



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: May 5, 2022

HCR22-071

SUBJECT: Final Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA)  
Hearing and Resolution for Levant Senior Cottages

COUNCIL DISTRICT: 7

ORIGINATING DEPARTMENT: Real Estate Division

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

#### REQUESTED ACTION:

Authorize the issuance of tax-exempt Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds in an amount not to exceed \$22,877,000 and taxable bonds in an amount not to exceed \$22,000,000, to fund Levant Senior Cottages LP's construction of Levant Senior Cottages, a new affordable rental housing development at 6950 Levant Street in the Linda Vista neighborhood, which will consist of 126 units that will remain affordable for 55 years for seniors with low income, including 70 units for residents selected from the San Diego Housing Commission's Project-Based Housing Vouchers (PBV) waiting list, with income between 25 percent and 50 percent of the San Diego Area Median Income (AMI), and one unrestricted manager unit.

#### EXECUTIVE SUMMARY OF KEY FACTORS:

- The units at Levant Senior will remain affordable for 55 years for seniors with income between 25 percent and 50 percent of San Diego's Area Median Income (\$21,250 - \$42,450/year for a one-person household).
- Council District 7 includes 1,602 affordable rental housing units currently in service, which represents 6.5 percent of the 24,551 affordable rental housing units in service citywide.
- On July 9, 2021, the Housing Commission Board of Commissioners approved preliminary steps to authorize the issuance of up to \$35,000,000 of tax-exempt Multifamily Housing Revenue Bonds and up to \$5,697,296 in taxable bonds to finance the new construction of Levant Senior.
- The developer is Wakeland Housing and Development Corporation, an award-winning, experienced, nonprofit. Wakeland has developed many affordable developments utilizing Housing Commission loans, including tax-exempt bonds.
- The Housing Commission has awarded 70 Project-Based Housing Vouchers to help pay the rent at Levant Senior for seniors age 55 and older with low income (not permanent supportive housing).
- The total development cost is estimated at \$47,729,223 (\$375,821 per unit).
- Financing includes tax-exempt bonds up to \$22,877,000 and taxable bonds up to \$22,000,000.
- The developer has secured a higher equity price from its investor, resulting in the project no longer needing a previously awarded loan from the Housing Commission. The developer has rescinded their loan award.



## REPORT

**DATE ISSUED:** April 28, 2022

**REPORT NO:** HCR22-071

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of May 5, 2022

**SUBJECT:** Final Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA)  
Hearing and Resolution for Levant Senior Cottages

**COUNCIL DISTRICT:** 7

### **REQUESTED ACTION**

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### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) and the San Diego City Council (City Council) take the following actions:

#### **Housing Authority**

- 1) Authorize the issuance of tax-exempt Housing Authority Multifamily Housing Revenue Bonds in an amount not to exceed \$22,877,000 and taxable bonds in an amount not to exceed \$22,000,000 to fund Levant Senior Cottages LP's construction of Levant Senior Cottages (Levant Senior), a new affordable rental housing development at 6950 Levant Street in the Linda Vista neighborhood, which will consist of 126 units that will remain affordable for 55 years for seniors with low income, including 70 units for residents selected from the Housing Commission's Project-Based Housing Vouchers (PBV) waiting list, with income between 25 percent and 50 percent of the San Diego Area Median Income (AMI), and one unrestricted manager unit.
- 2) Authorize the Housing Commission's Interim 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 the General Counsel of the Housing Authority and of the Housing Commission and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel. Housing Commission staff will notify the Housing Authority and the City

Attorney’s Office about any subsequent amendments or modifications to the transaction, and other required documents, including amendments to any documents.

**City Council**

- 1) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing approving the Housing Authority’s issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount not to exceed \$22,877,000 to fund Levant Senior Cottages LP’s construction of Levant Senior Cottages (Levant Senior), a new affordable rental housing development at 6950 Levant Street in the Linda Vista neighborhood, which will consist of 126 units that will remain affordable for 55 years for seniors with low income, including 70 units for residents selected from the Housing Commission’s Project-Based Housing Vouchers (PBV) waiting list, with income between 25 percent and 50 percent of the San Diego Area Median Income (AMI), and one unrestricted manager unit.
  
- 2) Adopt a TEFRA resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount not to exceed \$22,877,000 to facilitate the development of Levant Senior.

**SUMMARY**

A Development Summary is at Attachment 1.

**Table 1 –Development Details**

Address	6950 Levant Street, San Diego
Council District	7
Community Plan Area	Linda Vista Planning Group
Developer	Wakeland Housing and Development Corporation (Wakeland)
Development Type	New construction (for seniors)
Construction Type	Type V (stucco with wood frame)
Parking Type	45 parking spaces (surface)
Mass Transit	Metropolitan Transit District route #41 has a bus stop at Genesee Avenue and Osler Street, approximately .09 mile from the site.
Housing Type	Multifamily, 19 one-story buildings and two two-story buildings
Lot Size	One parcel totaling 4.49 acres, 195,584 square feet
Units	127 (126 affordable units)
Density	28.22 dwelling units per acre (127 units ÷ 4.5 acres)
Unit Mix	126 affordable units: 108 studios, 18 one-bedrooms, and one unrestricted two-bedroom manager’s unit.
Gross Building Area	51,850 square feet
Net Rentable Area	46,800 square feet
Project Based Vouchers	70 Non-Permanent Supportive Housing (PSH) Project-Based Housing Vouchers (PBVs) for seniors (age 55+) with low income selected from the Housing Commission’s PBV waiting list. Also, State of California Multifamily Housing Program (MHP) funding will require 32 of the PBV units to be restricted for the Frail Elderly population.
Affordable Units in Service by Council District	Council District 7 includes 1,602 affordable rental housing units currently in service, which represents 6.5 percent of the 24,551 affordable rental housing units in service citywide.

### Background

In response to the Housing Commission's Fiscal Year (FY) 2021 Notice of Funding Availability (NOFA), developer Wakeland applied for a loan and federal Project-Based Housing Vouchers (PBV) for the Levant Senior development.

On January 8, 2021, the Housing Commission's NOFA evaluation committee provided a preliminary recommended award for a residual receipts loan of up to \$6,000,000 and 70 PBVs for low-income seniors age 55 and older with income between 25 percent and 40 percent of AMI who will be selected from the Housing Commission's PBV waiting list.

On July 9, 2021, the Housing Commission (Report No. HCR21-074) approved taking preliminary steps to authorize the issuance of up to \$35,000,000 of tax-exempt Multifamily Housing Revenue Bonds and approved a Housing Commission residual receipts loan of up to \$6,000,000 to finance the new construction of Levant Senior. The Housing Commission Board of Commissioners (Board) also held a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986.

The Housing Commission Board is authorized to hold TEFRA hearings pursuant to Multifamily Mortgage Revenue Bond Program Policy Amendments the Housing Authority approved March 9, 2021 (Report No. HAR20-043; Resolution No. HA-1906). Future TEFRA hearings will be held at Housing Commission Board of Commissioners meetings pursuant to the Housing Commission's Bond Program Policy.

On December 8, 2021, the California Debt Limit Allocation Committee (CDLAC) approved a \$22,877,000 tax-exempt bonds allocation, and the California Tax Credit Allocation Committee (CTCAC) approved a 4 percent tax credits allocation.

### The Development

Levant Senior will be a 126-unit, new construction, affordable housing development. It will also include one unrestricted manager's unit. The development will consist of 108 studios, 18 one-bedroom units, and one two-bedroom manager's unit. The Levant Senior development will be at 6950 Levant Street (Attachment 2 –Site Map).

Bus service is located .09 mile from Levant Senior at Genesee Avenue and Osler Street. Levant Senior has two nearby trolley stations on the Green Line: 1) the Fashion Valley Station (2.7 miles from Levant Senior) and 2) the Hazard Center Station (2.8 miles from Levant Senior).

Tenants in 70 units will receive help to pay their rent through non-PSH federal PBVs awarded by the Housing Commission. Extensive services will be provided to all of the residents. The Housing Commission is reserving PBV funding for 52 studios and 18 one-bedroom units at Levant Senior.

Levant Senior will consist of 108 studio units, configured as: 18 bungalow buildings, two two-story buildings connected by a walkway, two separate laundry structures, and a one-story community building that includes a laundry. The development will provide 32 units rent-restricted to households with income up to 25 percent of San Diego's Area Median Income (AMI), 13 units rent-restricted to households with income up to 30 percent of AMI, 32 units rent-restricted to households with income up

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to 40 percent of AMI, 49 units rent-restricted to households with income up to 50 percent of AMI, and one unrestricted manager's unit.

The development will include central heat and air conditioning, blinds, storage closet, patio/balcony, refrigerator, stove/oven, and garbage disposal. Site amenities will include outdoor patio, walking trail, and a large community room with features such as a computer lab, kitchen and space for workshops, classes, community and social events.

### The Property

The property is 4.49 acres owned by the County of San Diego. It is vacant. A 70-year ground lease agreement between the County of San Diego (Lessor) and Levant Senior Cottages L.P. (Lessee), commenced January 1, 2019, with a \$1 per year lease prepaid rent. The lease restricts the use of the land to no less than 99 senior households, age 55 and older, with income at 50 percent and 60 percent of AMI. The site was previously occupied by San Diego County Adoptions. On-site structures have been demolished, and no relocation is necessary. The property is located between Genesee Avenue to the north and Levant Street to the south. Neighboring to the west is the Linda Vista Community Park, which includes a community center as well as other park amenities. To the east is the San Diego Cooperative Charter School. To the south is residential housing. The site is accessible to public transportation, areas of employment, food shopping and medical services.

### Tenant Services

Wakeland will provide an on-site Service Coordinator to connect residents to a wide range of community resources designated to improve residents' economic stability and overall quality of life.

Levant Senior will have 32 units set aside for special needs housing for frail elderly who qualify for the Program of All Inclusive Care for the Elderly (PACE). St. Paul's PACE will be the Lead Service Provider for the 32 special needs units targeting the frail elderly who qualify for the PACE program. Pace services include but are not limited to: primary medical and specialty care; dental; podiatry; optometry; prescription drug coverage and management; medical equipment and supplies; physical, occupational and speech therapies; transportation assistance; adult day care services; nutritious meals and dietary counseling; social services; and home care services (bathing, cleaning, shopping, and meal preparation). As determined by need, additional services will be provided, such as; life skills; access to substance abuse and mental health services; 24/7 access to PACE medical team; and linkages to community and social services upon request or as needed.

### Prevailing Wages

The developer proposes to use 70 U.S. Department of Housing and Urban Development (HUD) PBVs, administered by the Housing Commission, which will require the payment of federal Davis-Bacon prevailing wages. The proposed use of State of California Multifamily Housing Program (MHP) loan funds will require payment of State of California prevailing wages. The higher of the federal or State of California prevailing wages will apply.

### Appraisal

An October 20, 2020, Kinetic Valuation Group's appraisal of the subject site valued the property at \$2,960,000 (with the ground lease restrictions). The private lender will complete a new appraisal as part of the lender's due diligence efforts.

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### Relocation

The property is vacant. No relocation is necessary.

### Accessibility

CTCAC requires wheelchair accessibility in 10 percent of the units, and an additional 4 percent of the units are required to have communication features for residents with visual and/or hearing impairment. The same units can satisfy both of these accessibility requirements. The Levant Senior units will be accessible in accordance with the Americans with Disabilities Act. HOME Investment Partnerships Program funds will be used to fund the development. These accessible units will satisfy the HOME accessibility requirement in 5 percent of the units, plus an additional 2 percent of the units accessible for residents with visual and/or hearing impairment.

### Project Sustainability

Levant Senior will be built as Green Point Rated. Green Point is a program of Build It Green, a nonprofit organization promoting healthy, energy- and resource-efficient buildings in California. Green Point scores and rates housing in five categories, including energy and water conservation, indoor air quality, sustainable building materials, and community benefits such as proximity to public transportation.

Levant Senior will comply with the CTCAC minimum energy-efficiency standards for new construction. Its features will include Energy Star-rated efficient appliances and a solar component that will meet Title 24 requirements. The solar system's size will be approximately 252,000 kWh and it will offset a portion of the tenant and common areas load. 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.

### Development Team

The development team will be led by Wakeland Housing and Development Corporation, an award-winning, nonprofit corporation headquartered in San Diego. Wakeland is a leader in the creation and operation of affordable housing. Founded in 1998, Wakeland focuses on building and operating cost-efficient housing communities with superior on-site programs and services for residents. Wakeland's portfolio currently includes 7,300 units of affordable housing. The Housing Commission has worked with Wakeland on multiple successful projects, including: the 44-unit new construction Beacon apartments, the 205-unit new construction Atmosphere apartments, the 132-unit scattered sites City Heights Ten rehabilitation project, the 40-unit Juniper Gardens Apartments in City Heights, the 92-unit Village Green Apartments in the Rolando neighborhood; Vista Grande, a 48-unit rehabilitation project located in the southeastern part of San Diego; and the 60-unit Talmadge Gateway Apartments, a permanent supportive housing development serving seniors who experienced homelessness, in the Kensington-Talmadge Community. Wakeland is in full compliance on its previous Housing Commission-funded loans. Based upon the developer's past experience and past development performance, staff has determined that the developer has the requisite capacity to successfully complete the proposed Levant Senior project.

The proposed borrower will be Levant Senior Cottages L.P., which will include Wakeland Levant LLC as its Managing General Partner, San Diego Kind Corporation as the Administrative General Partner, and Boston Financial Investment Management as the tax credit investor limited partner (Attachment 3 – Organization Chart).

**Table 2 Development Team Summary**

<b>ROLE</b>	<b>FIRM/CONTACT</b>
Developer	Wakeland Housing and Development Corporation
Owner/Borrower	Levant Senior Cottages L.P.,
Managing General Partner	Wakeland Levant LLC
Administrative General Partner	San Diego Kind Corporation
Tax Credit Investor Limited Partner	Boston Financial Investment Management
Architect	Roesling, Nakamura, Terada Architects
General Contractor	Allgire General Contractors
Property Management	ConAm Management Corporation
Construction and Permanent Lender	JP Morgan Chase Bank NA
Tenant Services Providers	Wakeland Housing and Development and St. Paul's PACE Program

Property Management

Levant Senior will be managed by ConAm Management Corporation (ConAm). Established in 1975, ConAm is a nationwide management company, based in San Diego, with a management portfolio of approximately 53,000 units in more than 26 metropolitan areas. It is experienced in property management, marketing, maintenance, renovations and tax credit developments. Wakeland's Asset Management Department will oversee ConAm.

**FINANCING STRUCTURE**

Levant Senior has an estimated total development cost of \$47,729,223 (\$375,821 per unit). Financing will include a combination of sources as described in Table 3. The developer's pro forma is included as Attachment 4 and summarized below.

**Table 3 – Levant Senior Estimated Permanent Sources and Uses**

<b>Permanent Financing Sources</b>	<b>Amounts</b>	<b>Permanent Financing Uses</b>	<b>Amounts</b>	<b>Per Unit</b>
Tax-exempt permanent Bond	\$7,015,000	Land & acquisition/holding costs	\$0	\$0
California State Department of Housing & Community Development Multifamily Housing Program loan	19,080,000	Construction Costs \$32,153,822 Construction Contingency <u>+1,882,691</u> Total 34,036,513	34,036,513	268,004
4 percent tax credit equity	20,334,123	Financing costs	2,117,323	16,672
Deferred developer fee	1,300,000	Other soft costs	1,908,467	15,027
General Partner equity	100	Predev & Construction Period Interest	2,819,941	22,204
		Developer fee	2,200,000	17,323
		Local permits and fees	1,815,000	14,291
		Architect & Engineering	505,000	3,976
		Soft costs contingency	300,000	2,362
		Legal & Accounting costs	165,000	1,299
		Operating & Transitional Reserves	859,479	6,768
<b>Total Development Cost</b>	<b>\$47,729,223</b>	<b>Total Development Cost (TDC)</b>	<b>47,729,223</b>	<b>375,821</b>

The developer has secured a higher equity price from its investor, resulting in the project no longer needing the previously awarded loan from the Housing Commission. The developer has rescinded their loan award.

Developer Fee

\$2,200,000 – Gross developer fee

- 1,300,000 – Minus deferred developer fee

\$1,100,000 – Net cash developer fee

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 bonds issuances. Attachment 1 to that report stated: “Developer Fee [for] 4% tax credits, in project costs: 15% eligible basis....” The proposed developer fee, complies with the HAR17-011 “Request for Approval of Updated Developer Fees” guidelines approved by the Housing Authority on April 25, 2017.

Development Cost Key Performance Indicators

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

**Table 4 - Key Performance Indicators**

Development Cost Per Unit	$\$47,729,223 \div 127 \text{ units} =$	\$375,821
Housing Commission Subsidy Per Unit	N/A	\$0
Land Cost Per Unit	$\$0 \div 127 \text{ units} =$	\$0
Gross Building Square Foot Hard Cost	$\$34,036,513 \div 51,850 \text{ sq. ft.} =$	\$656
Net Rentable Square Foot Hard Cost	$\$34,036,513 \div 46,800 \text{ sq. ft.} =$	\$727

Project Comparison Chart

Multiple factors and variables influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City fees, developer experience and capacity, and the mission and goals of the organization developing the project. Similar construction-type developments (completed or approved) over recent years are listed in Table 5.

These developments are similar in terms of new construction, target population, and construction type and are provided as a comparison to the subject development.



