PROJECTED SOURCES AND USES OF FUNDS				CONSTRUCTION PERIOD										Cash Dev Fee	1,431,443			
Nbhd L Family Affordable Apartments 120 units																		
Total Sq. Ft. 105,125				Total	Pre-Dev Expenses	Close	Quarter 1 20%	Quarter 2 20%	Quarter 3 20%	Quarter 4 20%	Quarter 5 10%	Quarter 6 10%	Construction Subtotal	Stabilization 6mos	Conversion	8609	Total	
SOURCES OF FUNDS																		
Federal LHTC Equity			\$16,207,293	\$0	\$1,620,729	\$0	\$0	\$0	\$0	\$0	\$0	\$6,482,917	\$8,103,646	\$0	\$7,617,428	\$486,219	\$16,207,293	
State LHTC Equity			\$11,357,362	\$0	\$1,135,736	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,135,736	\$0	\$10,053,338	\$136,288	\$11,357,362	
Solar Equity	21.0%		\$1,111,825	\$0	\$111,825	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$111,825	\$0	\$0	\$0	\$1,111,825	
Construction Loan			\$0	\$0	\$14,014,675	\$6,138,268	\$5,867,370	\$4,145,387	\$4,184,108	\$3,028,131	(\$2,560,988)	\$34,817,949	\$692,843	(\$35,510,793)	\$0	\$0	\$17,763,284	
Permanent Loan (Tranche A)			\$17,763,284	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,763,284	
MCP Sponsor Loan			\$1,642,285	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,642,285	
Deferred Developer Fee			\$2,898,217	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,898,217	
Master Dev Reimbursable Note			\$3,000,000	\$0	\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000,000	\$0	\$0	\$0	\$3,000,000	
Land Note	\$0/unit		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Residual Receipt Loans Accrued Interest			\$224,276	\$0	\$0	\$0	\$27,871	\$27,871	\$27,871	\$27,871	\$28,199	\$28,199	\$167,879	\$58,397	\$0	\$0	\$224,276	
CALHFA Mixed Income	\$0/unit		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Sources of Funds			\$53,204,542	\$0	\$19,882,965	\$6,166,138	\$5,895,241	\$4,173,257	\$4,211,978	\$3,057,329	\$3,950,127	\$47,337,036	\$749,240	\$4,495,759	\$622,507	\$53,204,542		
USES OF FUNDS																		
ACQUISITION																		
Land value	\$46,000/unit		\$5,520,000	\$0	\$5,520,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,520,000	\$0	\$0	\$0	\$5,520,000	
Base Eligible Acquisition Cost			\$1,196,754	\$0	\$1,196,754	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,196,754	\$0	\$0	\$0	\$1,196,754	
Master Dev Reimbursable Eligible Cost	\$0/unit		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other: Closing Costs			\$5,000	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$5,000	
Total Land / Acquisition			\$6,721,754	\$0	\$6,721,754	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,721,754	\$0	\$0	\$0	\$6,721,754	
NEW CONSTRUCTION																		
Master Dev Reimbursable Off-site Improvements	\$0		\$3,000,000	\$0	\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000,000	\$0	\$0	\$0	\$3,000,000	
Site Work	\$0/acre		\$2,797,396	\$0	\$0	\$1,398,698	\$1,398,698	\$0	\$0	\$0	\$0	\$0	\$2,797,396	\$0	\$0	\$0	\$2,797,396	
Vertical	\$125.26/unit		\$15,031,521	\$0	\$0	\$3,006,304	\$3,006,304	\$3,006,304	\$3,006,304	\$1,503,152	\$1,503,152	\$15,031,521	\$0	\$0	\$0	\$15,031,521		
General Liability Insurance			\$262,144	\$0	\$35,700	\$52,420	\$52,420	\$35,775	\$35,775	\$25,028	\$25,028	\$262,144	\$0	\$0	\$0	\$262,144		
General Requirements	1.0%		\$1,321,735	\$0	\$180,000	\$264,300	\$264,300	\$180,378	\$180,378	\$126,189	\$126,189	\$1,321,735	\$0	\$0	\$0	\$1,321,735		
Contractor Contingency	2.0%		\$440,578	\$0	\$88,100	\$88,100	\$88,100	\$8,000	\$8,000	\$42,060	\$42,060	\$440,578	\$0	\$0	\$0	\$440,578		
Contractor Profit	6.0%		\$1,321,735	\$0	\$180,000	\$264,300	\$264,300	\$180,378	\$180,378	\$126,189	\$126,189	\$1,321,735	\$0	\$0	\$0	\$1,321,735		
Solar System	\$100,000/unit		\$1,200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600,000	\$600,000	\$1,200,000	\$0	\$0	\$0	\$1,200,000	
GC Contingency	5.0%		\$1,101,448	\$0	\$150,000	\$220,250	\$220,250	\$150,315	\$150,315	\$105,156	\$105,156	\$1,101,448	\$0	\$0	\$0	\$1,101,448		
Total New Construction			\$220,638/unit	\$26,476,555	\$3,605,700	\$5,294,372	\$5,294,372	\$3,613,277	\$3,613,277	\$2,527,779	\$2,527,779	\$26,476,555	\$0	\$0	\$0	\$26,476,555		
ARCHITECTURAL																		
Building	2.31%		\$611,000	\$0	\$61,000	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$611,000	\$0	\$0	\$0	\$611,000	
Other:			\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000	
Total Architectural			\$661,000	\$0	\$61,000	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$661,000	\$0	\$0	\$0	\$661,000	
SURVEY & ENGINEERING																		
Civil			\$195,000	\$0	\$130,000	\$65,000	\$0	\$0	\$0	\$0	\$0	\$0	\$195,000	\$0	\$0	\$0	\$195,000	
Other:	0.74%		\$20,000	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$20,000	
Total Survey & Engineering			\$215,000	\$0	\$150,000	\$65,000	\$0	\$0	\$0	\$0	\$0	\$0	\$215,000	\$0	\$0	\$0	\$215,000	
CONTINGENCY COSTS																		
Hard Cost Contingency	5.0%		\$1,323,828	\$0	\$180,285	\$264,719	\$264,719	\$180,664	\$180,664	\$126,389	\$126,389	\$1,323,828	\$0	\$0	\$0	\$1,323,828		
Soft Cost Contingency	3.0%		\$373,249	\$0	\$273,065	\$17,681	\$9,791	\$11,048	\$12,176	\$11,743	\$37,748	\$373,249	\$0	\$0	\$0	\$373,249		
Total Contingency			\$1,697,077	\$0	\$453,350	\$282,400	\$274,509	\$191,712	\$192,840	\$138,132	\$164,135	\$1,697,077	\$0	\$0	\$0	\$1,697,077		
CONSTRUCTION PERIOD EXPENSES																		
Construction Loan Interest			\$2,151,952	\$0	\$0	\$153,996	\$205,888	\$247,898	\$285,491	\$316,971	\$313,705	\$1,524,109	\$627,843	\$0	\$0	\$0	\$2,151,952	
Solar Loan Interest			\$0	\$0	\$0	\$27,871	\$27,871	\$27,871	\$27,871	\$28,199	\$28,199	\$187,879	\$69,397	\$0	\$0	\$0	\$187,879	
Origination Fee	1.00%		\$355,108	\$0	\$355,108	\$0	\$0	\$0	\$0	\$0	\$0	\$355,108	\$0	\$0	\$0	\$355,108		
Lender Inspection Fees			\$25,000	\$0	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$2,500	\$2,500	\$25,000	\$0	\$0	\$0	\$25,000		
Taxes During Construction			\$178,000	\$0	\$178,000	\$0	\$0	\$0	\$0	\$0	\$0	\$178,000	\$0	\$0	\$0	\$178,000		
Insurance During Construction			\$187,856	\$0	\$187,856	\$0	\$0	\$0	\$0	\$0	\$0	\$187,856	\$0	\$0	\$0	\$187,856		
Title and Recording Fees			\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000		
Construction Mgmt. and Monitoring			\$400,000	\$0	\$0	\$80,000	\$80,000	\$80,000	\$80,000	\$40,000	\$40,000	\$400,000	\$0	\$0	\$0	\$400,000		
Predevelopment Loan Interest			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Financial Consultants			\$300,000	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000	\$0	\$0	\$0	\$300,000		
Other: CalHFA Expenses			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Construction Period Expense			\$3,872,192	\$0	\$1,070,964	\$266,867	\$318,859	\$360,768	\$398,362	\$387,669	\$384,463	\$3,187,952	\$684,240	\$0	\$0	\$0	\$3,872,192	
PERMANENT FINANCING EXPENSES																		
Loan Origination Fees	1.00%		\$177,633	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$177,633	\$0	\$177,633	
Title and Recording Fees			\$12,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,500	\$0	\$12,500	
Other: Issuer Fee	0.1875%		\$33,306	\$0	\$33,306	\$0	\$0	\$0	\$0	\$0	\$0	\$33,306	\$0	\$0	\$0	\$33,306		
Other:			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Permanent Financing			\$223,439	\$0	\$33,306	\$0	\$0	\$0	\$0	\$0	\$0	\$33,306	\$0	\$190,133	\$0	\$223,439		
LEGAL FEES																		
Construction Lender Legal			\$60,000	\$0	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000	\$0	\$0	\$0	\$60,000	
Lender Legal (sub loan)			\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0	\$15,000	
Perm Legal Legal			\$75,000	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000	\$0	\$0	\$0	\$75,000		
Organizational Legal			\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000		
Other Legal (Issuer Legal, Bond Counsel)			\$65,000	\$0	\$65,000	\$0	\$0	\$0	\$0	\$0	\$0	\$65,000	\$0	\$0	\$0	\$65,000		
Other: Contingency			\$25,000	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000	\$0	\$0	\$0	\$25,000		
Other: GP Legal			\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000		
Total Legal Fees			\$340,000	\$0	\$325,000	\$0	\$0	\$0	\$0	\$0	\$0	\$325,000	\$0	\$15,000	\$0	\$340,000		
CAPITALIZED RESERVES																		
Operating Reserve	3 months		\$392,588	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$392,588	\$0	\$392,588	
Other:			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Reserves			\$392,588	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$392,588	\$0	\$392,588	
REPORTS & STUDIES																		
Market Study			\$10,000	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$10,000	\$10,000	
Relocation Plan & consulting			\$10,000	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$10,000	\$10,000	
Appraisal			\$15,000	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0	\$0	\$0	\$15,000	\$15,000	
Environmental			\$20,000	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$20,000	\$20,000	
Other: Site Report			\$10,000	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$10,000	\$10,000	
Other: Phase I			\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000	\$50,000	
Total Reports & Studies			\$115,000	\$0	\$115,000	\$0	\$0	\$0	\$0	\$0	\$0	\$115,000	\$0	\$0	\$0	\$115,000		
OTHER																		
TCAC App./Alloc/Monitoring Fees			\$69,364	\$0	\$20,764	\$0	\$0	\$0	\$0	\$0	\$0	\$20,764	\$0	\$48,600	\$0	\$69,364	\$69,364	
COLAC/TCAC Fees	0.25%		\$75,000	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000	\$0	\$0	\$0	\$75,000	\$75,000	
Local Permit Fees			\$213,628	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$						