**Table 5 - Comparable Development Projects**

New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
<b>Proposed Subject – Levant Senior</b>	<b>2022</b>	<b>127</b>	<b>\$47,729,223 (w/ prevailing wage)</b>	<b>\$375,821</b>	<b>\$0</b>	<b>\$656</b>
Cortez Hill	2021	88	\$43,647,979 (with prev. wage)	\$496,000	\$56,818	\$526
Southwest Village	2021	81	\$40,314,147 (with prev. wage)	\$497,706	\$0	\$367
Nestor Senior Village	2021	74	\$31,510,305 (with prev. wage)	\$425,815	\$45,000	\$363

Levant Senior’s hard costs per square foot are higher than is typical of multifamily rental housing because of various factors including: This is a large 4.49-acre, vacant site that will generate high costs for needed site work and to meet City of San Diego’s storm water requirements. In addition, the County of San Diego approved this project and required under the project’s land lease that most of the units must be one-story structures on multiple foundation pads, which is a more expensive construction type than is typical of multifamily rental housing. Necessary construction labor also is becoming scarce. The required payment of prevailing wages and higher costs due to inflation are significantly increasing the cost of lumber, steel, copper and other construction building materials as well. It should be noted that the project’s \$375,821 total development cost per unit is lower than many new construction projects.

**TAX EXEMPT AND TAXABLE MULTIFAMILY HOUSING REVENUE BONDS**

**Proposed Housing Bonds Financing**

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 the California Debt Limit Allocation Committee (CDLAC) for a bond allocation. On July 9, 2021, prior to submitting applications to CDLAC, the proposed development was presented to the Housing Commission. A bond inducement resolution was obtained prior to the application submittal to CDLAC. On September 9, 2021, an application was submitted to CDLAC for a bond allocation of up to \$22,877,000. On December 8, 2021, CDLAC approved the \$22,877,000 bond allocation, and CTCAC approved an allocation of 4 percent tax credits. The developer proposes that the bonds be issued 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 bonds disclosure. In addition, the developer proposes that the Housing Authority issue up to \$22,000,000 in taxable obligations, which do not require an allocation from CDLAC.

The financing amount that will ultimately be set will be based upon development costs, revenues and interest rates prevailing at the time of the bonds issuance. The financing proceeds will be used for both construction financing and permanent financing. Attachment 5 provides 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.

### Public Disclosure and Bond Authorization

The tax-exempt debt, will be issued in the form of a Bond (issuance Series D-1) and will be sold through a direct purchase by JP Morgan Chase Bank N.A. (Chase). The taxable debt will be in the form of a Bond (issuance Series D-2), which will also be purchased by Chase.

Chase is a “qualified institutional buyer” within the meaning of the U.S. securities laws. At closing, Chase will sign an “Investor’s Letter” certifying, among other things, that it is buying each of the D-1 Bonds and D-2 Bonds, as the case may be, for its own account and not for public distribution. Because such D-1 Bonds and D-2 Bonds are being sold through a private placement, an Official Statement will not be used. In addition, the D-1 Bonds and D-2 Bonds will be neither subject to continuing disclosure requirements, nor credit enhanced, nor rated.

Under the direct purchase structure for the Bonds, Chase will make a tax-exempt and taxable loan to the Housing Authority pursuant to the terms of a Funding Loan Agreement among Chase, the Housing Authority, and US Bank as the Trustee. The loans made by Chase to the Housing Authority (Funding Loan) will be evidenced by separate Bonds, which will obligate the Housing Authority to pay Chase the amounts it receives from the Borrower, as described below. The Housing Authority and the Borrower will enter into a Borrower Loan Agreement pursuant to which the proceeds of the Funding Loan will be advanced to the Borrower. In return, the Borrower agrees to pay the Trustee amounts sufficient for the Trustee to make payments on the Bonds. Under the direct purchase structure for the Bonds, Bonds will be issued under a Trust Indenture between the Housing Authority and US Bank as the Trustee (which will be the same institution as the Trustee for the Bonds). The Bonds will be payable from residual project revenues after payment of the Bonds. Bond proceeds will be loaned by the Housing Authority to the Borrower under a Loan Agreement.

The Housing Authority’s obligation to make payments on the Bonds is limited to amounts the Trustee will receive from the Borrower under the Borrower Loan Agreement with respect to the Bonds and the Loan Agreement with respect to the Bonds, and no other funds of the Housing Authority are pledged to make payments on the tax-exempt Bonds and the taxable Bonds. The transfer of the tax-exempt Bonds and the taxable Bonds to any subsequent purchaser will comply with Housing Commission’s “*Bond Issuance and Post-Issuance Compliance Policy*” (policy number PO300.301). Moreover, any subsequent Bond holder will be required to represent to the Housing Authority that it is a qualified institutional buyer or accredited investor who is buying such tax-exempt Bonds and the taxable Bonds for investment purposes and not for resale, and it has made due investigation of any material information necessary in connection with the purchase of the tax-exempt Bonds and the taxable Bonds.

The following documents will be executed on behalf of the Housing Authority with respect to the tax-exempt Bonds and taxable Bonds: the Funding Loan Agreement, the Borrower Loan Agreement, the Assignment of Deed of Trust, the Regulatory Agreement, the Loan Agreement and Trust Indenture, and other ancillary loan documents. At the time of docketing, documents in substantially final form will be presented to members of the Housing Authority. Any changes to the documents following Housing Authority approval require the consent of the City Attorney’s Office and Bond Counsel. The Bonds will be issued pursuant to the Funding Loan Agreement, and the Bonds will be issued pursuant to the Trust Indenture. Based upon instructions contained in the Funding Loan Agreement and the Borrower Loan Agreement, Chase will disburse the Bond proceeds for eligible costs and will, pursuant to an assignment from the Housing Authority, receive payments from the Borrower. Bond proceeds will be disbursed by the Trustee pursuant to the direction of the Borrower.

The Borrower Loan Agreement and the Loan Agreement set out the terms of repayment and the security for the loan made by the Housing Authority to the Borrower, and the Housing Authority assigns its rights to receive repayments under the loan to Chase with respect to the Bonds and the Trustee with respect to the Bonds. The Regulatory Agreement will be recorded against the property to ensure the long-term use of the development as affordable housing. The Regulatory Agreement will also ensure that the development complies with all applicable federal and California State laws so that interest on the tax-exempt Bonds and the taxable Bonds remains tax-exempt. An Assignment of Deed of Trust, and other loan documents, will assign the Housing Authority's rights and responsibilities as the issuer to Chase and the Trustee on behalf of the Bondholders. These documents will be signed by the Housing Authority for the benefit of Chase and the Bondholders. Rights and responsibilities that are assigned to Chase and the Trustee include the right to collect and enforce the collection of loan payments, the right to monitor project construction and related budgets, plus the right to enforce insurance and other requirements. These rights will be used by Chase to protect its financial interests as the Bond holder.

#### **Financial Advisor's Recommendation**

Jones Hall will be the Bond counsel. Ross Financial will be the Bond financial advisor. The financial advisor's analysis and recommendation is at Attachment 6.

#### **AFFORDABLE HOUSING IMPACT**

##### **Project-Based Vouchers (PBV)**

The Housing Commission has provided a preliminary award recommendation of 70 Non-PSH PBVs for Levant Senior, which are for seniors age 55 and older with low income earning 25 to 40 percent of AMI, who will be selected from the Housing Commission's PBV waiting list. Levant Senior received an award for MHP funding, which requires 32 of the PBV units to be restricted for the Frail Elderly population. The recommendation for these 70 vouchers is contingent upon completion of a subsidy layering review, execution of an Agreement to Enter into Housing Assistance Payment and verification of services. Under the PBV program, the tenant's rent portion is determined by using the applicable minimum rent or a calculated amount based on their income level, whichever is higher, with the remainder being federally subsidized up to a gross rent level approved by the Housing Commission. The Housing Assistance Payment provides a rental subsidy for residents in Levant Senior's 70 voucher-assisted units. The tenants will be selected from the Housing Commission's low-income PBV waiting list. Resident services will be provided by Wakeland.

##### **Affordability**

The Levant Senior development will be subject to applicable tax credit and Bond regulatory agreements, which will restrict affordability of 126 units for 55 years. The rent and occupancy restrictions required by CTCAC will apply.

**Table 6 – Affordability and Monthly Estimated Rent Table**

<b>Unit Type</b>	<b>AMI</b>	<b>Units</b>	<b>CTCAC Gross Rents</b>
Studios (350 square feet) – Voucher units for Frail Elderly tenants	25% (currently \$21,250/year for a one-person household)	14	\$530
One bedrooms (500 sq. ft.) Voucher units for Frail Elderly tenants	25% (currently \$24,250/year for a two-person household)	18	\$568
<b>Subtotal Voucher units for Frail Elderly tenants</b>	--	<b>32</b>	<b>--</b>
Studios (350 square feet) - Voucher units	30% (currently \$25,450/year for a one-person household)	13	\$636
Studios (350 square feet) – Voucher units	40% (currently \$33,950/year for a one-person household)	25	\$849
<b>Subtotal Voucher units for non-Frail Elderly tenants</b>	--	<b>38</b>	<b>--</b>
Studios (350 square feet)	40% (currently \$33,950/year for a one-person household)	7	\$849
Studios (350 square feet)	50% (currently \$42,450/year for a one-person household)	49	\$1,061
<b>Subtotal Non-Voucher Units</b>	--	<b>56</b>	<b>--</b>
<b>Subtotal Affordable Residential Units</b>	--	<b>126</b>	<b>--</b>
Manager’s two bedrooms unit (780 sq. ft.)	--	<b>1</b>	\$0
<b>Total Units</b>	--	<b>127</b>	<b>--</b>

**FISCAL CONSIDERATIONS**

The proposed funding sources and uses approved by this proposed action are included in the Housing Authority-approved Fiscal Year (FY) 2022 Housing Commission Budget.

Funding sources approved by this action will be as follows

Bond Issuer Fee:

\$ 57,193 Tax-exempt Bond (\$22,877,000 X .0025 = \$57,193)

+ 55,000 Taxable Bond (\$22,000,000 X 0.0025 = \$55,000)

\$112,193 Total Issuer Fee

Total Funding Sources – up to \$112,193

Funding uses approved by this action

Administrative costs: \$112,193

Total Funding Uses: up to \$112,193

The tax-exempt bonds and the taxable bonds will not constitute a debt of the City of San Diego. If the tax-exempt bonds and the taxable bonds are ultimately issued for the project, the tax-exempt bonds and the taxable bonds will not financially obligate the City, the Housing Authority, nor the Housing Commission because security for the repayment of the tax-exempt bonds and the taxable bonds will be limited to specific project-related revenue sources. Neither the faith and credit nor the taxing power of the City, nor the faith and credit of the Housing Authority will be pledged to the payment of the tax-exempt bonds and the taxable bonds. The developer is responsible for the payment of all costs under the

financing, including the Housing Commission’s issuer fee, annual Bond administration fee, as well as the Housing Commission’s Bond counsel fee and financial advisor’s fee.

The Housing Commission will have an option to purchase the development at the end of the 15-year tax credit compliance period.

Development Schedule

The estimated development timeline is as follows:

<b>Milestones</b>	<b>Estimated Dates</b>
• Housing Authority consideration of Bond authorization	• May 24, 2022
• City Council TEFRA resolution authorization	• May 24, 2022
• Estimated Bond issuance and escrow/loan closing	• May 31, 2022
• Estimated start of construction work	• June 3, 2022
• Estimated completion of construction work	• January 2024

**HOUSING COMMISSION STRATEGIC PLAN**

This item relates to Strategic Priority Area No. 1 , in the Housing Commission’s Strategic Plan for Fiscal Year (FY) 2022- 2024: Increasing and Preserving Housing Solutions.

**COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS**

The proposed development is in the Linda Vista neighborhood. On October 26, 2020, the Levant Senior development was presented to the Linda Vista Planning Group, which voted 9-0 to approve (the chair abstained).

**KEY STAKEHOLDERS and PROJECTED IMPACTS**

Stakeholders include Wakeland as the developer, the Housing Commission as a proposed bond issuer, Chase as a proposed lender, the State of California as a proposed lender, the County of San Diego as the property lessor, and the Linda Vista neighborhood. The development is anticipated to have a positive impact on the community as it will contribute to the quality of the surrounding neighborhood, contribute to a better quality of life for the proposed development’s tenants, and create 180 new affordable rental homes for families.

**STATEMENT for PUBLIC DISCLOSURE**

The developer’s Disclosure Statement is at Attachment 7.

**ENVIRONMENTAL REVIEW**

This activity is covered under the Linda Vista Community Plan Update Environmental Impact Report (EIR No. 96-0114), which was certified by the San Diego City Council on December 1, 1998 (Resolution R-291024). The activity is adequately addressed in the in the PEIR and there is no change in circumstance, additional information, or project changes to warrant additional environmental review pursuant to the provisions of CEQA Guidelines 15162(a). Because the prior environmental document adequately covered this activity as a part of the previously approved project, the activity is not a separate project for purposes of CEQA review pursuant to CEQA Guidelines Section 15378(c) and Section 15060(c) (3). Federal funds constitute a portion of this project’s funding. Initial NEPA approvals were received from the City of San Diego and HUD on August 21, 2020 and

April 28, 2022

Final Bond Authorization and Tax, Equity and Fiscal Responsibility Act Resolution for Levant Senior Cottages  
Page 13

August 27, 2020. NEPA approvals for supplemental funding were received from the City of San Diego on March 3, 2021.

Respectfully submitted,

*Colin Miller*

Colin Miller  
Vice President  
Multifamily Housing Finance  
Real Estate Division

Approved by,

*Jeff Davis*

Jeff Davis  
Interim President & Chief Executive Officer  
San Diego Housing Commission

Attachments: 1) Development Summary  
2) Site Map  
3) Organization Chart  
4) Developer's Project Pro Forma  
5) Bond Program Summary  
6) Financial Advisor's Analysis  
7) Developer's Disclosure Statement

Docket materials are available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).

## ATTACHMENT 1 – DEVELOPMENT SUMMARY

**Table 1 - Development Details**

Address	6950 Levant Street, San Diego
Council District	7
Community Plan Area	Linda Vista Planning Group
Developer	Wakeland Housing and Development Corporation (Wakeland)
Development Type	New construction (for seniors)
Construction Type	Type V (stucco with wood frame)
Parking Type	45 parking spaces (surface)
Mass Transit	Metropolitan Transit District route #41 has a bus stop located at Genesee Avenue and Osler Street, which is approximately .09 mile from the site.
Housing Type	Multifamily, 19 one-story buildings and two two-story buildings
Lot Size	One parcel totaling 4.49 acres, 195,584 square feet
Units	127 (126 affordable units)
Density	28.22 dwelling units per acre (127 units ÷ 4.5 acres)
Unit Mix	126 affordable units: 108 studios, 18 one-bedrooms, and one unrestricted two-bedroom manager’s unit.
Gross Building Area	51,850 square feet
Net Rentable Area	46,800 square feet
Project Based Vouchers	70 Non-PSH Project-Based Vouchers (PBVs) for low-income seniors (age 55+) selected from the Housing Commission’s PBV waiting list. Also, State of California Multifamily Housing Program (MHP) funding will require 32 of the PBV units to be restricted for the Frail Elderly population.

**Table 2 Development Team Summary**

ROLE	FIRM/CONTACT
Developer	Wakeland Housing and Development Corporation
Owner/Borrower	Levant Senior Cottages LP
Managing General Partner	Wakeland Levant LLC
Administrative General Partner	San Diego Kind Corporation
Tax Credit Investor Limited Partner	Boston Financial Investment Management
Architect	Roesling, Nakamura, Terada Architects
General Contractor	Allgire General Contractors
Property Management	ConAm Management Corporation

**Table 3 – Levant Senior Estimated Permanent Sources and Uses**

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts	Per Unit
Tax-exempt permanent Bond	\$8,832,360	Land & acquisition/holding costs	\$38,000	\$299
California State Department of Housing & Community Development Multifamily Housing Program loan	19,080,000	Construction Costs \$33,720,875 Contingency <u>+1,686,044</u> Total contingency 35,406,919	35,406,919	278,795
Housing Commission loan	1,000,000	Financing costs	6,563,497	51,681
4 percent tax credit equity	20,712,435	Other soft costs	585,000	4,606
Deferred developer fee	1,300,000	Developer fee	3,500,000	27,559
		Local permits and fees	2,695,000	21,220
		Architect & Engineering	1,510,000	11,890
		Soft costs contingency	341,379	2,689
		Legal & Accounting costs	285,000	2,244
<b>Total Development Cost</b>	<b>\$50,924,795</b>	<b>Total Development Cost (TDC)</b>	<b>\$50,924,795</b>	<b>\$400,983</b>

**Table 4 - Key Performance Indicators**

Development Cost Per Unit	\$50,924,795 ÷ 127 units =	\$400,983
Housing Commission Subsidy Per Unit	\$1,000,000 ÷ 127 units =	\$7,874
Land Cost Per Unit	\$25,000 ÷ 127 units =	\$197
Gross Building Square Foot Hard Cost	\$35,406,919 ÷ 51,850 sq. ft. =	\$683
Net Rentable Square Foot Hard Cost	\$35,406,919 ÷ 46,800 sq. ft. =	\$757

**Table 5 - Comparable Development Projects**

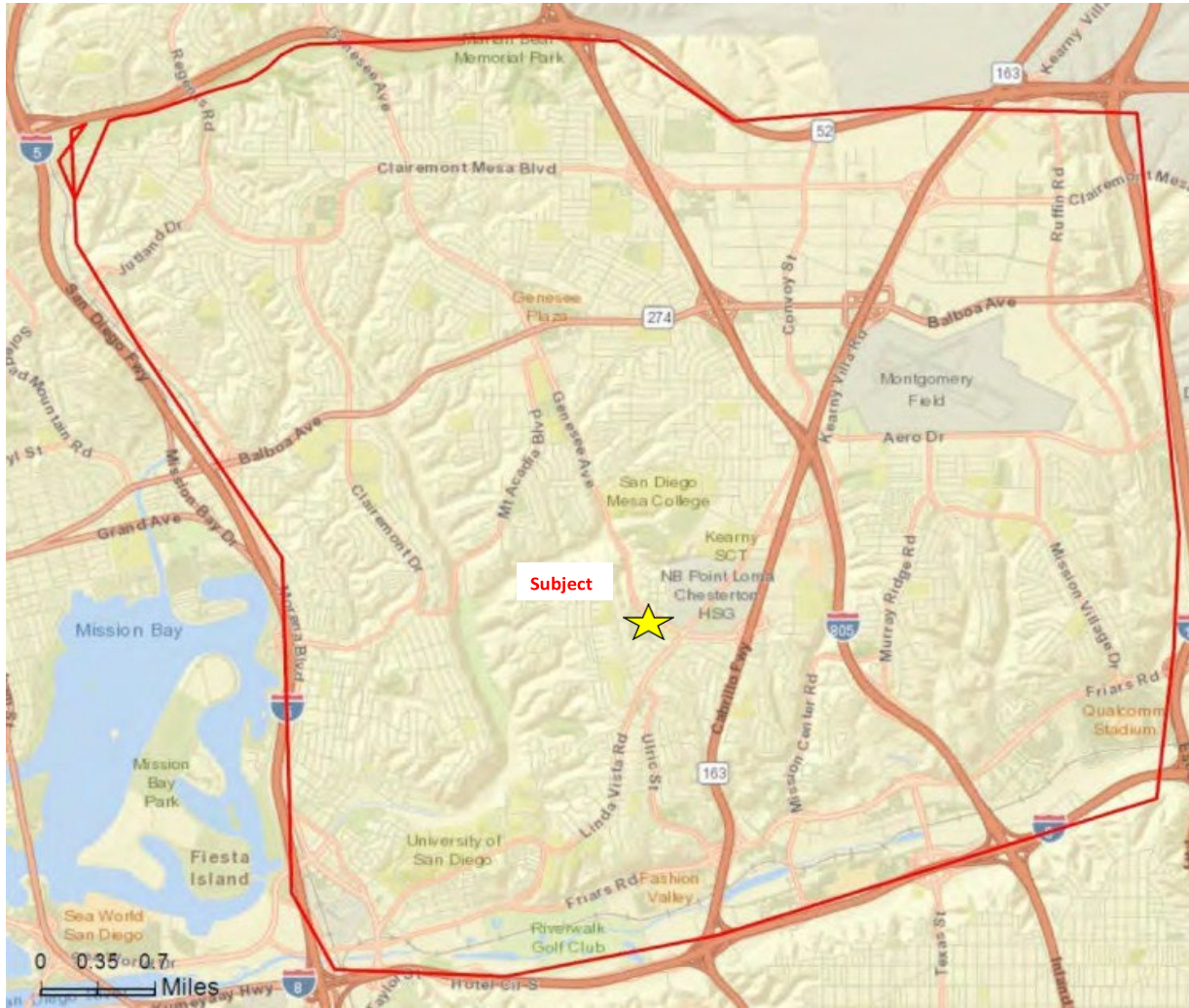
New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
<b>Proposed Subject – Levant Senior</b>	<b>2022</b>	<b>127</b>	<b>\$50,924,795 (w/ prevailing wage)</b>	<b>\$400,983</b>	<b>\$7,874</b>	<b>\$683</b>
Cortez Hill	2021	88	\$43,647,979 (with prev. wage)	\$496,000	\$56,818	\$526
Southwest Village	2021	81	\$40,314,147 (with prev. wage)	\$497,706	\$0	\$367
Nestor Senior Village	2021	74	\$31,510,305 (with prev. wage)	\$425,815	\$45,000	\$363



**Table 6 – Affordability and Monthly Estimated Rent Table**

<b>Unit Type</b>	<b>AMI</b>	<b>Units</b>	<b>CTCAC Gross Rents</b>
Studios (350 square feet) – Voucher units for Frail Elderly tenants	25%	14	\$530
One bedrooms (500 sq. ft.) Voucher units for Frail Elderly tenants	25%	18	\$568
<b>Subtotal Voucher units for Frail Elderly tenants</b>	--	<b>32</b>	--
Studios (350 square feet) - Voucher units	30%	13	\$636
Studios (350 square feet) – Voucher units	40%	25	\$849
<b>Subtotal Voucher units for non-Frail Elderly tenants</b>	--	<b>38</b>	--
Studios (350 square feet)	40%	7	\$849
Studios (350 square feet)	50%	49	\$1,061
<b>Subtotal Non-Voucher Units</b>	--	<b>56</b>	--
<b>Subtotal Affordable Residential Units</b>	--	<b>126</b>	--
Manager’s two bedrooms unit (780 sq. ft.)	--	<b>1</b>	\$0
<b>Total Units</b>	--	<b>127</b>	--

# ATTACHMENT 2 – SITE MAP



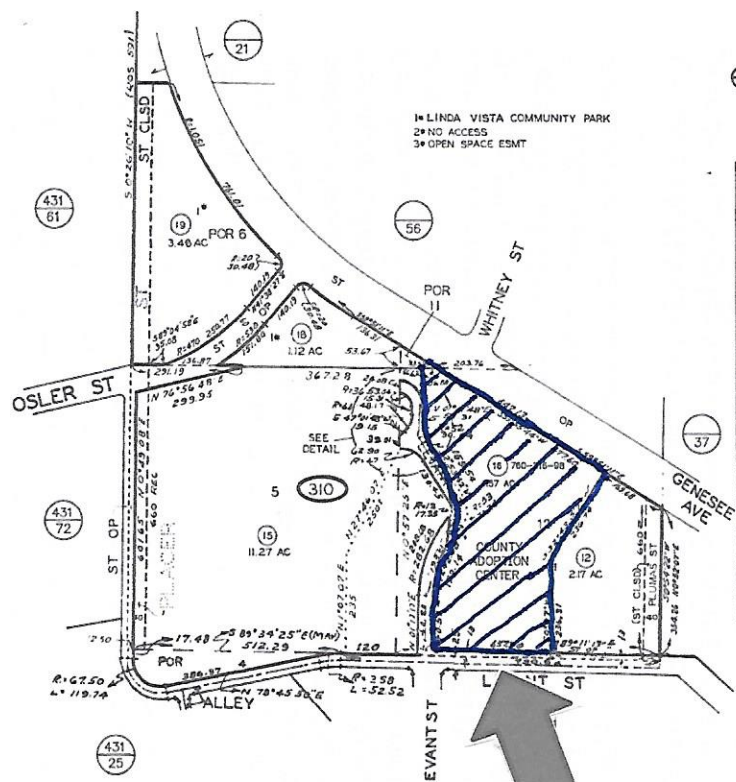
# ATTACHMENT 2A – SITE MAP

427-31



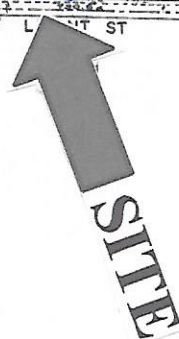
10/8/99 MAS ✓

CHANGES	
BLK. OLD	NEW/YRCUT
310	2 17800 73,783
1	3400 77,4685
17	7650 76,319
1613	17,000 78,4260
1	18,200 12673
19	21 93,142
20	47,600 68
21	600 92,1000



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

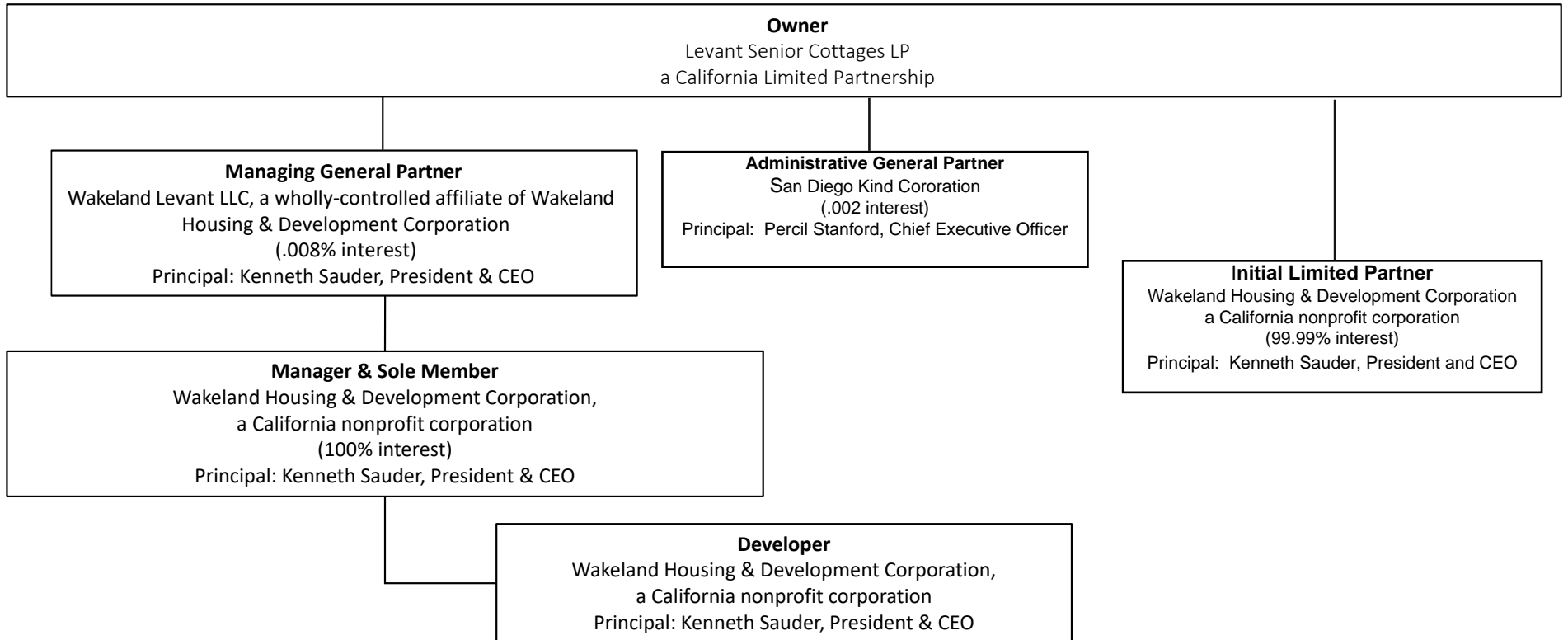
MAP 684 - LEMONA  
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# ATTACHMENT 3 - ORGANIZATION CHART

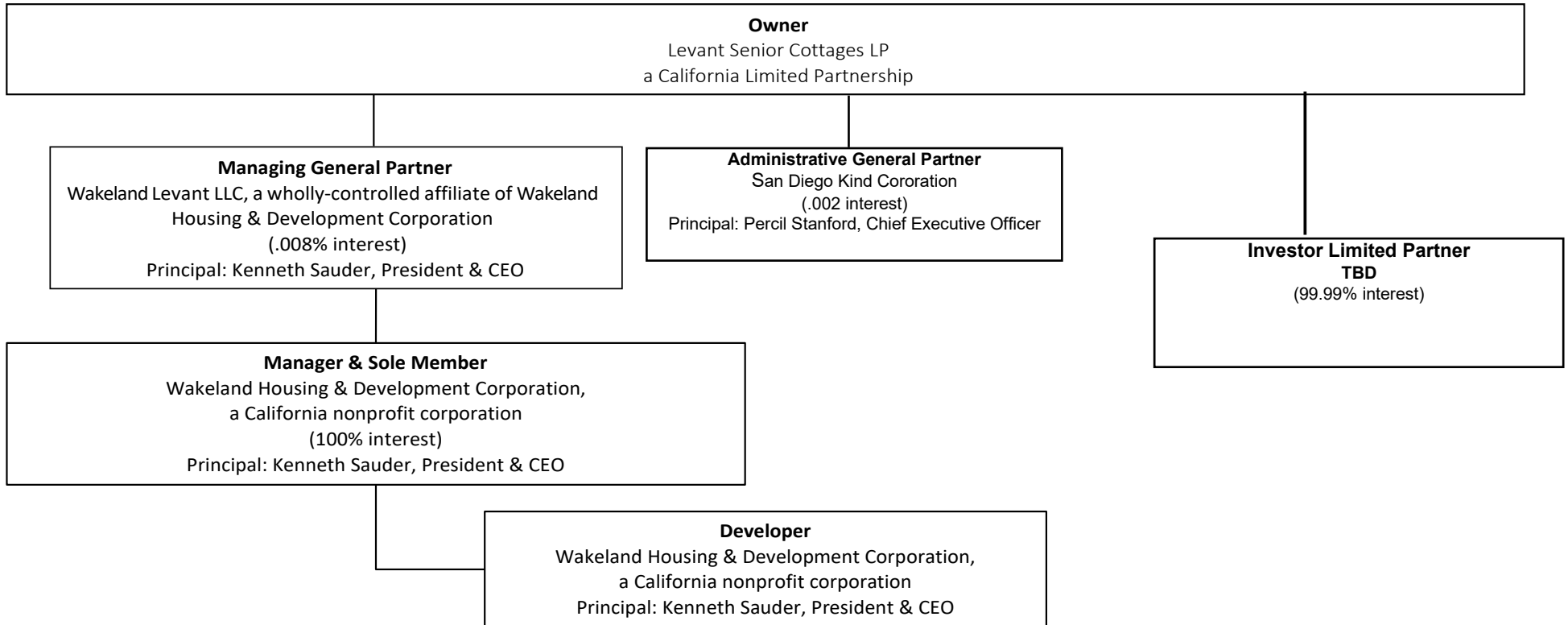


## Levant Senior Cottages Pre-Closing/Current Organizational Chart





## Levant Senior Cottages Post Closing Organizational Chart



**ATTACHMENT 4 - DEVELOPER'S PROJECT PRO FORMA**

<b>Levant Street Cottages</b>	126 Units	LIHTC	RUN DATE: 03/28/22
<b>FORECAST ASSUMPTIONS</b>			

DEVELOPMENT SCHEDULE			
Units for Rent			126
Manager's Units			1
Total Number of Units			127
Density Per Acre	4.50 Acres		28.22
Construction Start			
Completion/Certificate of Occupancy			
Construction Period (Months)			
Start of Leasing			
Units Leased per Month			
Stabilized Occupancy			
Lease-Up Period (Months)			
Permanent Loan Takeout			
Total Months - Const Start to Takeout			

DEBT FINANCING ASSUMPTIONS	
<b>CONSTRUCTION LOAN:</b>	
Construction Loan Interest Rate	5.00%
Credit Loan Fee	75.00%
<b>PERMANENT LOAN:</b>	
Permanent Loan Rate	5.50%
Permanent Loan Constant	6.88%
Loan Points and Fees	0.00%
Debt Service Coverage Ratio	1.30
Loan Underwriting Term (Years)	30
Construction Loan to Value Ratio	75.30%
Capitalization Rate	4.50%
Project Value (NOI/Cap Rate)	17,385,044
Maximum Loan to Cost Ratio	100.00%
Cash Available for Debt Service after MHP	782,327
Loan to Value Ratio (restricted)	80.00%
Permanent Loan	8,832,360
Annual Payment	601,790
Actual DSC	1.300
<b>OTHER DEBT/LOANS:</b>	
Interest Rate	0.00%
Loan Points and Fees	0.00%
Loan Term (Years)	0

SOURCES AND USES OF FUNDS				
USES:	per unit	Construction	Permanent	Final Perm.
Land/Acquisition	\$299	\$38,000	\$38,000	\$38,000
Design & Engineering	\$11,890	1,510,000	1,510,000	1,510,000
Legal/Financial/Other Consultants	\$2,244	285,000	285,000	285,000
Permits & Fees	\$21,220	2,695,000	2,695,000	2,695,000
Bridge Loan Interest	\$0	0	0	0
Direct Building Construction	\$265,519	33,720,875	33,720,875	33,720,875
Financing Costs	\$51,681	5,142,514	6,563,497	6,563,497
Marketing/General & Administrative/security	\$4,606	585,000	585,000	585,000
Developer Fees	\$27,559	875,000	3,500,000	3,500,000
Hard Cost Contingency	\$13,276	1,686,044	1,686,044	1,686,044
Soft Cost Contingency	\$2,688	341,379	341,379	341,379
Total Project Uses	<u>\$400,983</u>	<u>\$46,878,812</u>	<u>\$50,924,795</u>	<u>\$50,924,795</u>

TAX CREDIT FINANCING ASSUMPTIONS	
Credit Year	2021
Federal Tax Credit Rate	4.00%
State Tax Credit Rate	0.00%
Difficult to Develop %	130.00%
Applicable Fraction	100.00%
Adjusted Eligible Basis	55,091,772
Annual Tax Credits	2,203,671
Investor Yield on 99% of Total Credit Allocation	94.00%
Gross Investor Contribution to Lower Tier	20,712,435
Deferred Pay-In on Tax Credit Equity	0
<b>TCAC Actual Points</b>	
TCAC Possible Points	
Tiebreaker: Tax Credits per Bedroom	52.75%

SOURCES:				
Tax Credit Equity *	163,090	\$2,071,243	\$20,712,435	\$20,712,435
Perm. Loan	69,546	0	8,832,360	8,832,360
Section 8 Increment Loan	0	0	0	0
GP Capital Contribution	0	0	0	0
Construction Loan	0	43,807,568	0	0
Deferred Developer Fees	10,236	0	1,300,000	1,300,000
SDHC Accrued/Deferred Interest	0	0	0	0
Lease County of San Diego	0	0	0	0
SDHC	7,874	1,000,000	1,000,000	1,000,000
NPLH COSR	0	0	0	0
MHP (Perm only)	150,236	0	19,080,000	19,080,000
Gap	0	0	0	0
Proportionate Reduction for Offsites				
Total Project Sources		<u>\$400,983</u>	<u>\$46,878,812</u>	<u>\$50,924,795</u>
Public Funds	39.43%			
Basis Reduction:	0.0%		Tiebreaker 79.17%	