OPERATING BUDGET & INCOME ANALYSIS
Nbhd L Family Affordable Apartments_120 units

Year	2021 San Diego
MSA	San Diego, CA
4 Person 50% AMI	\$92,700

				Square	Total	Gross	Rent	Utility	Monthly	Annual
Rent:	Restriction	%AMI	Units	Feet/Unit	Sq. Ft.	Rents	Adjustment	Allowance (Est. CUAC) - 80% Discount	Net Rent	Rent
1 Bedroom	LIHTC	50%	56	550	30,800	\$1,083	\$0	\$14	\$1,069	\$718,502
2 Bedrooms	LIHTC	50%	32	732	23,424	\$1,300	\$0	\$18	\$1,282	\$492,211
3 Bedrooms	LIHTC	50%	31	922	28,582	\$1,501	\$0	\$23	\$1,478	\$549,965

3 Bedrooms	n/a	MGR	1	922	922					
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Total Rents	120				83,728					\$1,760,678
Community Room/Office					3,000					
% Loss to Efficiency				18%	18,397					
Construction Square Feet, excluding commercial					105,125					
RA Overhang										\$0
Income from Operations				PUPM						
Laundry				\$16						\$23,040
Other Income (App. Fees, Late, etc.)				\$4						\$5,760
Garage				\$0		0		Garages		\$0
Cable & Highspeed Data Income				\$0						\$0
Telephone Income				\$0						\$0
Sub-Total				\$20						\$1,789,478
Less: Vacancies @			5%							\$89,474
Commercial Income				-	\$2.00/sq ft			Childcare		\$0
Less: Vacancies @			50%							\$0
Total Income										\$1,700,004

Operating Expenses	PUPA	Comps	Diff	Notes	Total
Admin	\$235	\$0	\$235		\$28,200
Advertising:	\$75	\$0	\$75		\$9,000
Legal:	\$50	\$0	\$50		\$6,000
Accounting/Audit:	\$35	\$0	\$35		\$4,200
Security:	\$35	\$0	\$35		\$4,200
Other:	\$40	\$0	\$40		\$4,800
Management Fee	\$720	\$0	\$720		\$86,400
Utilities	\$1,450	\$0	\$1,450		\$174,000
Fuel:	\$0	\$0	\$0		\$0
Gas:	\$300	\$0	\$300		\$36,000
Electricity:	\$550	\$0	\$550		\$66,000
Water/Sewer:	\$600	\$0	\$600		\$72,000
Payroll	\$1,731	\$0	\$1,731		\$207,720
On-site Manager:	\$815	\$0	\$815		\$97,800
Maintenance Personnel:	\$666	\$0	\$666		\$79,920
Other:	\$250	\$0	\$250		\$30,000
Repair & Maintenance	\$1,140	\$0	\$1,140		\$136,800
Painting:	\$75	\$0	\$75		\$9,000
Repairs:	\$300	\$0	\$300		\$36,000
Trash Removal:	\$225	\$0	\$225		\$27,000
Exterminating:	\$100	\$0	\$100		\$12,000
Grounds:	\$120	\$0	\$120		\$14,400
Elevator:	\$200	\$0	\$200		\$24,000
Other:	\$120	\$0	\$120		\$14,400
Insurance	\$140	\$0	\$140		\$16,800
Taxes (HOA, CFD)	\$84	\$0	\$84		\$10,080
Other (includes monitor fee)	\$100	\$0	\$100		\$12,000
Total Expenses	\$5,600	\$0	\$5,600		\$672,000

Net Operating Income					\$1,028,004
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Reserves	\$250/unit		\$30,000
Services	\$0/unit		\$0
Issuer's Fee	0.1875%		\$4,000
Mandatory Debt Service	0.420%		\$0
Net Income Available for Debt Service			\$994,004

DSC TEST	1.15
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Loan Sizing	Tranche A	Tranche B	Tranche C
Loan Amount	\$17,763,284	\$0	\$0
Interest	3.75%	3.75%	
Term	40	18	
Amortization	40	35	
Debt Service Coverage	1.15	1.15	
Monthly Payment	\$71,502	0	
Annual Payment	\$864,352	0	
Cash Flow After D/S	\$129,653		