OTHER ASSUMPTIONS	
<b>Property Taxes:</b>	
Tax Rate	1.18%
Existing Property Basis (per unit)	0
New Unit Basis (per unit)	
<b>Ground Lease:</b>	
Return on Ground Lease	0.00%
<b>Inflation Indexes:</b>	
Income Inflation	2.50%
Expense Inflation	3.50%
Real Estate Tax Inflation	2.00%
Replacement Reserve	3.50%

RESIDENTIAL UNIT MIX/AFFORDABILITY ANALYSIS										
		Mgns. Units								
		BR2/BA2	0BR/1BA	1BR/1BA	2BR/2BA	3BR/2BA	4BR/2BA	Total Units	% of TC	
<b>Income</b>										
25.00%	0	14	18	0	0	0	0	32	25.4%	
30.00%	0	13	0	0	0	0	0	13	10.3%	
40.00%	0	32	0	0	0	0	0	32	25.4%	
45.00%	0	0	0	0	0	0	0	0	0.0%	
50.00%	0	49	0	0	0	0	0	49	38.9%	
60.00%	0	0	0	0	0	0	0	0	0.0%	
60.00%	0	0	0	0	0	0	0	0	0.0%	
* 70.00%	0	0	0	0	0	0	0	0	0.0%	
Market	1	0	0	0	0	0	0	1	0.0%	
Total Bedrooms	2	108	18	0	0	0	0	127	39.05%	
Total Units	0	108	18	1	0	0	0	127	units	
%	0.0%	85.7%	14.3%	0.8%	0.0%	0.0%	0.0%			
Sq. Ft./Unit Flat	775	350	500	780	950	0			\$ psf	
Sq. Ft/ Unit Townhome*				0	0					
Total Resid Sq Ft	0	37,800	9,000	780	0	0		47,580		
<b>Related Residential Sq. Ft.</b>										
Community Center								2,500		
Leasing Office								866		
Laundry (1 per every 10 units)								900	\$3	
Corridors, Utility space, other common area space					15%			0		
Decks								0		
Total Square Feet								51,846	sq. ft.	
Residential Parking-Podium								0		
Total Residential Uses Square Feet								<u>51,846</u>		

**Levant Street Cottages**

**DEVELOPMENT COST BUDGET**

DESCRIPTION	Amort Per.	Permanent Budget	Construction BUDGET
Land Market Value		0	0
Environmental Remediation and Rough grade		0	0
Site Clean up		25,000	25,000
Holding Costs During Predevelopment		0	0
Title & Insurance		0	0
<b>LAND ACQUISITION &amp; CLOSING</b>		<b>25,000</b>	<b>25,000</b>
Architect/Mechanical/Structural/Electrical		650,000	650,000
Design/Landscape Arch-Const Observation		175,000	175,000
Civil Engineer + Utilities (w. their reimbursables)		230,000	230,000
Energy		75,000	75,000
Soils Engineering		10,000	10,000
Surveying		15,000	15,000
Environmental Consultants (Phase 1 & 2; air, noise)		15,000	15,000
Entitlement Costs		10,000	10,000
Other Consultants (includes SDKIND)		300,000	300,000
Reimbursable Exp's-Pre-Dev't		15,000	15,000
Reimbursable Exp's-Construction		15,000	15,000
Contingency		75,500	75,500
<b>DESIGN &amp; ENGINEERING</b>		<b>1,585,500</b>	<b>1,585,500</b>
Legal-Project Development		85,000	85,000
Perm lender		20,000	20,000
Legal-Bond Counsel		60,000	60,000
Legal-Tax Credit		30,000	30,000
Legal - Construction Lender		60,000	60,000
City Cost Review & Legal		0	0
Legal - Bond Issuer SDHC		0	0
Accounting & Auditing		30,000	30,000
Contingency		14,250	14,250
<b>LEGAL/FINANCIAL/OTHER</b>		<b>299,250</b>	<b>299,250</b>
Permits & Fees (City & Utilities)		2,300,000	2,300,000
Utilities, Testing & Inspections		40,000	40,000
Developer Performance Bonds		15,000	15,000
Prevailing Wage Monitoring Consultant		140,000	140,000
Construction Manager		200,000	200,000
Contingency	5.00%	134,750	134,750
<b>PERMITS/BONDS/FEES</b>		<b>2,829,750</b>	<b>2,829,750</b>
Off-Site Imp's/Infrastructure		0	0
On-Site Imp's/Infrastructure		1,817,000	1,817,000
Transportation Related Infrastructure (AHSC) (Specific Items TBD)		0	0
Contingency	5.00%	90,850	90,850
<b>SITE IMP'S/INFRASTRUCTURE</b>		<b>1,907,850</b>	<b>1,907,850</b>
Building Costs		27,684,997	27,684,997
Solar Fixtures/Green Infrastructure (not in GC contract)	\$0	0	0
General Conditions	7.00%	0 2,066,685	2,066,685
Contractor Overhead	2.00%	0 631,815	631,815
Contractor's Fee	3.00%	0 966,677	966,677
Contractor Bond & Liability Insurance	2.00%	553,700	553,700
Prevailing Wages		0	0
Contingency	5.00%	1,595,194	1,595,194
Residential Construction Subtotal		33,499,068	33,499,068
Commercial Construction Subtotal		0	0
<b>TOTAL DIRECT CONSTRUCTION</b>		<b>33,499,068</b>	<b>33,499,068</b>
Construction Interest		3,402,929	3,402,929
Interest on SDHC Loan		0	0
Acquisition Loan Interest + Fees		0	0
Predevelopment Interest - Wakeland loan		150,000	150,000
Constr.Lender & Predev. Appraisals & Cost Review		20,000	20,000
Construction Lender Inspections		25,000	25,000
Constr. Period Lender fee		328,557	328,557
Escrow/Title Fees-Construction Loan		25,000	25,000
Permanent Loan Points		0	0
Permanent Loan Conversion Fees + Legal		49,623	0
Permanent Loan Appraisal, Environ. Review, ALTA, etc.		25,000	0
SDHC Underwriting fee and Legal		115,000	115,000
SDHC Issue Expense		50,000	50,000
SDHC Issuer Fee		57,913	57,913
SDHC Prepaid annual fee		28,596	28,596
SDHC Application Fee		13,000	13,000
Escrow/Title Fees-Permanent Loan		15,000	0
Construction Period Insurance		400,000	400,000
CDLAC		15,000	15,000
SDHC Issuer fees/legal		125,000	125,000
6-month Operating Reserve		816,360	0
Transition Reserve		440,000	0
Property Taxes & Organizational Fees		125,000	100,000
Insurance		50,000	0
TCAC Application and Allocation Fees		90,147	90,147
TCAC Performance Deposit		7,713	7,713
TCAC Monitoring Fees	\$410	51,660	51,660
Contingency	5.00%	80,129	80,129
<b>FINANCING COSTS</b>		<b>6,506,626</b>	<b>5,085,643</b>
Furnishings & Signage		200,000	200,000
Lease-Up/Advertising Expenses (includes PACE lease up of 2)		150,000	150,000
Security		210,000	210,000
Market Study		25,000	25,000
Syndicator/Syndication Consultant		150,000	150,000
Contingency	5.00%	36,750	36,750
<b>MARKETING/GEN &amp; ADMIN</b>		<b>771,750</b>	<b>771,750</b>
<b>DEVELOPER FEES</b>	8.57%	0	0
		3,500,000	875,000
<b>TOTAL PROJECT COSTS</b>		<b>50,924,795</b>	<b>46,878,812</b>

**Levant Street Cottages****TAX CREDIT CALCULATIONS**

	<b>Federal Tax Credits</b>	<b>State Tax Credits</b>
Preliminary Eligible Basis	42,378,286	42,378,286
Deductions from Eligible Basis:		
Grant Proceeds Used to Finance Costs in Eligible Basis	0	0
Federal Loans Used to Finance Costs in 9% Eligible Basis	0	0
Non-Qualified Non-Recourse Financing	0	0
Non-Qualifying Portion of Higher Quality Units	0	0
Historic Credit (Residential Portion Only)	0	0
Total Deductions from Eligible Basis	0	0
Total Eligible Basis	42,378,286	42,378,286
High Cost Area Adjustment	130.00%	100.00%
Total Adjusted Eligible Basis	55,091,772	42,378,286
Applicable Fraction	100.00%	100.00%
Total Qualified Basis	55,091,772	42,378,286
Tax Credit %	4.00%	30.00%
Total Annual Tax Credits	2,203,671	0
LP Share of Credits	99.99%	99.99%
Credits Available to Equity Provider	2,203,451	0
Credit Period	10	1
Total Credit Allocation	22,034,505	0
Investor Yield	0.940000	0.650000
Gross Investor Contribution	20,712,435	0
Less Lower Tier Syndication Expenses:		
Legal - Syndication	0	0
Syndication Consulting	0	0
Syndication Accounting	0	0
Total Syndication Expenses	0	0
Total Investor Contribution	20,712,435	0



**Levant Street Cottages  
PROJECT CASH FLOW**

			2021							
			1	2	3	4	5	6	7	8
<b>RENTAL REVENUES:</b>		2.5%/ann. increase								
Gross Potential Rent (Affordable Units)			1,260,828	1,292,349	1,324,658	1,357,774	1,391,718	1,426,511	1,462,174	1,498,728
Gross Potential Rent (section 8)			875,652	897,543	919,982	942,982	966,557	990,721	1,015,489	1,040,876
Laundry/Other	\$12.00		18,288	18,745	19,214	19,694	20,186	20,691	21,208	21,738
COSR			0	0	0	0	0	0	0	0
Vacancy Allowance	5.00%		(63,956)	(65,555)	(67,194)	(68,873)	(70,595)	(72,360)	(74,169)	(76,023)
Vacancy Allowance Section 8	5.00%		(43,783)	(44,877)	(45,999)	(47,149)	(48,328)	(49,536)	(50,774)	(52,044)
<b>Net Rental Income</b>			<b>2,047,029</b>	<b>2,098,205</b>	<b>2,150,661</b>	<b>2,204,428</b>	<b>2,259,538</b>	<b>2,316,027</b>	<b>2,373,928</b>	<b>2,433,275</b>
<b>PROPERTY OPERATING COSTS:</b>		3.5%/ann. increase								
<b>Administrative Expenses:</b>										
Office Supplies & Equipment	\$200 /mo.		2,400	2,484	2,571	2,661	2,754	2,850	2,950	3,053
Payroll Services	\$40 /mo.		480	497	514	532	551	570	590	611
Office Salaries	\$200 /mo.		2,400	2,484	2,571	2,661	2,754	2,850	2,950	3,053
Telephone/Answering Service/Internet	\$900 /mo.		10,800	11,178	11,569	11,974	12,393	12,827	13,276	13,741
Auto Expense	\$100 /mo.		1,200	1,242	1,285	1,330	1,377	1,425	1,475	1,527
Training & Travel	\$100 /mo.		1,200	1,242	1,285	1,330	1,377	1,425	1,475	1,527
Misc. Administrative Expense	\$200 /mo.		2,400	2,484	2,571	2,661	2,754	2,850	2,950	3,053
Resident Services (Wakeland)	\$0 /mo		40,000	41,400	42,849	44,349	45,901	47,507	49,170	50,891
County of San Diego Admin Fees			10,000	10,100	10,201	10,303	10,406	10,510	10,615	10,721
SDHC Compliance Monitoring	\$150 /pu/py		18,900	19,089	19,280	19,473	19,667	19,864	20,063	20,263
Bond Issuer Fee			10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Marketing Expense:</b>										
Advertising			2,000	2,070	2,142	2,217	2,295	2,375	2,458	2,544
<b>Professional Fees:</b>										
Property Management Fees	\$50.00 pu/py		76,200	78,867	81,627	84,484	87,441	90,501	93,669	96,947
Accounting	\$0 /mo.		0	0	0	0	0	0	0	0
Legal Fees	\$100 /mo.		1,800	1,863	1,928	1,995	2,065	2,137	2,212	2,289
Auditing Expense	\$800 /mo.		10,000	10,350	10,712	11,087	11,475	11,877	12,293	12,723
<b>Utilities:</b>										
Electricity tenant	\$100.00 u/mo		152,400	157,734	163,255	168,969	174,883	181,004	187,339	193,896
Elec (community center and laundry)	\$30.00 u/mo		45,720	47,320	48,976	50,690	52,464	54,300	56,201	58,168
Water and Sewer	\$110.00 /u/mo		167,640	173,507	179,580	185,865	192,370	199,103	206,072	213,285
<b>Payroll/Payroll Taxes:</b>										
Salaries-Manager	\$4,400 /mo.		52,800	54,648	56,561	58,541	60,590	62,711	64,906	67,178
Salaries-Assistant Manager	\$2,600 /mo.		31,200	32,292	33,422	34,592	35,803	37,056	38,353	39,695
Salaries-Security	\$0 /mo.		0	0	0	0	0	0	0	0
Salaries-Maintenance Supervisor	\$4,200 /mo.		50,400	52,164	53,990	55,880	57,836	59,860	61,955	64,123
Salaries-Maintenance Personnel	\$2,600 /mo.		31,200	32,292	33,422	34,592	35,803	37,056	38,353	39,695
Wellness Coordinator	\$0 /mo.		0	0	0	0	0	0	0	0
Payroll Taxes	10.000%		16,560	17,140	17,740	18,361	19,003	19,668	20,357	21,069
Workers Compensation	6.000%		9,936	10,284	10,644	11,017	11,403	11,802	12,215	12,643
Health Insurance/Other Benefits	\$1,700 /mo.		20,400	21,114	21,853	22,618	23,410	24,229	25,077	25,955
<b>Contract Services:</b>										
Exterminating	\$10 /unit/mo		15,240	15,773	16,325	16,896	17,487	18,099	18,732	19,388
Trash Removal	\$41.00 u/mo		62,580	64,770	67,037	69,383	71,811	74,324	76,925	79,617
Other maintenance	\$400 /mo.		4,800	4,968	5,142	5,322	5,508	5,701	5,901	6,108
Building/Grounds Maintenance	\$3,300.00 /mo		39,600	40,986	42,421	43,906	45,443	47,034	48,680	50,384
Janitorial	\$10.00 /u/mo		15,240	15,773	16,325	16,896	17,487	18,099	18,732	19,388
Repair	\$300.00 /mo		3,600	3,726	3,856	3,991	4,131	4,276	4,426	4,581
Security			60,000	62,100	64,274	66,524	68,852	71,262	73,756	76,337
<b>Cleaning &amp; Decorating:</b>										
Painting Supplies	\$5.00 /u/mo		7,620	7,887	8,163	8,449	8,745	9,051	9,368	9,696
Turnover	\$100.00 /u/yr		12,700	13,145	13,605	14,081	14,574	15,084	15,612	16,158
<b>Repairs &amp; Maintenance:</b>										
Repairs & Maintenance General	\$1,700.00 /mo		20,400	21,114	21,853	22,618	23,410	24,229	25,077	25,955
Elevator	\$400.00 /mo		4,800	4,968	5,142	5,322	5,508	5,701	5,901	6,108
<b>TOTAL VARIABLE COSTS</b>		\$7,989 /unit	<b>1,014,616</b>	<b>1,049,055</b>	<b>1,084,690</b>	<b>1,121,569</b>	<b>1,159,732</b>	<b>1,199,218</b>	<b>1,240,084</b>	<b>1,282,371</b>
<b>Taxes &amp; Insurance:</b>										
Real Property Tax Assessment	\$100 /unit		12,700	12,954	13,213	13,477	13,747	14,022	14,302	14,588
Director's & Officer's Insurance	\$0 /mo.		0	0	0	0	0	0	0	0
Misc Taxes/Licenses/Permits	\$100 /mo.		1,200	1,242	1,285	1,330	1,377	1,425	1,475	1,527
Insurance	\$650 /unit		82,550	85,439	88,429	91,524	94,727	98,042	101,473	105,025
Fidelity Bond Insurance	\$0 /mo.		0	0	0	0	0	0	0	0
<b>SDHC Fixed Annual Payment</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FIXED COSTS</b>			<b>96,450</b>	<b>99,635</b>	<b>102,927</b>	<b>106,331</b>	<b>109,851</b>	<b>113,489</b>	<b>117,250</b>	<b>121,140</b>
<b>TOTAL OPERATING COSTS</b>		\$8,749 /unit	<b>1,111,066</b>	<b>1,148,690</b>	<b>1,187,617</b>	<b>1,227,900</b>	<b>1,269,583</b>	<b>1,312,707</b>	<b>1,357,334</b>	<b>1,403,511</b>
<b>NET OPERATING INCOME:</b>			<b>935,963</b>	<b>949,515</b>	<b>963,044</b>	<b>976,528</b>	<b>989,955</b>	<b>1,003,320</b>	<b>1,016,594</b>	<b>1,029,764</b>
<b>CASH FLOW FROM OPERATIONS:</b>										
Net Operating Income			935,963	949,515	963,044	976,528	989,955	1,003,320	1,016,594	1,029,764
Replacement Reserve	9,249	\$500 pupy	63,500	65,723	68,023	70,404	72,868	75,418	78,058	80,790
SDHC Hard Debt		\$0 per mo.	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>CASH FLOW AVAILABLE FOR DEBT SERVICE</b>			<b>862,463</b>	<b>883,792</b>	<b>895,021</b>	<b>906,124</b>	<b>917,087</b>	<b>927,902</b>	<b>938,536</b>	<b>948,974</b>
Cash Flow			862,463	883,792	895,021	906,124	917,087	927,902	938,536	948,974
MPH Debt service	19,080,000	0.42%	80,136	80,136	80,136	80,136	80,136	80,136	80,136	80,136
Cash Flow after MHP			782,327	803,656	814,885	825,988	836,951	847,766	858,400	868,838
Debt Service - First Trust Deed	8,832,360		(601,790)	(601,790)	(601,790)	(601,790)	(601,790)	(601,790)	(601,790)	(601,790)
Cash Flow After Debt Service			180,537	201,866	213,095	224,198	235,161	245,976	256,610	267,048
<b>Total Cash Flow After Debt Service</b>			<b>180,537</b>	<b>201,866</b>	<b>213,095</b>	<b>224,198</b>	<b>235,161</b>	<b>245,976</b>	<b>256,610</b>	<b>267,048</b>
General Partner Asset Mgt Fee			(17,500)	(18,025)	(18,566)	(19,123)	(19,696)	(20,287)	(20,896)	(21,523)
Limited Partner Asset Mgmt. Fee			(7,500)	(7,725)	(7,957)	(8,195)	(8,441)	(8,695)	(8,955)	(9,224)
<b>CASH FLOW AVAILABLE FOR RESIDUAL RECEIPTS PAYMENTS</b>			<b>155,537</b>	<b>176,116</b>	<b>186,572</b>	<b>196,880</b>	<b>207,024</b>	<b>216,994</b>	<b>226,759</b>	<b>236,301</b>