Req. Loan
Tranche A
\$17,763,284
3.75%
40
40
1.15
\$71,502
\$864,352
\$129,653

TAX CREDITS & BASIS CALCULATION

Nbhd L Family Affordable Apartments_120 units

DDA/QCT

BIPOC

	No No		15% 20%			15% 5%			
	"TOTAL RESIDENTIAL COST"	"DDA/QCT Building(s) COST"	"NON-DDA/ NON-QCT Building(s) COST"	"TOTAL 30% PVC for New Const/ Rehabilitation"	"30% PVC for New Const/ Rehabilitation DDA/QCT Building(s)"	"30% PVC for New Const/ Rehabilitation NON-DDA/ NON-QCT Building(s)"	"TOTAL 30% PVC for Acquisition"	"30% PVC for Acquisition DDA/QCT Building(s)"	"30% PVC for Acquisition NON-DDA/ NON-QCT Building(s)"
DESCRIPTION OF COSTS									
ACQUISITION									
Land value	\$5,520,000	\$0	\$5,520,000						
Basis Eligible Acquisition Cost	\$1,196,754	\$0	\$1,196,754				\$1,196,754	\$0	\$1,196,754
Master Dev Reimbursable Eligible Cost	\$0	\$0	\$0				\$0	\$0	\$0
Other: Closing Costs	\$5,000	\$0	\$5,000						
TOTAL LAND/AQUISITION COSTS	\$6,721,754	\$0	\$6,721,754	\$0	\$0	\$0	\$1,196,754	\$0	\$1,196,754
NEW CONSTRUCTION									
Design Assist (excluded from contingency)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Master Dev Reimbursable Off-site Improvements	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000	\$0	\$0	\$0
Site Work	\$2,797,396	\$0	\$2,797,396	\$2,797,396	\$0	\$2,797,396	\$0	\$0	\$0
Parking Garage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vertical	\$15,031,521	\$0	\$15,031,521	\$15,031,521	\$0	\$15,031,521	\$0	\$0	\$0
General Liability Insurance	\$262,144	\$0	\$262,144	\$262,144	\$0	\$262,144	\$0	\$0	\$0
General Requirements	\$1,321,735	\$0	\$1,321,735	\$1,321,735	\$0	\$1,321,735	\$0	\$0	\$0
Contractor Overhead	\$440,578	\$0	\$440,578	\$440,578	\$0	\$440,578	\$0	\$0	\$0
Contractor Profit	\$1,321,735	\$0	\$1,321,735	\$1,321,735	\$0	\$1,321,735	\$0	\$0	\$0
Solar System	\$1,200,000	\$0	\$1,200,000	\$1,200,000	\$0	\$1,200,000	\$0	\$0	\$0
GC Contingency	\$1,101,446	\$0	\$1,101,446	\$1,101,446	\$0	\$1,101,446	\$0	\$0	\$0
TOTAL CONSTRUCTION	\$26,476,555	\$0	\$26,476,555	\$26,476,555	\$0	\$26,476,555	\$0	\$0	\$0
ARCHITECTURAL FEES									
Building	\$611,000	\$0	\$611,000	\$611,000	\$0	\$611,000	\$0	\$0	\$0
Other:	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000	\$0	\$0	\$0
TOTAL ARCHITECTURAL COSTS	\$661,000	\$0	\$661,000	\$661,000	\$0	\$661,000	\$0	\$0	\$0
SURVEY & ENGINEERING									
Civil	\$195,000	\$0	\$195,000	\$195,000	\$0	\$195,000	\$0	\$0	\$0
Other:	\$20,000	\$0	\$20,000	\$20,000	\$0	\$20,000	\$0	\$0	\$0
TOTAL SURVEY & ENGINEERING	\$215,000	\$0	\$215,000	\$215,000	\$0	\$215,000	\$0	\$0	\$0
CONTINGENCY COSTS									
Hard Cost Contingency	\$1,323,828	\$0	\$1,323,828	\$1,323,828	\$0	\$1,323,828	\$0	\$0	\$0
Soft Cost Contingency	\$373,249	\$0	\$373,249	\$373,249	\$0	\$373,249	\$0	\$0	\$0
TOTAL CONTINGENCY COSTS	\$1,697,077	\$0	\$1,697,077	\$1,697,077	\$0	\$1,697,077	\$0	\$0	\$0
CONSTRUCTION PERIOD EXPENSES									
Construction Loan Interest	\$2,151,952	\$0	\$2,151,952	\$1,524,109	\$0	\$1,524,109	\$0	\$0	\$0
Soft Loan Interest	\$224,276	\$0	\$224,276	\$167,879	\$0	\$167,879	\$0	\$0	\$0
Origination Fee	\$355,108	\$0	\$355,108	\$355,108	\$0	\$355,108	\$0	\$0	\$0
Lender Inspection Fees	\$25,000	\$0	\$25,000	\$25,000	\$0	\$25,000	\$0	\$0	\$0
Taxes During Construction	\$178,000	\$0	\$178,000	\$178,000	\$0	\$178,000	\$0	\$0	\$0
Other: Issuer Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance During Construction	\$187,856	\$0	\$187,856	\$187,856	\$0	\$187,856	\$0	\$0	\$0
Title and Recording Fees	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000	\$0	\$0	\$0
Construction Mgmt. and Monitoring	\$400,000	\$0	\$400,000	\$400,000	\$0	\$400,000	\$0	\$0	\$0
Predevelopment Loan Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financial Consultants	\$300,000	\$0	\$300,000	\$300,000	\$0	\$300,000	\$0	\$0	\$0
Other: CalHFA Expenses	\$0	\$0	\$0						
TOTAL CONSTRUCTION PERIOD EXPENSE	\$3,872,192	\$0	\$3,872,192	\$3,187,952	\$0	\$3,187,952	\$0	\$0	\$0
PERMANENT FINANCING EXPENSES									
Loan Origination Fees	\$177,633	\$0	\$177,633						
Title and Recording Fees	\$12,500	\$0	\$12,500						
Other: Issuer Fee	\$33,306	\$0	\$33,306						
Other:	\$0	\$0	\$0						
TOTAL PERMANENT FINANCING COSTS	\$223,439	\$0	\$223,439	\$0	\$0	\$0	\$0	\$0	\$0
LEGAL FEES									
Construction Lender Legal	\$60,000	\$0	\$60,000	\$60,000	\$0	\$60,000	\$0	\$0	\$0
Lender Legal (sub loan)	\$15,000	\$0	\$15,000						
Perm Loan: Legal	\$75,000	\$0	\$75,000						
Organizational Legal	\$50,000	\$0	\$50,000						
Other Legal (Issuer Legal, Bond Counsel)	\$65,000	\$0	\$65,000						
Other:	\$25,000	\$0	\$25,000						
Other: GP Legal	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000	\$0	\$0	\$0
TOTAL LEGAL	\$340,000	\$0	\$340,000	\$110,000	\$0	\$110,000	\$0	\$0	\$0
CAPITALIZED RESERVES									
Operating Reserve	\$392,588	\$0	\$392,588						
Other:	\$0	\$0	\$0						
TOTAL RESERVE COSTS	\$392,588	\$0	\$392,588	\$0	\$0	\$0	\$0	\$0	\$0
REPORTS & STUDIES									
Market Study	\$10,000	\$0	\$10,000	\$5,000	\$0	\$5,000	\$0	\$0	\$0
Relocation Plan & consulting	\$10,000	\$0	\$10,000	\$10,000	\$0	\$10,000	\$0	\$0	\$0
Appraisal	\$15,000	\$0	\$15,000	\$15,000	\$0	\$15,000	\$0	\$0	\$0
Environmental	\$20,000	\$0	\$20,000	\$20,000	\$0	\$20,000	\$0	\$0	\$0
Other: Soils Report	\$10,000	\$0	\$10,000	\$10,000	\$0	\$10,000	\$0	\$0	\$0
Other: Phase I	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000	\$0	\$0	\$0
TOTAL REPORTS & STUDIES	\$115,000	\$0	\$115,000	\$110,000	\$0	\$110,000	\$0	\$0	\$0
OTHER EXPENSES									
TCAC App./Alloc/Monitoring Fees	\$69,364	\$0	\$69,364						
CDLAC/CDIAC Fees	\$75,000	\$0	\$75,000						
Local Permit Fees	\$213,628	\$0	\$213,628	\$213,628	\$0	\$213,628	\$0	\$0	\$0
Local Development Impact Fees	\$5,875,000	\$0	\$5,875,000	\$5,875,000	\$0	\$5,875,000	\$0	\$0	\$0
Furnishings	\$20,000	\$0	\$20,000	\$20,000	\$0	\$20,000	\$0	\$0	\$0
Final Cost Audit Expense	\$15,000	\$0	\$15,000						
Marketing	\$150,000	\$0	\$150,000						
MGP Services Fee	\$50,000	\$0	\$50,000						
Accounting/Finance/Admin	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000	\$0	\$0	\$0
Other:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER COSTS	\$6,517,992	\$0	\$6,517,992	\$6,158,628	\$0	\$6,158,628	\$0	\$0	\$0
DEVELOPER COSTS									
Developer Fee Limit - Per Application	\$2,900,000	\$0	\$2,900,000	\$2,900,000	\$0	\$2,900,000	\$2,900,000	\$0	\$2,900,000
Developer Fee Calculation	\$5,971,945	\$0	\$5,971,945	\$5,792,432	\$0	\$5,792,432	\$179,513	\$0	\$179,513
Developer Fee	\$5,971,945	\$0	\$5,971,945	\$5,792,432	\$0	\$5,792,432	\$179,513	\$0	\$179,513
Construction Oversight & Mgmt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL DEVELOPER FEE	\$5,971,945	\$0	\$5,971,945	\$5,792,432	\$0	\$5,792,432	\$179,513	\$0	\$179,513
TOTAL RESIDENTIAL COSTS	\$53,204,542	\$0	\$53,204,542	\$44,408,644	\$0	\$44,408,644	\$1,376,267	\$0	\$1,376,267
Balance Check	\$0								
TOTAL ELIGIBLE BASIS				\$44,408,644	\$0	\$44,408,644	\$1,376,267	\$0	\$1,376,267