**Levant Street Cottages  
PROJECT CASH FLOW**

	19	20	21	22	23	24	25	26	27
<b>RENTAL REVENUES:</b>									
Gross Potential Rent (Affordable Units)	1,966,461	2,015,623	2,066,014	2,117,664	2,170,606	2,224,871	2,280,493	2,337,505	2,395,943
Gross Potential Rent (section 8)	1,365,718	1,399,861	1,434,858	1,470,729	1,507,497	1,545,184	1,583,814	1,623,409	1,663,994
Laundry/Other	28,522	29,235	29,966	30,715	31,483	32,270	33,077	33,904	34,752
COSR	0	0	0	0	0	0	0	0	0
Vacancy Allowance	(99,749)	(102,243)	(104,799)	(107,419)	(110,104)	(112,857)	(115,679)	(118,570)	(121,535)
Vacancy Allowance Section 8	(68,286)	(69,993)	(71,743)	(73,536)	(75,375)	(77,259)	(79,191)	(81,170)	(83,200)
<b>Net Rental Income</b>	<b>3,192,666</b>	<b>3,272,483</b>	<b>3,354,296</b>	<b>3,438,153</b>	<b>3,524,107</b>	<b>3,612,209</b>	<b>3,702,514</b>	<b>3,795,078</b>	<b>3,889,954</b>
<b>PROPERTY OPERATING COSTS:</b>									
<b>Administrative Expenses:</b>									
Office Supplies & Equipment	4,458	4,614	4,775	4,942	5,115	5,294	5,479	5,671	5,869
Payroll Services	891	922	954	987	1,022	1,058	1,095	1,133	1,173
Office Salaries	4,458	4,614	4,775	4,942	5,115	5,294	5,479	5,671	5,869
Telephone/Answering Service/Internet	20,060	20,762	21,489	22,241	23,019	23,825	24,659	25,522	26,415
Auto Expense	2,227	2,305	2,386	2,470	2,556	2,645	2,738	2,834	2,933
Training & Travel	2,227	2,305	2,386	2,470	2,556	2,645	2,738	2,834	2,933
Misc. Administrative Expense	4,458	4,614	4,775	4,942	5,115	5,294	5,479	5,671	5,869
Resident Services (Wakeland)	74,300	76,900	79,592	82,377	85,260	88,245	91,333	94,530	97,838
County of San Diego Admin Fees	11,961	12,081	12,202	12,324	12,447	12,572	12,697	12,824	12,953
SDHC Compliance Monitoring	22,607	22,833	23,062	23,292	23,525	23,760	23,998	24,238	24,480
Bond Issuer Fee	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Marketing Expense:</b>									
Advertising	3,713	3,843	3,978	4,117	4,261	4,410	4,564	4,724	4,889
<b>Professional Fees:</b>									
Property Management Fees	141,540	146,494	151,621	156,928	162,420	168,105	173,989	180,079	186,382
Accounting	0	0	0	0	0	0	0	0	0
Legal Fees	3,341	3,458	3,579	3,704	3,834	3,968	4,107	4,251	4,400
Auditing Expense	18,575	19,225	19,898	20,594	21,315	22,061	22,833	23,632	24,459
<b>Utilities:</b>									
Electricity tenant	283,082	292,990	303,245	313,859	324,844	336,214	347,981	360,160	372,766
Elec (community center and laundry)	84,924	87,896	90,972	94,156	97,451	100,862	104,392	108,046	111,828
Water and Sewer	311,390	322,289	333,569	345,244	357,328	369,834	382,778	396,175	410,041
<b>Payroll/Payroll Taxes:</b>									
Salaries-Manager	98,078	101,511	105,064	108,741	112,547	116,486	120,563	124,783	129,150
Salaries-Assistant Manager	57,952	59,980	62,079	64,252	66,501	68,829	71,238	73,731	76,312
Salaries-Security	0	0	0	0	0	0	0	0	0
Salaries-Maintenance Supervisor	93,616	96,893	100,284	103,794	107,427	111,187	115,079	119,107	123,276
Salaries-Maintenance Personnel	57,952	59,980	62,079	64,252	66,501	68,829	71,238	73,731	76,312
Wellness Coordinator	0	0	0	0	0	0	0	0	0
Payroll Taxes	30,760	31,836	32,951	34,104	35,298	36,533	37,812	39,135	40,505
Workers Compensation	18,460	19,106	19,775	20,467	21,183	21,924	22,691	23,485	24,307
Health Insurance/Other Benefits	37,892	39,218	40,591	42,012	43,482	45,004	46,579	48,209	49,896
<b>Contract Services:</b>									
Exterminating	28,306	29,297	30,322	31,383	32,481	33,618	34,795	36,013	37,273
Trash Removal	116,239	120,307	124,518	128,876	133,387	138,056	142,888	147,889	153,065
Other maintenance	8,918	9,230	9,553	9,887	10,233	10,591	10,962	11,346	11,743
Building/Grounds Maintenance	73,558	76,133	78,798	81,556	84,410	87,364	90,422	93,587	96,863
Janitorial	28,306	29,297	30,322	31,383	32,481	33,618	34,795	36,013	37,273
Repair	6,688	6,922	7,164	7,415	7,675	7,944	8,222	8,510	8,808
Security	111,448	115,349	119,386	123,565	127,890	132,366	136,999	141,794	146,757
<b>Cleaning &amp; Decorating:</b>									
Painting Supplies	14,155	14,650	15,163	15,694	16,243	16,812	17,400	18,009	18,639
Turnover	23,592	24,418	25,273	26,158	27,074	28,022	29,003	30,018	31,069
<b>Repairs &amp; Maintenance:</b>									
Repairs & Maintenance General	37,892	39,218	40,591	42,012	43,482	45,004	46,579	48,209	49,896
Elevator	8,918	9,230	9,553	9,887	10,233	10,591	10,962	11,346	11,743
<b>TOTAL VARIABLE COSTS</b>	<b>1,856,942</b>	<b>1,920,721</b>	<b>1,986,723</b>	<b>2,055,027</b>	<b>2,125,711</b>	<b>2,198,864</b>	<b>2,274,566</b>	<b>2,352,910</b>	<b>2,433,984</b>
<b>Taxes &amp; Insurance:</b>									
Real Property Tax Assessment	18,141	18,504	18,874	19,251	19,636	20,029	20,430	20,839	21,256
Director's & Officer's Insurance	0	0	0	0	0	0	0	0	0
Misc Taxes/Licenses/Permits	2,227	2,305	2,386	2,470	2,556	2,645	2,738	2,834	2,933
Insurance	153,336	158,703	164,258	170,007	175,957	182,115	188,489	195,086	201,914
Fidelity Bond Insurance	0	0	0	0	0	0	0	0	0
<b>SDHC Fixed Annual Payment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FIXED COSTS</b>	<b>173,704</b>	<b>179,512</b>	<b>185,518</b>	<b>191,728</b>	<b>198,149</b>	<b>204,789</b>	<b>211,657</b>	<b>218,759</b>	<b>226,103</b>
<b>TOTAL OPERATING COSTS</b>	<b>2,030,646</b>	<b>2,100,233</b>	<b>2,172,241</b>	<b>2,246,755</b>	<b>2,323,860</b>	<b>2,403,653</b>	<b>2,486,223</b>	<b>2,571,669</b>	<b>2,660,087</b>
<b>NET OPERATING INCOME:</b>	<b>1,162,020</b>	<b>1,172,250</b>	<b>1,182,055</b>	<b>1,191,398</b>	<b>1,200,247</b>	<b>1,208,556</b>	<b>1,216,291</b>	<b>1,223,409</b>	<b>1,229,867</b>
<b>CASH FLOW FROM OPERATIONS:</b>									
Net Operating Income	1,162,020	1,172,250	1,182,055	1,191,398	1,200,247	1,208,556	1,216,291	1,223,409	1,229,867
Replacement Reserve	9,249	117,953	122,081	126,354	130,776	135,353	140,090	144,993	150,068
SDHC Hard Debt	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>CASH FLOW AVAILABLE FOR DEBT SERVICE</b>	<b>1,044,067</b>	<b>1,050,169</b>	<b>1,055,701</b>	<b>1,060,622</b>	<b>1,064,894</b>	<b>1,068,466</b>	<b>1,071,298</b>	<b>1,073,341</b>	<b>1,074,547</b>
Cash Flow	1,044,067	1,050,169	1,055,701	1,060,622	1,064,894	1,068,466	1,071,298	1,073,341	1,074,547
MPH Debt service	9,249	80,136	80,136	80,136	80,136	80,136	80,136	80,136	80,136
Cash Flow after MHP	963,931	970,033	975,565	980,486	984,758	988,330	991,162	993,205	994,411
Debt Service - First Trust Deed	(601,790)	(601,790)	(601,790)	(601,790)	(601,790)	(601,790)	(601,790)	(601,790)	(601,790)
Cash Flow After Debt Service	362,141	368,243	373,775	378,696	382,968	386,540	389,372	391,415	392,621
<b>Total Cash Flow After Debt Service</b>	<b>362,141</b>	<b>368,243</b>	<b>373,775</b>	<b>378,696</b>	<b>382,968</b>	<b>386,540</b>	<b>389,372</b>	<b>391,415</b>	<b>392,621</b>
General Partner Asset Mgt Fee	(29,793)	(30,686)	(31,607)	(32,555)	(33,532)	(34,538)	(35,574)	(36,641)	(37,740)
Limited Partner Asset Mgmt. Fee	(12,768)	(13,151)	(13,546)	(13,952)	(14,371)	(14,802)	(15,246)	(15,703)	(16,174)
<b>CASH FLOW AVAILABLE FOR RESIDUAL RECEIPTS PA</b>	<b>319,580</b>	<b>324,406</b>	<b>328,623</b>	<b>332,188</b>	<b>335,065</b>	<b>337,201</b>	<b>338,552</b>	<b>339,070</b>	<b>338,706</b>

**Levant Street Cottages  
PROJECT CASH FLOW**

		28	29	30
<b>RENTAL REVENUES:</b>				
	2.5%/ann. increa			
Gross Potential Rent (Affordable Units)		2,455,842	2,517,238	2,580,169
Gross Potential Rent (section 8)		1,705,594	1,748,234	1,791,940
Laundry/Other		35,621	36,512	37,425
COSR		0	0	0
Vacancy Allowance		(124,573)	(127,688)	(130,880)
Vacancy Allowance Section 8		(85,280)	(87,412)	(89,597)
<b>Net Rental Income</b>		<b>3,987,204</b>	<b>4,086,884</b>	<b>4,189,057</b>
<b>PROPERTY OPERATING COSTS:</b>				
	3.5%/ann. increa			
<b>Administrative Expenses:</b>				
Office Supplies & Equipment		6,074	6,287	6,507
Payroll Services		1,214	1,256	1,300
Office Salaries		6,074	6,287	6,507
Telephone/Answering Service/Internet		27,340	28,297	29,287
Auto Expense		3,036	3,142	3,252
Training & Travel		3,036	3,142	3,252
Misc. Administrative Expense		6,074	6,287	6,507
Resident Services (Wakeland)		101,263	104,807	108,475
County of San Diego Admin Fees		13,082	13,213	13,345
SDHC Compliance Monitoring		24,725	24,972	25,222
Bond Issuer Fee		10,000	10,000	10,000
<b>Marketing Expense:</b>				
Advertising		5,060	5,237	5,420
<b>Professional Fees:</b>				
Property Management Fees		192,905	199,657	206,645
Accounting		0	0	0
Legal Fees		4,554	4,713	4,878
Auditing Expense		25,315	26,201	27,118
<b>Utilities:</b>				
Electricity tenant		385,813	399,316	413,292
Elec (community center and laundry)		115,742	119,793	123,986
Water and Sewer		424,392	439,246	454,620
<b>Payroll/Payroll Taxes:</b>				
Salaries-Manager		133,670	138,348	143,190
Salaries-Assistant Manager		78,983	81,747	84,608
Salaries-Security		0	0	0
Salaries-Maintenance Supervisor		127,591	132,057	136,679
Salaries-Maintenance Personnel		78,983	81,747	84,608
Wellness Coordinator		0	0	0
Payroll Taxes		41,923	43,390	44,909
Workers Compensation		25,158	26,039	26,950
Health Insurance/Other Benefits		51,642	53,449	55,320
<b>Contract Services:</b>				
Exterminating		38,578	39,928	41,325
Trash Removal		158,422	163,967	169,706
Other maintenance		12,154	12,579	13,019
Building/Grounds Maintenance		100,253	103,762	107,394
Janitorial		38,578	39,928	41,325
Repair		9,116	9,435	9,765
Security		151,893	157,209	162,711
<b>Cleaning &amp; Decorating:</b>				
Painting Supplies		19,291	19,966	20,665
Turnover		32,156	33,281	34,446
<b>Repairs &amp; Maintenance:</b>				
Repairs & Maintenance General		51,642	53,449	55,320
Elevator		12,154	12,579	13,019
<b>TOTAL VARIABLE COSTS</b>		<b>2,517,886</b>	<b>2,604,713</b>	<b>2,694,572</b>
<b>Taxes &amp; Insurance:</b>				
Real Property Tax Assessment		21,681	22,115	22,557
Director's & Officer's Insurance		0	0	0
Misc Taxes/Licenses/Permits		3,036	3,142	3,252
Insurance		208,981	216,295	223,865
Fidelity Bond Insurance		0	0	0
<b>SDHC Fixed Annual Payment</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FIXED COSTS</b>		<b>233,698</b>	<b>241,552</b>	<b>249,674</b>
<b>TOTAL OPERATING COSTS</b>		<b>2,751,584</b>	<b>2,846,265</b>	<b>2,944,246</b>
<b>NET OPERATING INCOME:</b>		<b>1,235,620</b>	<b>1,240,619</b>	<b>1,244,811</b>
<b>CASH FLOW FROM OPERATIONS:</b>				
Net Operating Income		1,235,620	1,240,619	1,244,811
Replacement Reserve	9,249	160,756	166,382	172,205
SDHC Hard Debt		10,000	10,000	10,000
<b>CASH FLOW AVAILABLE FOR DEBT SERVICE</b>		<b>1,074,864</b>	<b>1,074,237</b>	<b>1,072,606</b>
Cash Flow		1,074,864	1,074,237	1,072,606
MPH Debt service	19,080,000	80,136	80,136	80,136
Cash Flow after MHP		994,728	994,101	992,470
Debt Service - First Trust Deed		(601,790)	(601,790)	(601,790)
Cash Flow After Debt Service		392,938	392,311	390,680
<b>Total Cash Flow After Debt Service</b>		<b>392,938</b>	<b>392,311</b>	<b>390,680</b>
General Partner Asset Mgt Fee		(38,873)	(40,039)	(41,240)
Limited Partner Asset Mgmt. Fee		(16,660)	(17,159)	(17,674)
<b>CASH FLOW AVAILABLE FOR RESIDUAL RECEIPTS PA</b>		<b>337,406</b>	<b>335,113</b>	<b>331,766</b>

2,021

Family Size	Unit Type	Number of Units	Monthly Rent	Utility Allowance	Net Monthly Rent	Net Annual Rent	Unit Sq. Ft.	Total Sq. Ft.	Rent/ Sq. Ft.
<b>% of Median</b>									
	<u>NPLH Units</u>								
25.00%	1BR/1BA	0	0	0	0	0	500	0	\$0.00
30.00%	2BR/2BA	0	0	0	0	0	780	0	\$0.00
<b>Total NPLH Units</b>		<b>0</b>				<b>0</b>		<b>0</b>	
25.00%	0BD/1BA	14	530	0	530	89,040	350	4,900	\$1.51
25.00%	1BR/1BA	18	568	0	568	122,688	500	9,000	\$1.14
30.00%	0BD/1BA	13	636	0	636	99,216	350	4,550	\$1.82
40.00%	0BD/1BA	32	849	0	849	326,016	350	11,200	\$2.43
50.00%	0BD/1BA	49	1,061	0	1,061	623,868	350	17,150	\$3.03
Mgr.	BR2/BA2	1	0	0	0	0	780	780	\$0.00
		<b>127</b>				<b>1,260,828</b>		<b>47,580</b>	
<b>TOTAL PROJECT</b>		<b>127</b>			<b>827</b>	<b>1,260,828</b>	<b>375</b>	<b>47,580</b>	<b>\$2.21</b>

**RELATED RESIDENTIAL SPACE:**

TC Units 47,580

Community Center	2,500
Leasing Office	866
Laundry (1 per every 10 units)	900
Corridors, Utility space, other common area space	0
Unit Storage/Utility Alcoves	

**Total Related Residential Space** 4,266

**TOTAL PROJECT SQUARE FOOTAGE** 51,846

<u>County Utility Allowances:</u>	<u>0 Br</u>	<u>1 Br</u>	<u>2 Br</u>	<u>3 Br</u>
Heating: electric	18	22	27	30
Cooking: electric	9	10	15	22
Water Heating: Electric	19	23	34	45
Air Conditioning	0	0	0	0
Other Electric	<u>33</u>	<u>38</u>	<u>53</u>	<u>68</u>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>129</b>	<b>165</b>

**Section 8 Vouchers Increment**

Unit Type	Number	TCAC	Income Tier	Rent (net of UA)	HA Contract Rent-Utility	Incremental S8 Income	Monthly S8 Increment	Annual S8 Increment
0 bedroom	14	25%	AMI	530	1,668	1,138	15,932	191,184
1 bedroom	18	25%	AMI	568	1,854	1,286	23,148	277,776
0 bedroom	13	30%	AMI	636	1,668	1,032	13,416	160,992
0 bedroom	25	40%	AMI	849	1,668	819	20,475	245,700
2 bedroom	0	30%	AMI	0	0	0	0	0
2 bedroom	0	45%	AMI	0	0	0	0	0
2 bedroom	0	50%	AMI	0	0	0	0	0
2 bedroom	0	60%	AMI	0	0	0	0	0
<b>Total</b>	<b>70</b>						<b>72,971</b>	<b>875,652</b>

## **ATTACHMENT 5 HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM SUMMARY**

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

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

Affordability: Minimum requirement is that at least 20% of the units are affordable at 50% of Area Median Income (AMI). Alternatively, a minimum of 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 San Diego Housing Commission (Housing Commission) 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, or the 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. This process does not make the Housing Commission, the Housing Authority, or the City of San Diego financially or legally liable for the bonds or for the project.