	"30% PVC for New Const/ Rehabilitation NON-DDA/ NON-QCT Building(s)"	"30% PVC for Acquisition NON-DDA/ NON-QCT Building(s)"
Total Eligible Basis:	\$44,408,644	\$1,376,267
Ineligible Amounts:		
Subtract All Grant Proceeds Used to Finance Costs in Eligible Basis:	\$0	\$0
Subtract Non-Qualified Non-Recourse Financing:	\$0	\$0
Subtract Non-Qualifying Portion of Higher Quality Units:	\$0	\$0
Subtract Photovoltaic Credit (as applicable):	\$126,000	\$0
Subtract Historic Credit (residential portion only):	\$0	\$0
Subtract (specify other ineligible amounts):	\$0	\$0
Subtract (specify other ineligible amounts):	\$0	\$0
Total Ineligible Amounts:	\$126,000	\$0
*Total Eligible Basis Amount Voluntarily Excluded:	\$0	
Total Basis Reduction:	(\$126,000)	\$0
Total Requested Unadjusted Eligible Basis Limit:	\$44,282,644	\$1,376,267
QCT or DDA Adjustment:	100.0%	100.0%
Total Adjusted Eligible Basis:	\$44,282,644	\$1,376,267
Total Qualified Basis:	\$45,658,911	

Determination of Federal Tax Credit	New Const/ Rehab	Acquisition
Qualified Basis:	\$44,282,644	\$1,376,267
Applicable Percentage:	4.0%	4.0%
Subtotal Annual Federal Credit:	\$1,771,306	\$55,051
Total Combined Annual Federal Credit:	\$1,826,356	
Federal Tax Credit Factor:	\$0.888	99.99%
Equity Raised from Federal Tax Credit:	\$16,207,293	

Determination of State Tax Credit	New Const/ Rehab	Acquisition
Qualified Basis:	\$44,282,644	\$1,376,267
Factor Amount	30.0%	
Subtotal State Credit:	\$13,284,793	Per unit
*Total State Tax Credit Amount Voluntarily Excluded:	\$0	\$110,707
Total Combined State Credit:	\$13,284,793	
State Tax Credit Factor:	\$0.855	99.99%
Equity Raised from State Tax Credit:	\$11,357,362	

15 YEAR PROJECT CASH FLOW PROJECTIONS - Refer to TCAC Regulation Sections 10322(h)(22), 10325(f)(5), 10326(g)(4), 10327(f) and (g).

REVENUE	MULTIPLIER	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Gross Rent	2.50%	\$1,760,678	\$1,804,695	\$1,849,813	\$1,896,058	\$1,943,460	\$1,992,046	\$2,041,847	\$2,092,893	\$2,145,216	\$2,198,846	\$2,253,817	\$2,310,163	\$2,367,917	\$2,427,115	\$2,487,792
Less Vacancy	5.00%	(\$88,034)	(\$90,235)	(\$92,491)	(\$94,803)	(\$97,173)	(\$99,602)	(\$102,092)	(\$104,645)	(\$107,261)	(\$109,942)	(\$112,691)	(\$115,508)	(\$118,396)	(\$121,356)	(\$124,390)
Rental Subsidy	2.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Vacancy	5.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Income	2.50%	\$28,800	\$29,520	\$30,258	\$31,014	\$31,790	\$32,585	\$33,399	\$34,234	\$35,090	\$35,967	\$36,866	\$37,788	\$38,733	\$39,701	\$40,694
Less Vacancy	5.00%	(\$1,440)	(\$1,476)	(\$1,513)	(\$1,551)	(\$1,589)	(\$1,629)	(\$1,670)	(\$1,712)	(\$1,755)	(\$1,798)	(\$1,843)	(\$1,889)	(\$1,937)	(\$1,985)	(\$2,035)
Total Revenue		\$1,700,004	\$1,742,505	\$1,786,067	\$1,830,719	\$1,876,487	\$1,923,399	\$1,971,484	\$2,020,771	\$2,071,290	\$2,123,073	\$2,176,149	\$2,230,553	\$2,286,317	\$2,343,475	\$2,402,062
EXPENSES																
Operating Expenses:																
Administrative	3.50%	\$28,200	\$29,187	\$30,209	\$31,266	\$32,360	\$33,493	\$34,665	\$35,878	\$37,134	\$38,434	\$39,779	\$41,171	\$42,612	\$44,104	\$45,647
Management	3.50%	\$86,400	\$89,424	\$92,554	\$95,793	\$99,146	\$102,616	\$106,208	\$109,925	\$113,772	\$117,754	\$121,876	\$126,141	\$130,556	\$135,126	\$139,855
Utilities	3.50%	\$174,000	\$180,090	\$186,393	\$192,917	\$199,669	\$206,657	\$213,890	\$221,377	\$229,125	\$237,144	\$245,444	\$254,035	\$262,926	\$272,128	\$281,653
Payroll & Payroll Taxes	3.50%	\$207,720	\$214,990	\$222,515	\$230,303	\$238,363	\$246,706	\$255,341	\$264,278	\$273,528	\$283,101	\$293,010	\$303,265	\$313,879	\$324,865	\$336,235
Insurance	3.50%	\$16,800	\$17,388	\$17,997	\$18,626	\$19,278	\$19,953	\$20,651	\$21,374	\$22,122	\$22,897	\$23,698	\$24,527	\$25,386	\$26,274	\$27,194
Maintenance	3.50%	\$136,800	\$141,588	\$146,544	\$151,673	\$156,981	\$162,475	\$168,162	\$174,048	\$180,139	\$186,444	\$192,970	\$199,724	\$206,714	\$213,949	\$221,437
Other (includes monitor fee) Taxes (H)	3.50%	\$22,080	\$22,853	\$23,653	\$24,480	\$25,337	\$26,224	\$27,142	\$28,092	\$29,075	\$30,093	\$31,146	\$32,236	\$33,364	\$34,532	\$35,741
Total Operating Expenses		\$672,000	\$695,520	\$719,863	\$745,058	\$771,135	\$798,125	\$826,060	\$854,972	\$884,896	\$915,867	\$947,922	\$981,100	\$1,015,438	\$1,050,978	\$1,087,763
Ground Lease Payment (if applicable)	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transit Pass/Tenant Internet Expense	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Amenities	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replacement Reserve	3.50%	\$30,000	\$31,050	\$32,137	\$33,262	\$34,426	\$35,631	\$36,878	\$38,168	\$39,504	\$40,887	\$42,318	\$43,799	\$45,332	\$46,919	\$48,561
Monitoring Fees	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Taxes	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Specialty Local Taxes	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Issuer's Fee	0.00%	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Mandatory Debt Service	0.00% 0.42%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$706,000	\$730,570	\$756,000	\$782,320	\$809,561	\$837,756	\$866,937	\$897,140	\$928,400	\$960,754	\$994,240	\$1,028,899	\$1,064,770	\$1,101,897	\$1,140,324
Cash Flow Prior to Debt Service		\$994,004	\$1,011,935	\$1,030,067	\$1,048,399	\$1,066,926	\$1,085,643	\$1,104,547	\$1,123,631	\$1,142,890	\$1,162,319	\$1,181,909	\$1,201,654	\$1,221,547	\$1,241,578	\$1,261,738
MUST PAY DEBT SERVICE																
Permanent Loan (Tranche A)		\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352
Cash Flow After Debt Service		\$129,653	\$147,583	\$165,716	\$184,047	\$202,574	\$221,292	\$240,195	\$259,279	\$278,539	\$297,967	\$317,557	\$337,303	\$357,195	\$377,226	\$397,387
Percent of Gross Revenue		7.25%	8.05%	8.81%	9.55%	10.26%	10.93%	11.57%	12.19%	12.78%	13.33%	13.86%	14.37%	14.84%	15.29%	15.72%
25% Debt Service Test		15.00%	17.07%	19.17%	21.29%	23.44%	25.60%	27.79%	30.00%	32.23%	34.47%	36.74%	39.02%	41.33%	43.64%	45.96%
Debt Coverage Ratio		1.150	1.171	1.192	1.213	1.234	1.256	1.278	1.300	1.322	1.345	1.367	1.390	1.413	1.436	1.459
OTHER FEES**																
Below residual receipts line for cash flow		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GP Partnership Management Fee	3.50%	\$5,000	\$5,175	\$5,356	\$5,544	\$5,738	\$5,938	\$6,146	\$6,361	\$6,584	\$6,814	\$7,053	\$7,300	\$7,555	\$7,820	\$8,093
LP Asset Management Fee	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incentive Management Fee	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Fees		\$5,000	\$5,175	\$5,356	\$5,544	\$5,738	\$5,938	\$6,146	\$6,361	\$6,584	\$6,814	\$7,053	\$7,300	\$7,555	\$7,820	\$8,093
Remaining Cash Flow		\$124,653	\$142,408	\$160,359	\$178,504	\$196,836	\$215,353	\$234,049	\$252,918	\$271,955	\$291,152	\$310,504	\$330,003	\$349,640	\$369,406	\$389,293
Deferred Developer Fee**	1.00% 100.00%	\$124,653	\$142,408	\$160,359	\$178,504	\$196,836	\$215,353	\$234,049	\$252,918	\$271,955	\$291,152	\$310,504	\$330,003	\$349,640	\$369,406	\$389,293
Below residual receipts line for cash flow		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residual or Soft Debt Payments**																
Master Dev Reimbursable Note	2.75% 75.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$212,079	\$291,970
Land Note	1.00% 0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MGP Sponsor Loan	0.00% 0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	1.00% 0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Fees		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$212,079	\$291,970
Partnership Cash Flow		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$70,693	\$97,323