[Note: Members of the Housing Commission or the San Diego City Council may be asked to take two actions at this stage in the bond process -- one in their capacity as approving the TEFRA hearing resolution and another as approving the bond inducement.]

- 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 Commission and supported by an adopted inducement resolution and by proof of credit enhancement (or bond rating) must be filed with the California Debt Limit Allocation Committee (CDLAC). In addition, evidence of a TEFRA hearing and approval must be submitted prior to the CDLAC meeting.
- Final Bond Approval: The Housing Authority retains absolute discretion over the issuance of bonds through adoption of a final resolution authorizing the issuance. Prior to final consideration of the proposed bond issuance, the project must comply with all applicable financing, affordability, and legal requirements and undergo all required planning procedures/reviews by local planning groups, etc.
- Funding and Bond Administration: All monies are held and accounted for by a third party trustee. The trustee disburses proceeds from bond sales to the developer in order to acquire and/or construct the housing project. Rental income used to make bond payments is collected from the developer by the trustee and disbursed to bond holders, if rents are insufficient to make bond payments, the trustee obtains funds from the credit enhancement provider. No monies are transferred through the Housing Commission or Housing Authority, and the trustee has no standing to ask the issuer for funds. Bond Disclosure: The offering document (typically a Preliminary Offering Statement or bond placement memorandum) discloses relevant information regarding the project, the developer, and the credit enhancement provider. Since the Housing Authority is not responsible in any way for bond repayment, there are no financial statements or summaries about the Housing Authority or the City that are included as part of the offering document. The offering document includes a paragraph that states that the Housing Authority is a legal entity with the authority to issue multifamily housing bonds and that the Housing Commission acts on behalf of the Housing Authority to issue the bonds. The offering document also includes a paragraph that details that there is no pending or threatened litigation that would affect the validity of the bonds or curtail the ability of the Housing Authority to

issue bonds. This is the extent of the disclosure required of the Housing Authority, Housing Commission, or the City. However, it is the obligation of members of the Housing Authority to disclose any material facts known about the project, not available to the general public, which might have an impact on the viability of the project.



# ATTACHMENT 6 - FINANCIAL ADVISOR'S ANALYSIS

## ROSS FINANCIAL

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1736 Stockton Street, Suite One • San Francisco, CA 94133 • (415) 912-5612 • FAX (415) 912-5611

April 7, 2022

Mr. Joe Correia  
Sr. Real Estate Project Manager  
Housing Finance Real Estate Division  
San Diego Housing Commission  
1122 Broadway, Suite 300  
San Diego, CA 92101

**Re: Levant Senior Cottages**

Dear Mr. Correia:

The San Diego Housing Commission (the “Commission”) has retained Ross Financial as its independent municipal advisor, in part, to analyze the feasibility of issuing tax-exempt and taxable bonds (the “Bonds”) for the Levant Senior Cottages development (the “Development”).

This feasibility analysis reviews the following items:

- Overview of the Development
- Proposed financing approach
- Benefits and risks to Commission
- Public purpose
- Recommendations

Ross Financial has based its analysis of the Development’s financial feasibility on materials provided by Wakeland Housing and Development Corporation (“Wakeland”), which has created the borrower entity (the “Borrower”) for the Development. The materials include: (1) the joint application to the California Debt Limit Allocation Committee (“CDLAC”) and California Tax Credit Allocation Committee (“CTCAC”), (2) the financing commitment from JPMorgan Chase Bank (the “Lender”), (3) the market study performed by Kinetic Valuation Group in support of the application to CDLAC and CTCAC, and (4) Wakeland’s pro forma financial schedules for the Development. Ross Financial has not visited the site of the proposed Development and had no role in the selection of the Lender or in developing the overall financing structure.

## OVERVIEW OF THE DEVELOPMENT

**Development Summary.** The Development is a new construction multifamily rental housing development that will contain 126 affordable studio and 1-bedroom units and 1 unrestricted 2-bedroom manager’s unit housed in 18 one-story buildings and 2 two-story buildings that are connected by a walkway and serviced by an elevator. In addition, the Development contains a large community building, management offices and 45 surface parking spaces. The Development will be restricted to seniors aged 55 years and older.

The Development will consist of Type V-B construction (stucco with wood frame) and will be designed to achieve a Green Point Certification. The Development will utilize solar energy and achieve water conservation through low-water use fixtures in kitchens and bathrooms, low-flow toilets, and low-water use native plants landscaping with water-efficient irrigation controls.

Site amenities include an outdoor patio, walking trail, and a large community room containing a computer lab, kitchen and space for workshops, classes, community and social events. Unit amenities will include central heat and air conditioning, blinds, storage closet, patio/balcony, refrigerator, stove/oven, dishwasher and garbage disposal.

The Development will be wheelchair accessible in 10% of the units and 4% of the units will be accessible to residents with visual and/or hearing impairment.

**Unit and Affordability Mix.** The unit mix and affordability restrictions for Development is as follows:

Levant	Unit Mix	25% AMI**	30% AMI**	40% AMI**	50% AMI**
Studio/1 Bath	108	14	13	32	49
1 Bedroom/1 Bath	18	18			
2 Bedroom/1 Bath	1*				
<b>Total Units</b>	<b>127</b>	<b>32</b>	<b>13</b>	<b>32</b>	<b>49</b>

\*Includes 1 non-rental manager’s unit in these unit types

\*\* AMI = Area Median Income

All units restricted to 25% and 30% AMI and 25 studio units restricted to 40% AMI (70 units in all) will be supported by non-PSH Project-Based Vouchers.

**Description of Project Site.** The Development is to be constructed on a 4.49 acre vacant site that is owned by the County of San Diego (the “County”) who will lease the site to the Borrower pursuant to a 70-year Ground Lease (the “Ground Lease”). The site is located at 6950 Levant Street in San Diego, within the Linda Vista neighborhood of San Diego. The site is bounded on the south by Friars Road, on the west by Interstate 5, on the north by Tecolote Canyon and Mesa College Drive and on the east by State Route 163.

The site is irregular in shape and improved with a surface parking lot. The site was previously occupied by San Diego County Adoptions. All on-site structures have been demolished and no relocation is necessary.

Surrounding land uses are as follows:

- To the north: single family homes
- To the south: multifamily residential housing
- To the west: Linda Vista Community Park
- To the east: San Diego Cooperative Charter School

***Ownership of the Development/Borrower.*** The ownership entity for the Development will be Levant Senior Cottages L.P., a single asset California limited partnership consisting of: (a) Wakeland Levant, LLC, created by Wakeland, which will serve as Managing General Partner, (b) San Diego Kind Corporation, a California not-for-profit public benefit corporation, which will serve as Administrative General Partner and (c) a tax credit limited partnership entity created by Boston Financial Investment Management.

**Wakeland Experience.** According to Wakeland, the firm has 23 years of experience in financing, developing and/or rehabilitating multifamily rental housing. This experience encompasses more than 7,300 affordable rental apartments. Wakeland's recent activity with the Housing Commission includes:

- Beacon Apartments, a 44-unit new construction permanent supportive housing project, located in the East Village neighborhood and completed in September 2019
- Atmosphere Apartments, a 205-unit new construction project, located in downtown San Diego and completed in May 2017
- Talmadge Gateway Apartments, a 60-unit new construction permanent supportive housing development serving seniors who experienced homelessness, located in the Kensington-Talmadge Community and completed in July 2017.
- City Heights Ten, a 132-unit acquisition/rehabilitation scattered sites project, consisting of 10 properties located in the City Heights neighborhood of San Diego and completed in November 2014
- Juniper Gardens Apartments, a 40-unit preservation project located in City Heights and completed in November 2013;
- Vista Grande Apartments, a 49-unit acquisition/rehabilitation project located in the southeast part of San Diego and completed in Summer 2011; and
- Village Green Apartments, a 94-unit acquisition-rehabilitation project located in the Rolando neighborhood, completed in September 2010;

***CDLAC/CTCAC.*** On September 9, 2021, the Housing Commission filed a joint application to CDLAC and CTCAC requesting a private activity bond allocation of \$22,877,000 for the Development, along with a reservation of 4% Federal tax credits. On

December 8, 2021, CDLAC awarded a private activity bond allocation in the requested amount and CTCAC reserved the requested 4% Federal tax credits.

In connection with the CDLAC/CTCAC application process, on July 16, 2021, the Housing Commission adopted a resolution of intent to issue tax-exempt obligations for the Development and authorized the submission of an application to CDLAC. On the same date, a TEFRA hearing, duly noticed, was held before the Housing Commission. Because of a technicality, a new TEFRA hearing will be held in conjunction with the approval of the Bonds.

## PROPOSED FINANCING

**Project Costs and Funding.** According to the most recent projections provided by Wakeland, the total costs of the Development, including construction and all soft costs, are estimated at \$50,924,795. The estimated sources of funds will differ during the construction period and following construction and lease-up (“at permanent”), as shown in the following table based on the most recent projections:

Sources of Funds	Construction	Permanent
Tax-Exempt Bond Proceeds	\$22,877,000	\$8,832,360
Taxable Bond Proceeds	20,930,568	--
HCD MHP Loan	--	19,080,000
Tax Equity – Federal	2,071,244	20,712,435
SDHC Loan	1,000,000	1,000,000
Deferred Developer Fee	--	1,300,000
<b>Total</b>	<b>\$46,878,812</b>	<b>\$50,924,795</b>
Uses of Funds		
Land Acquisition	\$38,000	\$38,000
Construction	33,720,875	33,720,875
Architectural & Engineering	1,510,000	1,510,000
Contingency Costs (Hard and Soft)	2,027,423	2,027,423
Impact Fees and Permits	2,695,000	2,695,000
Financing Fees and Interest	5,142,514	6,563,497
Misc. Soft Costs and Legal	870,000	870,000
Developer Fee*	875,000	3,500,000
<b>Total</b>	<b>\$46,878,812</b>	<b>\$50,924,795</b>

\*Cash developer fee is \$2,200,000 with \$1,300,000 deferred

**Description of Financing.** The expectation (based on the most recent pro forma) is that the Housing Authority will issue:

- The Bonds in two series: (a) a tax-exempt series in the estimated amount of \$22,877,000 and (b) a taxable series in the estimated amount of \$20,930,568 (but not to exceed \$27,123,000).

The Bonds will have the following features:

- Both series of Bonds will be purchased JPMorgan Chase Bank (“Chase”);
- The Bonds will be issued on a draw down basis, with interest payable only on the amounts drawn;
- Following construction completion and lease-up (expected in approximately 29 months subject to two 6-month extensions), the taxable Bond will be repaid in full and the tax-exempt Bond will be paid down to a permanent estimated par of \$8,832,360. The sources of repayment will be Federal low income housing tax credits and the HCD MHP loan.
- Prior to Conversion, the Bonds will bear a variable interest rate equal to 1 month adjusted SOFR + 1.30% for the tax-exempt Bonds and SOFR + 1.80% for the taxable Bonds, with a SOFR index floor set at 0.50%. The Borrower’s proforma assumes a rate of 5.00% during the construction period. At Conversion, the tax-exempt Bond will convert to a fixed rate that will be set at Closing. The rate will be established by reference to a formula (10-year swap rate plus a spread of 1.78%). The Borrower’s proforma assumes a permanent loan rate of 5.50%.
- The tax-exempt Bond will have a term of 18 years from Closing (i.e., in 2040). Following Conversion, the tax-exempt Bond will amortize on a 35-year basis. The taxable Bond is expected to have a stated maturity of approximately 4 years from Closing and will be repaid in full at Conversion as Bond above.
- The Bonds are expected to close in early June 2022.

Chase will execute a document representing that it has sufficient knowledge and experience to evaluate the risks and merits associated with making the loans evidenced by the Bonds and its intention to hold the Bonds for its account. Chase may transfer all or a portion of the Bonds only to transferees that execute a document with similar representations.

***Housing Commission Financial Involvement.*** On July 9, 2021, the Housing Commission approved a loan (the “Commission Loan”) of up to \$6,000,000 for the Development, with the sources of funding consisting of the City Affordable Housing Fund and the Department of Housing and Urban Development HOME Investment Partnership Program funds. Despite this authorization, the Borrower anticipates that the Commission Loan will be in the reduced amount of \$1,000,000.

The Commission Loan will be payable from the Development’s residual receipts subject to the following basic terms:

- Interest Rate: 4% simple interest
- Payments: 50% of residual cash flow plus \$10,000 fixed annual payment.
- Term: 55 years
- Affordability: Studio units: 14 at 25% AMI; 13 at 30% AMI; 32 at 40% AMI; 49 at 50% AMI;  
1 Bedroom units: 18 at 25% AMI

- Purchase Option: The Housing Commission will have an option to purchase the Development at the end of the 15-year tax credit compliance period

**Affordability Restrictions.** The Development will be subject to the following regulatory restrictions and terms:

- Tax-Exempt Bond and Bond Regulatory Agreement requirements (including voluntary elections made to CDLAC) for a 55-year term;
- Tax Credit Regulatory Agreement requirements under which all units must be affordable at 60% AMI for a 55-year term to remain eligible for tax credits;
- Housing Commission’s Declaration of Covenants, Conditions and Restrictions (the “Declaration”) under which the units will be restricted for 55 years with the affordability restrictions noted above; and
- The County’s Restrictive Covenants and Regulatory Agreement under which at least 99 units must be affordable to seniors (ages 55 years and older) with incomes that do not exceed 50% AMI with respect to at least 20% of such units and 60% AMI with respect to the remainder of such units.