55 YEAR PROJECT CASH FLOW PROJECTIONS - Refer to TCAC Regulation Sections 10322(h)(22), 10325(f)(5), 10326(g)(4), 10327(f) and (g).

REVENUE	MULTIPLIER	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Gross Rent	2.50%	\$1,760,678	\$1,804,695	\$1,849,813	\$1,896,058	\$1,943,460	\$1,992,046	\$2,041,847	\$2,092,893	\$2,145,216	\$2,198,846	\$2,253,817	\$2,310,163	\$2,367,917	\$2,427,115	\$2,487,792
Less Vacancy	5.00%	(\$88,034)	(\$90,235)	(\$92,491)	(\$94,803)	(\$97,173)	(\$99,602)	(\$102,092)	(\$104,645)	(\$107,261)	(\$109,942)	(\$112,691)	(\$115,508)	(\$118,396)	(\$121,356)	(\$124,390)
Rental Subsidy	2.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Vacancy	5.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Income	2.50%	\$28,800	\$29,520	\$30,258	\$31,014	\$31,790	\$32,585	\$33,399	\$34,234	\$35,090	\$35,967	\$36,866	\$37,788	\$38,733	\$39,701	\$40,694
Less Vacancy	5.00%	(\$1,440)	(\$1,476)	(\$1,513)	(\$1,551)	(\$1,589)	(\$1,629)	(\$1,670)	(\$1,712)	(\$1,755)	(\$1,799)	(\$1,843)	(\$1,889)	(\$1,937)	(\$1,985)	(\$2,035)
Total Revenue		\$1,700,004	\$1,742,505	\$1,786,067	\$1,830,719	\$1,876,487	\$1,923,399	\$1,971,484	\$2,020,771	\$2,071,290	\$2,123,073	\$2,176,149	\$2,230,553	\$2,286,317	\$2,343,475	\$2,402,062
EXPENSES																
Operating Expenses:																
Administrative	3.50%	\$28,200	\$29,187	\$30,209	\$31,266	\$32,360	\$33,493	\$34,665	\$35,878	\$37,134	\$38,434	\$39,779	\$41,171	\$42,612	\$44,104	\$45,647
Management	3.50%	\$86,400	\$89,424	\$92,554	\$95,793	\$99,146	\$102,616	\$106,208	\$109,925	\$113,772	\$117,754	\$121,876	\$126,141	\$130,556	\$135,126	\$139,855
Utilities	3.50%	\$174,000	\$180,090	\$186,393	\$192,917	\$199,669	\$206,657	\$213,890	\$221,377	\$229,125	\$237,144	\$245,444	\$254,035	\$262,926	\$272,128	\$281,653
Payroll & Payroll Taxes	3.50%	\$207,720	\$214,990	\$222,515	\$230,303	\$238,363	\$246,706	\$255,341	\$264,278	\$273,528	\$283,101	\$293,010	\$303,265	\$313,879	\$324,865	\$336,235
Insurance	3.50%	\$16,800	\$17,388	\$17,997	\$18,626	\$19,278	\$19,953	\$20,651	\$21,374	\$22,122	\$22,897	\$23,698	\$24,527	\$25,386	\$26,274	\$27,194
Maintenance	3.50%	\$136,800	\$141,588	\$146,544	\$151,673	\$156,981	\$162,475	\$168,162	\$174,048	\$180,139	\$186,444	\$192,970	\$199,724	\$206,714	\$213,949	\$221,437
Other (includes monitor fee) Taxes (H)	3.50%	\$22,080	\$22,853	\$23,653	\$24,480	\$25,337	\$26,224	\$27,142	\$28,092	\$29,075	\$30,093	\$31,146	\$32,236	\$33,364	\$34,532	\$35,741
Total Operating Expenses		\$672,000	\$695,520	\$719,863	\$745,058	\$771,135	\$798,125	\$826,060	\$854,972	\$884,896	\$915,867	\$947,922	\$981,100	\$1,015,438	\$1,050,978	\$1,087,763
Ground Lease Payment (if applicable)	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transit Pass/Tenant Internet Expense	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Amenities	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replacement Reserve	3.50%	\$30,000	\$31,050	\$32,137	\$33,262	\$34,426	\$35,631	\$36,878	\$38,168	\$39,504	\$40,887	\$42,318	\$43,799	\$45,332	\$46,919	\$48,561
Monitoring Fees	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Taxes	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Specialty Local Taxes	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Issuer's Fee	0.00%	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Mandatory Debt Service	0.00%	0.42%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$706,000	\$730,570	\$756,000	\$782,320	\$809,561	\$837,756	\$866,937	\$897,140	\$928,400	\$960,754	\$994,240	\$1,028,899	\$1,064,770	\$1,101,897	\$1,140,324
Cash Flow Prior to Debt Service		\$994,004	\$1,011,935	\$1,030,067	\$1,048,399	\$1,066,926	\$1,085,643	\$1,104,547	\$1,123,631	\$1,142,890	\$1,162,319	\$1,181,909	\$1,201,654	\$1,221,547	\$1,241,578	\$1,261,738
MUST PAY DEBT SERVICE																
Permanent Loan (Tranche A)		\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352
Cash Flow After Debt Service		\$129,653	\$147,583	\$165,716	\$184,047	\$202,574	\$221,292	\$240,195	\$259,279	\$278,539	\$297,967	\$317,557	\$337,303	\$357,195	\$377,226	\$397,387
Percent of Gross Revenue		7.25%	8.05%	8.81%	9.55%	10.26%	10.93%	11.57%	12.19%	12.78%	13.33%	13.86%	14.37%	14.84%	15.29%	15.72%
25% Debt Service Test		15.00%	17.07%	19.17%	21.29%	23.44%	25.60%	27.79%	30.00%	32.23%	34.47%	36.74%	39.02%	41.33%	43.64%	45.98%
Debt Coverage Ratio		1.150	1.171	1.192	1.213	1.234	1.256	1.278	1.300	1.322	1.345	1.367	1.390	1.413	1.436	1.460
OTHER FEES**																
Below residual receipts line for cash flow		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GP Partnership Management Fee	3.50%	\$5,000	\$5,175	\$5,356	\$5,544	\$5,738	\$5,938	\$6,146	\$6,361	\$6,584	\$6,814	\$7,053	\$7,300	\$7,555	\$7,820	\$8,093
LP Asset Management Fee	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incentive Management Fee	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Fees		\$5,000	\$5,175	\$5,356	\$5,544	\$5,738	\$5,938	\$6,146	\$6,361	\$6,584	\$6,814	\$7,053	\$7,300	\$7,555	\$7,820	\$8,093
Remaining Cash Flow		\$124,653	\$142,408	\$160,359	\$178,504	\$196,836	\$215,353	\$234,049	\$252,918	\$271,955	\$291,152	\$310,504	\$330,003	\$349,640	\$369,406	\$389,293
Deferred Developer Fee**	1.00%	100.00%	\$124,653	\$142,408	\$160,359	\$178,504	\$196,836	\$215,353	\$234,049	\$252,918	\$271,955	\$291,152	\$310,504	\$330,003	\$349,640	\$0
Below residual receipts line for cash flow																
Residual or Soft Debt Payments**																
Master Dev Reimbursable Note	2.75%	75.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$212,079	\$291,970
Land Note	1.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MGP Sponsor Loan	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	1.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Fees		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$212,079	\$291,970
Partnership Cash Flow		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$70,693	\$97,323

55 YEAR PROJECT CASH FLOW PROJECTIONS

REVENUE	MULTIPLIER	YEAR 16	YEAR 17	YEAR 18	YEAR 19	YEAR 20	YEAR 21	YEAR 22	YEAR 23	YEAR 24	YEAR 25	YEAR 26	YEAR 27	YEAR 28	YEAR 29	YEAR 30
Gross Rent	2.50%	\$2,549,987	\$2,613,737	\$2,679,080	\$2,746,057	\$2,814,709	\$2,885,077	\$2,957,203	\$3,031,134	\$3,106,912	\$3,184,585	\$3,264,199	\$3,345,804	\$3,429,449	\$3,515,186	\$3,603,065
Less Vacancy	5.00%	(\$127,499)	(\$130,687)	(\$133,954)	(\$137,303)	(\$140,735)	(\$144,254)	(\$147,860)	(\$151,557)	(\$155,346)	(\$159,229)	(\$163,210)	(\$167,290)	(\$171,472)	(\$175,759)	(\$180,153)
Rental Subsidy	2.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Vacancy	5.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Income	2.50%	\$41,711	\$42,754	\$43,823	\$44,918	\$46,041	\$47,192	\$48,372	\$49,581	\$50,821	\$52,091	\$53,394	\$54,728	\$56,097	\$57,499	\$58,937
Less Vacancy	5.00%	(\$2,086)	(\$2,138)	(\$2,191)	(\$2,246)	(\$2,302)	(\$2,360)	(\$2,419)	(\$2,479)	(\$2,541)	(\$2,605)	(\$2,670)	(\$2,736)	(\$2,805)	(\$2,875)	(\$2,947)
Total Revenue		\$2,462,113	\$2,523,666	\$2,586,758	\$2,651,427	\$2,717,712	\$2,785,655	\$2,855,297	\$2,926,679	\$2,999,846	\$3,074,842	\$3,151,713	\$3,230,506	\$3,311,269	\$3,394,050	\$3,478,902
EXPENSES																
Operating Expenses:																
Administrative	3.50%	\$47,245	\$48,898	\$50,610	\$52,381	\$54,215	\$56,112	\$58,076	\$60,109	\$62,212	\$64,390	\$66,644	\$68,976	\$71,390	\$73,889	\$76,475
Management	3.50%	\$144,750	\$149,816	\$155,060	\$160,487	\$166,104	\$171,918	\$177,935	\$184,163	\$190,608	\$197,280	\$204,184	\$211,331	\$218,727	\$226,363	\$234,306
Utilities	3.50%	\$291,511	\$301,714	\$312,274	\$323,203	\$334,515	\$346,223	\$358,341	\$370,883	\$383,864	\$397,299	\$411,205	\$425,597	\$440,493	\$455,910	\$471,867
Payroll & Payroll Taxes	3.50%	\$348,003	\$360,184	\$372,790	\$385,838	\$399,342	\$413,319	\$427,785	\$442,758	\$458,254	\$474,293	\$490,893	\$508,075	\$525,857	\$544,262	\$563,311
Insurance	3.50%	\$28,146	\$29,131	\$30,151	\$31,206	\$32,298	\$33,428	\$34,598	\$35,809	\$37,063	\$38,360	\$39,703	\$41,092	\$42,530	\$44,019	\$45,560
Maintenance	3.50%	\$229,188	\$237,209	\$245,512	\$254,105	\$262,998	\$272,203	\$281,730	\$291,591	\$301,796	\$312,359	\$323,292	\$334,607	\$346,318	\$358,440	\$370,985
Other (includes monitor fee) Taxes (H		\$36,992	\$38,286	\$39,626	\$41,013	\$42,449	\$43,935	\$45,472	\$47,064	\$48,711	\$50,416	\$52,180	\$54,007	\$55,897	\$57,853	\$59,878
Total Operating Expenses		\$1,125,834	\$1,165,239	\$1,206,022	\$1,248,233	\$1,291,921	\$1,337,138	\$1,383,938	\$1,432,376	\$1,482,509	\$1,534,397	\$1,588,101	\$1,643,684	\$1,701,213	\$1,760,756	\$1,822,382
Ground Lease Payment (if applicable)	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transit Pass/Tenant Internet Expense	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Amenities	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replacement Reserve	3.50%	\$50,260	\$52,020	\$53,840	\$55,725	\$57,675	\$59,694	\$61,783	\$63,945	\$66,183	\$68,500	\$70,897	\$73,379	\$75,947	\$78,605	\$81,356
Monitoring Fees	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Taxes	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Specialty Local Taxes	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Issuer's Fee	0.00%	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Mandatory Debt Service	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$1,180,095	\$1,221,258	\$1,263,862	\$1,307,957	\$1,353,596	\$1,400,832	\$1,449,721	\$1,500,321	\$1,552,692	\$1,606,897	\$1,662,998	\$1,721,063	\$1,781,160	\$1,843,361	\$1,907,738
Cash Flow Prior to Debt Service		\$1,282,018	\$1,302,408	\$1,322,896	\$1,343,469	\$1,364,117	\$1,384,824	\$1,405,576	\$1,426,358	\$1,447,154	\$1,467,946	\$1,488,715	\$1,509,443	\$1,530,109	\$1,550,690	\$1,571,163
MUST PAY DEBT SERVICE																
Permanent Loan (Tranche A)		\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352
Cash Flow After Debt Service		\$417,667	\$438,056	\$458,544	\$479,118	\$499,765	\$520,472	\$541,224	\$562,006	\$582,802	\$603,594	\$624,364	\$645,091	\$665,757	\$686,338	\$706,812
Percent of Gross Revenue		16.12%	16.49%	16.84%	17.17%	17.47%	17.75%	18.01%	18.24%	18.46%	18.65%	18.82%	18.97%	19.10%	19.21%	19.30%
25% Debt Service Test		48.32%	50.68%	53.05%	55.43%	57.82%	60.22%	62.62%	65.02%	67.43%	69.83%	72.23%	74.63%	77.02%	79.40%	81.77%
Debt Coverage Ratio		1.483	1.507	1.531	1.554	1.578	1.602	1.626	1.650	1.674	1.698	1.722	1.746	1.770	1.794	1.818
OTHER FEES**																
Below residual receipts line for cash flow																
GP Partnership Management Fee	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LP Asset Management Fee	3.50%	\$8,377	\$8,670	\$8,973	\$9,287	\$9,613	\$9,949	\$10,297	\$10,658	\$11,031	\$11,417	\$11,816	\$12,230	\$12,658	\$13,101	\$13,559
Incentive Management Fee	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Fees		\$8,377	\$8,670	\$8,973	\$9,287	\$9,613	\$9,949	\$10,297	\$10,658	\$11,031	\$11,417	\$11,816	\$12,230	\$12,658	\$13,101	\$13,559
Remaining Cash Flow		\$409,290	\$429,386	\$449,571	\$469,830	\$490,152	\$510,523	\$530,927	\$551,349	\$571,771	\$592,177	\$612,547	\$632,862	\$653,099	\$673,237	\$693,252
Deferred Developer Fee**	1.00%	100.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Below residual receipts line for cash flow																
Residual or Soft Debt Payments**																
Master Dev Reimbursable Note	2.75%	75.00%	\$306,968	\$322,040	\$337,178	\$352,373	\$367,614	\$382,892	\$398,195	\$413,512	\$428,829	\$444,133	\$459,411	\$474,646	\$489,811	\$504,900
Land Note	1.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MGP Sponsor Loan	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	1.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Fees		\$306,968	\$322,040	\$337,178	\$352,373	\$367,614	\$382,892	\$398,195	\$413,512	\$428,829	\$444,133	\$459,411	\$474,646	\$489,811	\$504,900	\$520,000
Partnership Cash Flow		\$102,323	\$107,347	\$112,393	\$117,458	\$122,538	\$127,631	\$132,732	\$137,837	\$142,943	\$148,044	\$153,137	\$158,215	\$163,277	\$168,323	\$173,352