**Cash Flow for the Development.** The Borrower provided pro forma cash flows for the Development. The following table summarizes key elements of the most recent proforma:

	<b>Levant</b>
<b>Assumptions</b>	
Vacancy	5%
Revenue Escalation	2.5%
Operating Expense Escalation	3.5%
<b>Cash Flow and Coverage</b>	
Stabilized Net Income – First Full Year	\$2,047,029
Operating Expenses <sup>1</sup>	(985,716)
Other Expenses <sup>2</sup>	(199,890)
Net Operating Income	\$861,424
Tax-Exempt Bond Debt Service <sup>3</sup>	(601,790)
HCD Loan Payment <sup>4</sup>	(80,136)
Debt Service Coverage <sup>5</sup>	1.26x
<b>Net Project Cash Flow after Debt Service</b>	<b>\$179,498</b>
MGP and LP Fees	(25,000)
Net Cash Flow for Residual Receipts	\$154,498

<sup>1</sup> Operating Expenses consist of variable operating expenses escalated at 3.5% per year  
<sup>2</sup> Other Expenses include taxes, replacement reserves, the Commission’s fixed payment of \$10,000, compliance monitoring fee and Bond monitoring fee (note: fee in Borrower pro forma was shown as a flat \$10,000/year rather than permanent loan amount of \$8,832,360 times 0.125%  
<sup>3</sup> Assumes an initial permanent Bond par of \$8,832,360 amortized on a 35-year basis at a rate of 5.50%  
<sup>4</sup> 0.42% times the HCD Loan of \$19,080,000  
<sup>5</sup> Net operating income divided by sum of Bond Debt Service + HCD Loan Payment

The following table shows the Borrower’s most recent projected cash flow for the Development during first full five years following stabilized occupancy:

Escalation	Revenues	Year				
		1	2	3	4	5
2.50%	Gross Scheduled Rent	2,136,480	2,189,892	2,244,639	2,300,755	2,358,274
2.50%	Miscellaneous Income	18,288	18,745	19,214	19,694	20,187
	<b>less 5% vacancy</b>	<b>(107,738)</b>	<b>(110,432)</b>	<b>(113,193)</b>	<b>(116,022)</b>	<b>(118,923)</b>
	<b>Total Net Income</b>	<b>2,047,030</b>	<b>2,098,205</b>	<b>2,150,660</b>	<b>2,204,427</b>	<b>2,259,538</b>
	<b>Expenses</b>					
3.50%	Operating Expenses	(985,716)	(1,020,216)	(1,055,924)	(1,092,881)	(1,131,132)
3.50%	Replacement Reserves	(63,500)	(65,723)	(65,723)	(65,723)	(65,723)
2.00%	Taxes	(12,700)	(12,954)	(13,213)	(13,477)	(13,747)
3.50%	Misc. State and Local Fees	(1,200)	(1,242)	(1,285)	(1,330)	(1,377)
3.50%	Insurance	(82,550)	(85,439)	(88,430)	(91,525)	(94,728)
	Fixed payments to SDHC	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
	Bond Monitoring Fee	(11,040)	(11,040)	(11,040)	(11,040)	(11,040)
1.00%	Issuer Fee	(18,900)	(19,089)	(19,280)	(19,473)	(19,667)
	<b>Total Expenses + Reserves</b>	<b>(1,185,606)</b>	<b>(1,225,703)</b>	<b>(1,264,894)</b>	<b>(1,305,449)</b>	<b>(1,347,414)</b>
	<b>Net Operating Income</b>	<b>861,424</b>	<b>872,503</b>	<b>885,766</b>	<b>898,978</b>	<b>912,124</b>
	Annual Bond Debt Service	(601,790)	(601,790)	(601,790)	(601,790)	(601,790)
	HCD	(80,136)	(42,000)	(42,000)	(42,000)	(42,000)
	<b>Debt Service Coverage</b>	<b>1.26x</b>	<b>1.36x</b>	<b>1.38x</b>	<b>1.40x</b>	<b>1.42x</b>
	<b>Available Cash Flow after Permanent Loan Debt Service</b>	<b>179,498</b>	<b>228,713</b>	<b>241,976</b>	<b>255,188</b>	<b>268,334</b>
3.00%	Managing GP Fee	(17,500)	(18,025)	(18,566)	(19,123)	(19,696)
3.00%	LP Fee	(7,500)	(7,725)	(7,957)	(8,195)	(8,441)
	<b>Project Cash Flow Available for Residual Receipts Payments</b>	<b>154,498</b>	<b>202,963</b>	<b>215,454</b>	<b>227,870</b>	<b>240,196</b>

## PUBLIC PURPOSE

The Bonds are expected to result in the long-term affordability of 126 studio and one - bedroom units in the City of San Diego. Of these units, 32 units will be restricted and affordable to seniors earning 25% AMI; 13 units will be restricted and affordable to seniors earning 30% AMI; 32 units will be restricted to and affordable to seniors earning 40% AMI; and 49 units will be restricted and affordable to households earning 50% AMI. One unit will be occupied by a resident manager and will be unrestricted.

The Bond Regulatory Agreement, the Tax Credit Regulatory and the Commission’s Declaration will require that these affordability levels be maintained for a period of 55 years.

## BENEFITS AND RISKS TO THE COMMISSION

The Bonds provide a vehicle for financing a portion of the construction costs of the Development. As proposed, the Bonds will result in the long-term affordability of 126 studio and one-bedroom units in the City of San Diego with units restricted to income levels described in “Public Purpose” above.

The Bonds do not pose undue financial risk to the Housing Authority. The Bonds are not direct obligations of the Housing Authority or the City of San Diego. The Bonds will be purchased by the Chase, which has indicated its intention to hold the Bonds for its own account. The Bonds are expected to be paid down to \$8,832,360 following conversion.

The primary risk is construction and lease-up risk – that the Development is not completed and/or leased up in a timely fashion. Given the development and project management experience of Wakeland, the target tenant population, the 70 PBVs and the demand for affordable units, this risk seems remote. This risk is borne entirely by the Chase and Wakeland.

If the Housing Authority issues the Bonds, the Commission would receive an issuer fee at Bond closing of \$109,519: equal to 0.25% times the initial aggregate par amount of the tax-exempt and taxable Bonds (\$43,807,568).

In addition, the Commission also would receive estimated annual fees of:

- \$54,759 to monitor the Bonds during the construction period (based on an aggregate initial par of \$43,807,568 for the Bonds times 0.125%), and
- \$11,040 to monitor the tax-exempt Bonds after conversion (assuming an estimated permanent tax-exempt Bond of \$8,832,360 times 0.125%) plus (b) a per unit monitor fee of \$150/unit or \$18,900 in the first year).
- A minimum of \$10,000 following repayment of the Bonds through the end of the 55-year CDLAC compliance period.

Costs of issuance will be funded by the Borrower from low income housing tax credit proceeds and/or other funds. The Borrower has agreed to indemnify the Housing Authority and Housing Commission as to matters relating to the Bonds. However, the Borrower is a single purpose entity with no significant assets or source of income other than the Development and is generally not required to make up any cash flow shortfalls. Accordingly, Wakeland will be providing its indemnification.

## **RECOMMENDATIONS**

Ross Financial recommends that the Housing Authority proceed with the issuance of the Bonds based on the following findings:

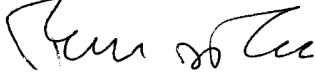
- The Bonds will achieve a public purpose by providing an aggregate of 126 affordable units, with all units restricted to income levels at 25%, 30%, 40% and 50% AMI.
- The Bonds will evidence tax-exempt loans funded by a well-established, highly capitalized bank that is active in affordable housing lending. The Bonds will be subject to restrictive transfer limitations at all times.
- The Borrower has agreed to indemnify the Housing Authority and the Commission regarding matters relating to the financing. The Borrower will pay issuance costs from sources other than Bond proceeds.
- Based on estimates provided by Wakeland on behalf of the Borrower, there should be sufficient funds to complete the Development and the Development provides adequate cash flow to cover permanent loan debt service on the Bonds.



Mr. Joe Correia  
Re: Levant Senior Cottages  
April 7, 2022  
Page 9 of 9

If there is any additional information you require concerning the Development, Ross Financial will be pleased to provide a supplemental analysis.

Very truly yours,

A handwritten signature in black ink, appearing to read "Peter J. Ross". The signature is fluid and cursive, with the first name "Peter" being the most prominent.

Peter J. Ross  
Principal

# ATTACHMENT 6A - SUPPLEMENT TO FINANCIAL ADVISOR'S ANALYSIS

## ROSS FINANCIAL

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1736 Stockton Street, Suite One • San Francisco, CA 94133 • (415) 912-5612 • FAX (415) 912-5611

April 26, 2022

Mr. Joe Correia  
Sr. Real Estate Project Manager  
Housing Finance Real Estate Division  
San Diego Housing Commission  
1122 Broadway, Suite 300  
San Diego, CA 92101

**Re: Levant Senior Cottages – Supplement to April 7, 2022 Feasibility Analysis**

Dear Mr. Correia:

This report supplements and amends Ross Financial's Feasibility Analysis dated April 7, 2022 (the "April 7<sup>th</sup> Report") with respect to the Levant Senior Cottages development (the "Development"). The April 7<sup>th</sup> Report was based, in part, on a Borrower pro forma that contemplated a loan from the San Diego Housing Commission in the amount of \$1,000,000. The most recent pro forma, dated April 25, 2022, indicates that there is no longer need for a Housing Commission loan. In addition, the Borrower's pro forma shows a decrease in rental subsidy, resulting in a lower permanent loan amount. As a result, the following section replaces the one contained in the April 7<sup>th</sup> Report:

### **PROPOSED FINANCING**

***Project Costs and Funding.*** According to the most recent projections provided by Wakeland, the total costs of the Development, including construction and all soft costs, are estimated at \$47,732,159. The estimated sources of funds will differ during the construction period and following construction and lease-up ("at permanent"), as shown in the following table based on the most recent projections:

Sources of Funds	Construction	Permanent
Tax-Exempt Bond Proceeds	\$22,877,000	\$7,015,000
Taxable Bond Proceeds	18,950,418	--
HCD MHP Loan	--	19,080,000
Tax Equity – Federal	2,253,806	20,337,159
Deferred Costs	2,350,935	--
Deferred Developer Fee	1,300,000	1,300,000
<b>Total</b>	<b>\$47,732,159</b>	<b>\$47,732,159</b>
Uses of Funds		
Land Acquisition	\$0	\$0
Construction	32,153,822	32,153,822
Architectural & Engineering	1,505,000	1,505,000
Contingency Costs (Hard and Soft)	2,182,691	2,182,691
Impact Fees and Permits	1,800,000	1,800,000
Reserves	1,065,768	1,065,768
Financing Fees and Interest	4,949,761	4,949,761
Misc. Soft Costs and Legal	1,874,117	1,874,117
Developer Fee*	2,200,000	2,200,000
<b>Total</b>	<b>\$47,732,159</b>	<b>\$47,732,159</b>

\*Cash developer fee is \$900,000 with \$1,300,000 deferred

**Description of Financing.** The expectation (based on the most recent pro forma) is that the Housing Authority will issue:

- The Bonds in two series: (a) a tax-exempt series in the estimated amount of \$22,877,000 and (b) a taxable series in the estimated amount of \$18,950,418 (but not to exceed \$27,123,000).

The Bonds will have the following features:

- Both series of Bonds will be purchased JPMorgan Chase Bank (“Chase”);
- The Bonds will be issued on a draw down basis, with interest payable only on the amounts drawn;
- Following construction completion and lease-up (expected in approximately 29 months subject to two 6-month extensions), the taxable Bond will be repaid in full and the tax-exempt Bond will be paid down to a permanent estimated par of \$8,832,360. The sources of repayment will be Federal low income housing tax credits and the HCD MHP loan.
- Prior to Conversion, the Bonds will bear a variable interest rate equal to 1 month adjusted SOFR + 1.30% for the tax-exempt Bonds and SOFR + 1.80% for the taxable Bonds, with a SOFR index floor set at 0.50%. The Borrower’s proforma assumes a rate of 5.00% during the construction period. At Conversion, the tax-exempt Bond will convert to a fixed rate that will be set at Closing. The rate will be established by reference to a formula (10-year swap rate plus a spread of 1.78%). The Borrower’s proforma assumes a permanent loan rate of 5.20%.

- The tax-exempt Bond will have a term of 18 years from Closing (i.e., in 2040). Following Conversion, the tax-exempt Bond will amortize on a 35-year basis. The taxable Bond is expected to have a stated maturity of approximately 4 years from Closing and will be repaid in full at Conversion as Bond above.
- The Bonds are expected to close in early June 2022.

Chase will execute a document representing that it has sufficient knowledge and experience to evaluate the risks and merits associated with making the loans evidenced by the Bonds and its intention to hold the Bonds for its account. Chase may transfer all or a portion of the Bonds only to transferees that execute a document with similar representations.

***Housing Commission Financial Involvement.*** On July 9, 2021, the Housing Commission approved a loan (the “Commission Loan”) of up to \$6,000,000 for the Development, with the sources of funding consisting of the City Affordable Housing Fund and the Department of Housing and Urban Development HOME Investment Partnership Program funds. Despite this authorization, the Borrower no longer has need for a SDHC loan.

***Affordability Restrictions.*** The Development will be subject to the following regulatory restrictions and terms:

- Tax-Exempt Bond and Bond Regulatory Agreement requirements (including voluntary elections made to CDLAC) for a 55-year term;
- Tax Credit Regulatory Agreement requirements under which all units must be affordable at 60% AMI for a 55-year term to remain eligible for tax credits;
- The County’s Restrictive Covenants and Regulatory Agreement under which at least 99 units must be affordable to seniors (ages 55 years and older) with incomes that do not exceed 50% AMI with respect to at least 20% of such units and 60% AMI with respect to the remainder of such units.

***Cash Flow for the Development.*** The Borrower provided pro forma cash flows for the Development. The following table summarizes key elements of the most recent proforma:

	Levant
<b>Assumptions</b>	
Vacancy	5%
Revenue Escalation	2.0%
Operating Expense Escalation	3.5%
<b>Cash Flow and Coverage</b>	
Stabilized Net Income – First Full Year	\$1,806,809
Operating Expenses <sup>1</sup>	(924,952)
Other Expenses <sup>2</sup>	(199,890)
Net Operating Income	\$861,424
Tax-Exempt Bond Debt Service <sup>3</sup>	(601,790)
HCD Loan Payment <sup>4</sup>	(80,136)
Debt Service Coverage <sup>5</sup>	1.26x
<b>Net Project Cash Flow after Debt Service</b>	<b>\$179,498</b>
MGP and LP Fees	(25,000)
Net Cash Flow for Residual Receipts	\$154,498

<sup>1</sup> Operating Expenses consist of variable operating expenses escalated at 3.5% per year

<sup>2</sup> Other Expenses include taxes, replacement reserves, the Commission's Bond monitoring fee, County monitoring fee and resident services

<sup>3</sup> Assumes an initial permanent Bond par of \$7, 015,000 amortized on a 35-year basis at a rate of 5.20%

<sup>4</sup> 0.42% times the HCD Loan of \$19,080,000

<sup>5</sup> Net operating income divided by sum of Bond Debt Service + HCD Loan Payment

The following table shows the Borrower's most recent projected cash flow for the Development during first full five years following stabilized occupancy:

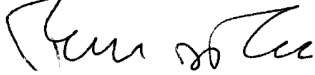
Escalation	Revenues	Year				
		1	2	3	4	5
2.00%	Gross Scheduled Rent	1,883,616	1,930,706	1,978,974	2,028,448	2,079,160
2.00%	Miscellaneous Income	18,288	18,745	19,214	19,694	20,187
	less 5% vacancy	(95,095)	(97,473)	(99,909)	(102,407)	(104,967)
	<b>Total Net Income</b>	1,806,809	1,851,979	1,898,278	1,945,735	1,994,379
	<b>Expenses</b>					
3.50%	Operating Expenses	(924,952)	(957,325)	(990,832)	(1,025,511)	(1,061,404)
3.50%	Replacement Reserves	(63,500)	(65,723)	(65,723)	(65,723)	(65,723)
2.00%	Taxes	(12,700)	(12,954)	(13,213)	(13,477)	(13,747)
3.50%	Misc. State and Local Fees	(1,200)	(1,242)	(1,285)	(1,330)	(1,377)
3.50%	Resident Services	(40,000)	(41,400)	(42,849)	(44,349)	(45,901)
3.50%	Insurance	(100,000)	(103,500)	(107,123)	(110,872)	(114,752)
	County Monitoring Fee	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
	Bond Monitoring Fee	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
	<b>Total Expenses + Reserves</b>	(1,162,352)	(1,202,144)	(1,241,024)	(1,281,262)	(1,322,903)
	<b>Net Operating Income</b>	644,457	649,835	657,254	664,474	671,476
	Annual Bond Debt Service	(435,426)	(435,426)	(435,426)	(435,426)	(435,426)
	HCD	(80,136)	(80,136)	(80,136)	(80,136)	(80,136)
	<b>Debt Service Coverage</b>	<b>1.25x</b>	<b>1.26x</b>	<b>1.27x</b>	<b>1.29x</b>	<b>1.30x</b>
	<b>Available Cash Flow after Permanent Loan Debt Service</b>	128,895	134,273	141,692	148,912	155,914
3.00%	Managing GP Fee		0	0	0	0
3.00%	LP Fee	(7,500)	(7,725)	(7,957)	(8,195)	(8,441)
	<b>Project Cash Flow Available for Residual Receipts Payments</b>	121,395	126,548	133,735	140,716	147,472

I note that the Housing Commission's annual Bond monitoring after conversion declines to \$10,000.

Mr. Joe Correia  
Re: Levant Senior Cottages - Supplemental  
April 26 2022  
Page 5 of 5

If there is any additional information you require concerning the Development, Ross Financial will be pleased to provide a supplemental analysis.

Very truly yours,

A handwritten signature in black ink, appearing to read "Peter J. Ross". The signature is written in a cursive style with a large initial "P" and a long, sweeping underline.

Peter J. Ross  
Principal



ATTACHMENT 7A - DEVELOPER'S  
DISCLOSURE STATEMENT FOR WAKELAND

Real Estate Department

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

1. Name of CONTRACTOR: **Wakeland Housing and Development Corporation**

2. Address and Zip Code: **1230 Columbia Street, #950, San Diego, CA 92101**

3. Telephone Number: **(619) 677-2300**

4. Name of Principal Contact for CONTRACTOR: **Peter Armstrong**

5. Federal Identification Number or Social Security Number of CONTRACTOR:  
**33-0833640**

6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:

A corporation (Attach Articles of Incorporation)

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

A partnership known as: \_\_\_\_\_  
(Name)

Check one

General Partnership (Attach statement of General Partnership)

Limited Partnership (Attach Certificate of Limited Partnership)

A business association or a joint venture known as:

\_\_\_\_\_  
(Attach joint venture or business association agreement)

A Federal, State or local government or instrumentality thereof.

Other (explain)

7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:  
**Wakeland Housing and Development Corporation- December 23, 1998**

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. **See attached list of Board of Directors**
- c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
- d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

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

(Attach extra sheet if necessary)

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



11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8 which gives such person or entity more than a computed 10% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR): **None**

Name, Address and  
Zip Code \_\_\_\_\_

Position Title (if any) and  
extent of interest \_\_\_\_\_

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

**See attached list of Wakeland Housing and Development Corporation's Board Members.**

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.