55 YEAR PROJECT CASH FLOW PROJECTIONS

REVENUE	MULTIPLIER	YEAR 31	YEAR 32	YEAR 33	YEAR 34	YEAR 35	YEAR 36	YEAR 37	YEAR 38	YEAR 39	YEAR 40	YEAR 41	YEAR 42	YEAR 43	YEAR 44	YEAR 45
Gross Rent	2.50%	\$3,693,142	\$3,785,470	\$3,880,107	\$3,977,110	\$4,076,538	\$4,178,451	\$4,282,912	\$4,389,985	\$4,499,735	\$4,612,228	\$4,727,534	\$4,845,722	\$4,966,865	\$5,091,037	\$5,218,313
Less Vacancy	5.00%	(\$184,657)	(\$189,274)	(\$194,005)	(\$198,855)	(\$203,827)	(\$208,923)	(\$214,146)	(\$219,499)	(\$224,987)	(\$230,611)	(\$236,377)	(\$242,286)	(\$248,343)	(\$254,552)	(\$260,916)
Rental Subsidy	2.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Vacancy	5.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Income	2.50%	\$60,410	\$61,920	\$63,468	\$65,055	\$66,681	\$68,348	\$70,057	\$71,808	\$73,604	\$75,444	\$77,330	\$79,263	\$81,245	\$83,276	\$85,358
Less Vacancy	5.00%	(\$3,020)	(\$3,096)	(\$3,173)	(\$3,253)	(\$3,334)	(\$3,417)	(\$3,503)	(\$3,590)	(\$3,680)	(\$3,772)	(\$3,866)	(\$3,963)	(\$4,062)	(\$4,164)	(\$4,268)
Total Revenue		\$3,565,874	\$3,655,021	\$3,746,397	\$3,840,057	\$3,936,058	\$4,034,459	\$4,135,321	\$4,238,704	\$4,344,672	\$4,453,288	\$4,564,621	\$4,678,736	\$4,795,704	\$4,915,597	\$5,038,487
EXPENSES																
Operating Expenses:																
Administrative	3.50%	\$79,152	\$81,922	\$84,789	\$87,757	\$90,828	\$94,007	\$97,298	\$100,703	\$104,228	\$107,875	\$111,651	\$115,559	\$119,603	\$123,790	\$128,122
Management	3.50%	\$242,507	\$250,995	\$259,780	\$268,872	\$278,282	\$288,022	\$298,103	\$308,537	\$319,335	\$330,512	\$342,080	\$354,053	\$366,445	\$379,270	\$392,545
Utilities	3.50%	\$488,382	\$505,475	\$523,167	\$541,478	\$560,430	\$580,045	\$600,346	\$621,358	\$643,106	\$665,615	\$688,911	\$713,023	\$737,979	\$763,808	\$790,541
Payroll & Payroll Taxes	3.50%	\$583,027	\$603,433	\$624,553	\$646,413	\$669,037	\$692,453	\$716,689	\$741,773	\$767,735	\$794,606	\$822,417	\$851,202	\$880,994	\$911,829	\$943,743
Insurance	3.50%	\$47,154	\$48,805	\$50,513	\$52,281	\$54,110	\$56,004	\$57,964	\$59,993	\$62,093	\$64,266	\$66,516	\$68,844	\$71,253	\$73,747	\$76,328
Maintenance	3.50%	\$383,969	\$397,408	\$411,318	\$425,714	\$440,614	\$456,035	\$471,996	\$488,516	\$505,614	\$523,311	\$541,627	\$560,584	\$580,204	\$600,511	\$621,529
Other (includes monitor fee) Taxes (H)	3.50%	\$61,974	\$64,143	\$66,388	\$68,712	\$71,117	\$73,606	\$76,182	\$78,848	\$81,608	\$84,464	\$87,420	\$90,480	\$93,647	\$96,925	\$100,317
Total Operating Expenses		\$1,886,165	\$1,952,181	\$2,020,507	\$2,091,225	\$2,164,416	\$2,240,173	\$2,318,579	\$2,399,729	\$2,483,720	\$2,570,650	\$2,660,623	\$2,753,744	\$2,850,125	\$2,949,880	\$3,053,126
Ground Lease Payment (if applicable)	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transit Pass/Tenant Internet Expense	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Amenities	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replacement Reserve	3.50%	\$84,204	\$87,151	\$90,201	\$93,358	\$96,626	\$100,008	\$103,508	\$107,131	\$110,880	\$114,761	\$118,778	\$122,935	\$127,238	\$131,691	\$136,300
Monitoring Fees	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Taxes	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Specialty Local Taxes	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Issuer's Fee	0.00%	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Mandatory Debt Service	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$1,974,369	\$2,043,332	\$2,114,709	\$2,188,584	\$2,265,044	\$2,344,180	\$2,426,087	\$2,510,860	\$2,598,600	\$2,689,411	\$2,783,400	\$2,880,679	\$2,981,363	\$3,085,571	\$3,193,426
Cash Flow Prior to Debt Service		\$1,591,505	\$1,611,689	\$1,631,688	\$1,651,473	\$1,671,014	\$1,690,279	\$1,709,234	\$1,727,844	\$1,746,072	\$1,763,877	\$1,781,220	\$1,798,057	\$1,814,341	\$1,830,026	\$1,845,061
MUST PAY DEBT SERVICE																
Permanent Loan (Tranche A)		\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$864,352	\$0	\$0	\$0	\$0	\$0
Cash Flow After Debt Service		\$727,153	\$747,337	\$767,336	\$787,121	\$806,662	\$825,927	\$844,882	\$863,492	\$881,720	\$899,526	\$1,781,220	\$1,798,057	\$1,814,341	\$1,830,026	\$1,845,061
Percent of Gross Revenue		19.37%	19.42%	19.46%	19.47%	19.47%	19.45%	19.41%	19.35%	19.26%	19.19%	37.07%	36.51%	35.94%	35.37%	34.79%
25% Debt Service Test		84.13%	86.46%	88.78%	91.06%	93.33%	95.55%	97.75%	99.90%	102.01%	104.07%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Debt Coverage Ratio		1.841	1.865	1.888	1.911	1.933	1.956	1.977	1.999	2.020	2.041	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
OTHER FEES**																
Below residual receipts line for cash flow																
GP Partnership Management Fee	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LP Asset Management Fee	3.50%	\$14,034	\$14,525	\$15,034	\$15,560	\$16,104	\$16,668	\$17,251	\$17,855	\$18,480	\$19,127	\$19,796	\$20,489	\$21,206	\$21,949	\$22,717
Incentive Management Fee	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Fees		\$14,034	\$14,525	\$15,034	\$15,560	\$16,104	\$16,668	\$17,251	\$17,855	\$18,480	\$19,127	\$19,796	\$20,489	\$21,206	\$21,949	\$22,717
Remaining Cash Flow		\$713,119	\$732,812	\$752,303	\$771,562	\$790,558	\$809,259	\$827,631	\$845,637	\$863,240	\$880,399	\$1,761,424	\$1,777,568	\$1,793,135	\$1,808,078	\$1,822,345
Deferred Developer Fee**																
Below residual receipts line for cash flow																
Residual or Soft Debt Payments**																
Master Dev Reimbursable Note	2.75%	75.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land Note	1.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MGP Sponsor Loan	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	1.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Fees		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partnership Cash Flow		\$713,119	\$732,812	\$752,303	\$771,562	\$790,558	\$809,259	\$827,631	\$845,637	\$863,240	\$880,399	\$1,761,424	\$1,777,568	\$1,793,135	\$1,808,078	\$1,822,345

55 YEAR PROJECT CASH FLOW PROJECTIONS

REVENUE	MULTIPLIER	YEAR 46	YEAR 47	YEAR 48	YEAR 49	YEAR 50	YEAR 51	YEAR 52	YEAR 53	YEAR 54	YEAR 55
Gross Rent	2.50%	\$5,348,771	\$5,482,490	\$5,619,552	\$5,760,041	\$5,904,042	\$6,051,643	\$6,202,934	\$6,358,008	\$6,516,958	\$6,679,882
Less Vacancy	5.00%	(\$267,439)	(\$274,124)	(\$280,978)	(\$288,002)	(\$295,202)	(\$302,582)	(\$310,147)	(\$317,900)	(\$325,848)	(\$333,994)
Rental Subsidy	2.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Vacancy	5.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Income	2.50%	\$87,492	\$89,679	\$91,921	\$94,219	\$96,574	\$98,989	\$101,463	\$104,000	\$106,600	\$109,265
Less Vacancy	5.00%	(\$4,375)	(\$4,484)	(\$4,596)	(\$4,711)	(\$4,829)	(\$4,949)	(\$5,073)	(\$5,200)	(\$5,330)	(\$5,463)
Total Revenue		\$5,164,449	\$5,293,560	\$5,425,899	\$5,561,547	\$5,700,586	\$5,843,100	\$5,989,178	\$6,138,907	\$6,292,380	\$6,449,689
EXPENSES											
Operating Expenses:											
Administrative	3.50%	\$132,607	\$137,248	\$142,051	\$147,023	\$152,169	\$157,495	\$163,007	\$168,713	\$174,617	\$180,729
Management	3.50%	\$406,284	\$420,504	\$435,221	\$450,454	\$466,220	\$482,538	\$499,426	\$516,906	\$534,998	\$553,723
Utilities	3.50%	\$818,210	\$846,848	\$876,487	\$907,164	\$938,915	\$971,777	\$1,005,789	\$1,040,992	\$1,077,427	\$1,115,137
Payroll & Payroll Taxes	3.50%	\$976,774	\$1,010,961	\$1,046,345	\$1,082,967	\$1,120,871	\$1,160,101	\$1,200,705	\$1,242,729	\$1,286,225	\$1,331,243
Insurance	3.50%	\$79,000	\$81,765	\$84,626	\$87,588	\$90,654	\$93,827	\$97,111	\$100,510	\$104,027	\$107,668
Maintenance	3.50%	\$643,283	\$665,798	\$689,100	\$713,219	\$738,182	\$764,018	\$790,759	\$818,435	\$847,080	\$876,728
Other (includes monitor fee) Taxes (H	3.50%	\$103,828	\$107,462	\$111,223	\$115,116	\$119,145	\$123,315	\$127,631	\$132,098	\$136,722	\$141,507
Total Operating Expenses		\$3,159,985	\$3,270,584	\$3,385,055	\$3,503,532	\$3,626,155	\$3,753,071	\$3,884,428	\$4,020,383	\$4,161,097	\$4,306,735
Ground Lease Payment (if applicable)	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transit Pass/Tenant Internet Expense	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Amenities	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replacement Reserve	3.50%	\$141,071	\$146,008	\$151,119	\$156,408	\$161,882	\$167,548	\$173,412	\$179,481	\$185,763	\$192,265
Monitoring Fees	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Taxes	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Specialty Local Taxes	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Issuer's Fee	0.00%	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Mandatory Debt Service	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$3,305,056	\$3,420,593	\$3,540,173	\$3,663,939	\$3,792,037	\$3,924,619	\$4,061,840	\$4,203,865	\$4,350,860	\$4,503,000
Cash Flow Prior to Debt Service		\$1,859,393	\$1,872,968	\$1,885,726	\$1,897,607	\$1,908,548	\$1,918,482	\$1,927,337	\$1,935,042	\$1,941,520	\$1,946,689
MUST PAY DEBT SERVICE											
Permanent Loan (Tranche A)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow After Debt Service		\$1,859,393	\$1,872,968	\$1,885,726	\$1,897,607	\$1,908,548	\$1,918,482	\$1,927,337	\$1,935,042	\$1,941,520	\$1,946,689
Percent of Gross Revenue	34.20%		33.61%	33.02%	32.41%	31.81%	31.19%	30.57%	29.94%	29.31%	28.67%
25% Debt Service Test	#DIV/0!		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Debt Coverage Ratio	#DIV/0!		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
OTHER FEES**											
Below residual receipts line for cash flow											
GP Partnership Management Fee	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LP Asset Management Fee	3.50%	\$23,512	\$24,335	\$25,186	\$26,068	\$26,980	\$27,925	\$28,902	\$29,914	\$30,961	\$32,044
Incentive Management Fee	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	3.50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Fees		\$23,512	\$24,335	\$25,186	\$26,068	\$26,980	\$27,925	\$28,902	\$29,914	\$30,961	\$32,044
Remaining Cash Flow		\$1,835,882	\$1,848,633	\$1,860,540	\$1,871,540	\$1,881,568	\$1,890,557	\$1,898,435	\$1,905,129	\$1,910,559	\$1,914,645
Deferred Developer Fee**	1.00%	100.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Below residual receipts line for cash flow											
Residual or Soft Debt Payments**											
Master Dev Reimbursable Note	2.75%	75.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land Note	1.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MGP Sponsor Loan	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	1.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Fees		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partnership Cash Flow		\$1,835,882	\$1,848,633	\$1,860,540	\$1,871,540	\$1,881,568	\$1,890,557	\$1,898,435	\$1,905,129	\$1,910,559	\$1,914,645

Epoca Neighborhood L

CR Epoca L Communities, LP
a Delaware limited partnership
“Owner/Borrower”

CR Epoca L GP, LLC
“Co-General Partner”

a Delaware limited liability company
0.01%

ColRich Multifamily Investments, LLC
→ Tax Credit Investor
“Limited Partner”

99.98%

Pacific Housing/Hearthstone
“Managing General Partner”

a California nonprofit Corporation
0.01%

ColRich California
Realty, LLC
0.01% Owner and Co-
Manager

Dan Gabriel and Danny
and Dana Gabriel
Family Trust
99.99% Owner and Co-
Manager

HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM SUMMARY

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

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

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

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

Approval Process:

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

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

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

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

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

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