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

**Please see Financial Statements attached.**

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

**Sources of capital will include capital funding from the SDHC, California Dept. of Housing and Community Development MHP Program, 4% tax credit equity and tax exempt/taxable bonds. Additionally, the project has an award of 70 project-based vouchers.**

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

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

**JP Morgan Chase**  
**300 S. Grand Ave., Suite 300, Los Angeles, CA 90071**  
**Approximate Amount: \$8,832,360**

**State Department of Housing and Community Development**  
**2020 West El Camino Ave, Sacramento, CA 95833**  
**Amount: \$19,080,000**

**San Diego Housing Commission**  
**1122 Broadway, Suite 300, San Diego, CA 92101**  
**Amount \$1,000,000**

**Boston Financial**  
**101 Arch Street, Boston, Massachusetts 02110**  
**Equity Amount: \$20,712,435**

**Wakeland Housing and Development Corporation**  
**1230 Columbia Street, Suite 950, San Diego, CA 92101**  
**Deferred Developer fee \$1,300,000**

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

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

Amount: \$ \_\_\_\_\_

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

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

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

**Wells Fargo Community Lending, Jessica Gonzalez**  
401 B Street, #304 San Diego, CA 92101  
(747) 260-4646  
[Jessica.Gonzalez2@wellsfargo.com](mailto:Jessica.Gonzalez2@wellsfargo.com)

**California Community Reinvestment Corp., Mary Kaiser**

225 West Broadway, Suite 120

Glendale, CA 91204

(818) 550-9801

[Mary.Kaiser@e-ccrc.org](mailto:Mary.Kaiser@e-ccrc.org)

**Banner Bank, Waheed Karim**

742 Fletcher Pkwy

El Cajon, CA 92929

(619) 518-2610

[Waheed.Karim@bannerbank.com](mailto:Waheed.Karim@bannerbank.com)

**JP Morgan Chase- Eri Kameyama**

300 South Grand, Suite 300, Los Angeles, CA 90071

(213) 621-8310

[Eri.kameyama@chase.com](mailto:Eri.kameyama@chase.com)

18. Has the CONTRACTOR or any of the CONTRACTOR's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past 10 years?  
 \_\_\_ Yes \_\_\_ **X** No

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

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

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

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

**Not Applicable.**

Bond Type	Project Description	Date of Completion	Amount of Bond	Action on Bond
_____	_____	_____	_____	_____

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

**Not Applicable.**

a. Name and addresses of such contractor or builder:

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 **Not Applicable.**

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: \$\_\_\_\_\_

**Not Applicable.**

General description of such work:

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

d. Construction contracts or developments now being performed by such contractor or builder: **Not Applicable**

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

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

<u>Awarding Agency</u>	<u>Amount</u>	<u>Date Opened</u>
------------------------	---------------	--------------------

22. Provide a detailed and complete statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor: **Not Applicable.**

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

If yes, explain.

24. Statements and other evidence of the CONTRACTOR's qualifications and financial responsibility (other than the financial statement referred to in Item 8) are attached hereto and hereby made a part hereof as follows:  
**Not Applicable.**

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

If yes, explain: **See attached list**

26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverages: List the amount of coverage (limits) currently existing in each category:  
**Cavignac & Associates, 450 B Street, Suite 1800, San Diego, CA 92101**  
**Contract: matt Slakoff (619) 744-0549**  
**See attached Certificate of Insurance.**

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

Check coverage(s) carried:

- Comprehensive Form
- Premises - Operations
- Explosion and Collapse Hazard
- Underground Hazard
- Products/Completed Operations Hazard
- Contractual Insurance
- Broad Form Property Damage

- Independent Contractors
- Personal Injury

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

**See attached Certificate of Insurance**

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)]

**See attached Certificate of Insurance**

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

**Not Applicable**

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

**See attached Certificate of Insurance**

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

27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the COMMISSION setting forth the provisions of this nondiscrimination clause.

28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the COMMISSION, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the COMMISSION, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the COMMISSION, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.
30. List all citations, orders to cease and desist, stop work orders, complaints, judgments, fines, and penalties received by or imposed upon CONTRACTOR for safety violations from any and all government entities including but not limited to, the City of San Diego, County of San Diego, the State of California, the United States of America and any and all divisions and departments of said government entities for a period of five (5) years prior to the date of this statement. If none, please so state: **None.**

<u>Government Entity Making Complaint</u>	<u>Date</u>	<u>Resolution</u>
---	-------------	-------------------

31. Has the CONTRACTOR ever been disqualified, removed from or otherwise prevented from bidding on or completing a federal, state, or local government project because of a violation of law or a safety regulation. If so, please explain the circumstances in detail. If none, please so state: **None.**
32. Please list all licenses obtained by the CONTRACTOR through the State of California and/or the United States of America which are required and/or will be utilized by the CONTRACTOR and/or are convenient to the performance of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT, or RENDITION OF SERVICES. State the name of the governmental agency granting the license, type of license, date of grant, and the status of the license, together with a statement as to whether the License has ever been revoked: **None.**

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

33. Describe in detail any and all other facts, factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the COMMISSION. **None.**
34. Describe in detail, any and all other facts, factors or conditions that may favorably affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the COMMISSION.

**The Wakeland Housing and Development, the Developer, has considerable experience and capacity in all stages of affordable housing development and management for projects that help build stronger communities and spur revitalization of blighted neighborhoods.**

**Wakeland's Land Acquisition and Development staff have extensive experience managing the development of affordable housing projects with federal and state funding sources. Wakeland Project Manager will work closely with public and private sector partners to secure financing, oversee the planning and design process, administer the selection and execution of construction and other contractors and ensure compliance with various project requirements. The Wakeland Project manager will be supported by the Director of Development and the Vice President of Real Estate to execute these functions.**

**Wakeland's Accounting Department will help the Project Manager and project team to administer funding for the project according to industry best practices and the fiscal/procurement requirements. The Chief Financial Officer, Controller, Staff Accountant within the Account Department will be responsible for the financial reporting in compliance with the rules and regulations.**



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

<u>Date</u>	<u>Entity Involved (i.e., CITY COMMISSION, etc.)</u>	<u>Status (Current, delinquent repaid, etc.)</u>	<u>Dollar Amount</u>
3/9/2019	SDHC – Beacon	Current	\$3,563,310
2/6/2019	SDHC – Ivey	Partially Drawn	\$6,500,000
5/3/2019	SDHC – Trinity	Partially Drawn	\$ 700,000
3/8/2019	City of San Diego	Purchase/Sale complete	\$2,105,000
8/30/2019	City of San Diego	Purchase/Sale complete	\$2,879,000

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

If yes, explain:

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

If yes, explain:

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

Name: **Ms. Ann Kern**

Address: **1122 Broadway, Suite 300, San Diego, CA 92101**

Phone: **(619)578-7582**

Project Name and Description: **Village Green, 94 affordable units and Talmadge, 60 affordable units.**

Name: **Ms. Margery Pierce**

Address: **321 N. Nevada Street, Oceanside, CA 92054**

Phone: **(760) 435-3377**

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Project Name and Description: Country Club Apartments, 91 affordable units.

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Name: **Stacy Kurz**

---

Address: **276 Fourth Ave, Chula Vista, CA 91910**

---

Phone: **(619)585-5698**

---

Project Name and Description: **Los Vecinos, 42**

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39. Give a brief statement respecting equipment, experience, financial capacity and other resources available to the Contractor for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment and the general experience of the Contractor.  
**The Partnership will hire Allgire General Contractors to build the project. See attached Resume.**
40. Give the name and experience of the proposed Construction Superintendent.  
**To be determined.**

**CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR**

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

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

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

Executed this 1 day of April, 2022, at San Diego, California.

CONTRACTOR

By:   
Signature  
Peter Armstrong

Title: Vice President of Real Estate Development

**CERTIFICATION**

The CONTRACTOR, Levant Senior Cottages LP, 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: Peter Armstrong By: \_\_\_\_\_  
Peter Armstrong  
Title: VP of Real Estate Development Title: \_\_\_\_\_  
Dated: April 1, 2022 Dated: \_\_\_\_\_

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

ATTEST:

State of California

County of San Diego

Subscribed and sworn to before me this 1<sup>st</sup> day of April, 2022.



Helen Y. Subka  
Signature of Notary

Helen Y. Subka  
Name of Notary

SEAL

0564580

ENDORSED - FILED  
in the office of the Secretary of State  
of the State of California

MAY 08 2001

BILL JONES, Secretary of State

CERTIFICATE OF AMENDMENT AND RESTATEMENT OF  
ARTICLES OF INCORPORATION OF  
WAKELAND HOUSING AND DEVELOPMENT CORPORATION

Stephen L. Kuptz and M. Scott Orrantia certify that:

1. They are the president and the secretary, respectively, of Wakeland Housing and Development Corporation, a California nonprofit corporation.
2. The Articles of Incorporation of this corporation are amended and restated to read as follows:

ARTICLES OF INCORPORATION  
OF  
WAKELAND HOUSING AND DEVELOPMENT CORPORATION

I. NAME OF CORPORATION

The name of the corporation is Wakeland Housing and Development Corporation.

II. PURPOSES

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

B. The specific purpose of this corporation is to provide low and moderate income persons, elderly persons and disabled persons with affordable housing by acquiring and/or developing low and moderate income housing and providing ancillary economic development activities.

III. DEDICATION

This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal

Revenue law). The property of this corporation is irrevocably dedicated to charitable purposes. No part of the net earnings of this corporation shall inure to the benefit of any of its directors, trustees, officers or members or to individuals, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purpose.

#### IV. LIMITATIONS ON CORPORATE ACTIVITIES

No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation except as otherwise provided in Section 501(h) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law), and this corporation shall not participate in, or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its purposes and this corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

#### V. DISSOLUTION

Upon the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations and liabilities of this corporation, the remaining assets shall be distributed to such one or more nonprofit funds,

foundations or corporations which are organized and operated exclusively for charitable purposes and which have established their tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

3. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the Board of Directors.

4. The corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: 5/4/, 2001

  
\_\_\_\_\_  
Stephen L. Kuptz, President

  
\_\_\_\_\_  
M. Scott Orrantia, Secretary



ARTICLES OF INCORPORATION

DEC 23 1998

OF

WAKELAND HOUSING AND DEVELOPMENT CORPORATION

BILL JONES, Secretary of State

I. NAME OF CORPORATION

The name of the corporation is Wakeland Housing and Development Corporation

II. PURPOSES

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

B. The specific purpose of this corporation is to provide low and moderate income persons, elderly persons and disabled persons with affordable housing by acquiring and/or developing low and moderate income housing and providing ancillary economic development activities.

III. INITIAL AGENT FOR SERVICE OF PROCESS

The name and address of the initial agent of the corporation for service of process is:

Stephen L. Kuptz  
5881 Copley Drive  
San Diego, California 92111

IV. DEDICATION

This corporation is organized and operated exclusively for charitable, religious, educational, hospital and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law). The property of this corporation is irrevocably dedicated to the purposes set forth above. No part of the net earnings of this corporation shall inure to the benefit of any



of its directors, trustees, officers or members or to individuals, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purpose.

#### V. LIMITATIONS ON CORPORATE ACTIVITIES

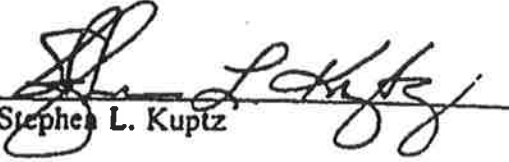
No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation except as otherwise provided in Section 501(h) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law), and this corporation shall not participate in, or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its purposes and this corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

#### VI. DISSOLUTION

Upon the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations and liabilities of this corporation, the remaining assets shall be distributed to such one or more nonprofit funds, foundations, or corporations which are organized and operated for charitable, religious, educational, hospital or scientific purposes, meeting the requirements for exemption provided by Section 214 of the California Revenue and Taxation Code and which have established their tax-exempt status under Section 501(c)(3) of the

Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

IN WITNESS WHEREOF, the undersigned, being the incorporator of the corporation, has executed these Articles of Incorporation on December 23, 1998.

  
Stephen L. Kuptz





STATE OF CALIFORNIA  
FRANCHISE TAX BOARD  
PO BOX 1286  
RANCHO CORDOVA CA 95741-1286

In reply refer to  
755:G :JCA

July 30, 1999

WAKELAND HOUSING AND DEVELOPMENT CORPORATION  
225 BROADWAY STE 1700  
SAN DIEGO CA 92101-5015

Purpose : CHARITABLE  
Code Section : 23701d  
Form of Organization : Corporation  
Accounting Period Ending: June 30  
Organization Number : 2041532

THIS EXEMPTION IS GRANTED ON THE EXPRESS CONDITION THAT THE ORGANIZATION WILL SECURE FEDERAL EXEMPT STATUS WITH THE INTERNAL REVENUE SERVICE. THE ORGANIZATION IS REQUIRED TO FURNISH A COPY OF THE FINAL DETERMINATION LETTER TO THE FRANCHISE TAX BOARD WITHIN 9 MONTHS FROM THE DATE OF THIS LETTER.

You are exempt from state franchise or income tax under the section of the Revenue and Taxation Code indicated above.

This decision is based on information you submitted and assumes that your present operations continue unchanged or conform to those proposed in your application. Any change in operation, character, or purpose of the organization must be reported immediately to this office so that we may determine the effect on your exempt status. Any change of name or address must also be reported.

In the event of a change in relevant statutory, administrative, judicial case law, a change in federal interpretation of federal law in cases where our opinion is based upon such an interpretation, or a change in the material facts or circumstances relating to your application upon which this opinion is based, this opinion may no longer be applicable. It is your responsibility to be aware of these changes should they occur. This paragraph constitutes written advice, other than a chief counsel ruling, within the meaning of Revenue and Taxation Code Section 21012(a)(2).

You may be required to file Form 199 (Exempt Organization Annual Information Return) on or before the 15th day of the 5th month (4 1/2

July 30, 1999  
WAKELAND HOUSING AND DEVELOPMENT CORPORATION  
ENTITY ID : 2041532  
Page 2

months) after the close of your accounting period. Please see annual instructions with forms for requirements.

You are not required to file state franchise or income tax returns unless you have income subject to the unrelated business income tax under Section 23731 of the Code. In this event, you are required to file Form 109 (Exempt Organization Business Income Tax Return) by the 15th day of the 5th month (4 1/2 months) after the close of your annual accounting period.

Please note that an exemption from federal income or other taxes and other state taxes requires separate applications.

A copy of this letter has been sent to the Registry of Charitable Trusts.

J AMAYA  
EXEMPT ORGANIZATION SECTION  
PROCESSING SERVICES BUREAU  
Telephone (916) 845-6644

EO :  
CC : ELAINE A ROGERS

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **NOV 05 2003**

Employer Identification Number:  
33-0833640

DLN:  
17053263751073

Contact Person:  
JANINE L ESTES

ID# 31126

Contact Telephone Number:  
(877) 829-5500

Public Charity Status:  
170(b)(1)(A)(vi)

WAKELAND HOUSING AND DEVELOPMENT  
CORPORATION  
625 BROADWAY STE 611  
SAN DIEGO, CA 92101-0000

Dear Applicant:

Our letter dated August 20, 1999, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity during an advance ruling period.

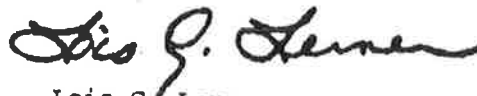
Based on our records and on the information you submitted, we are pleased to confirm that you are exempt under section 501(c)(3) of the Code, and you are classified as a public charity under the Code section listed in the heading of this letter.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at [www.irs.gov](http://www.irs.gov).

If you have general questions about exempt organizations, please call our toll-free number shown in the heading between 8:00 a.m. - 6:30 p.m. Eastern time.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner  
Director, Exempt Organizations  
Rulings and Agreements

Letter 1050 (DO/CG)

INTERNAL REVENUE SERVICE  
 DISTRICT DIRECTOR  
 P. O. BOX 2598  
 CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **AUG 24 1999**

WAKELAND HOUSING AND DEVELOPMENT  
 CORPORATION  
 C/O ELAINE A ROGERS  
 SULLIVAN WERTZ MCDADE & WALLACE  
 945 FOURTH AVE  
 SAN DIEGO, CA 92101

Employer Identification Number:  
 33-0833640  
 DLN:  
 17053138014049  
 Contact Person:  
 ANGELA WRIGHT ID# 95328  
 Contact Telephone Number:  
 (877) 829-5500

Accounting Period Ending:  
 June 30  
 Foundation Status Classification:  
 2  
 Advance Ruling Period Begins:  
 December 23, 1998  
 Advance Ruling Period Ends:  
 June 30, 2003  
 Addendum Applies:  
 NO

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make a final determination of your foundation status.

WAKELAND HOUSING AND DEVELOPMENT

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

Contributions to you are deductible by donors beginning December 23, 1998.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return. Because you will be treated as

WAKELAND HOUSING AND DEVELOPMENT

a public charity for return filing purposes during your entire advance ruling period, you should file Form 990 for each year in your advance ruling period that you exceed the \$25,000 filing threshold even if your sources of support do not satisfy the public support test specified in the heading of this letter.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

The law requires you to make your annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your exemption application, any supporting documents and this exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are made widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This ruling is based on the understanding that the majority of your Board of Directors will be non-salaried and will not be related to salaried personnel or to parties providing services. It is also based on the understanding that salaried individuals cannot vote on their own compensation and that compensation decisions will be made by the board.

In accordance with section 508(a) of the Code, the effective date of this determination letter is December 23, 1998.



WAKELAND HOUSING AND DEVELOPMENT

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are spent only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence that the funds will remain dedicated to the required purposes and that the recipient will use the funds for those purposes.

If you distribute funds to individuals, you should keep case histories showing the recipients' names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you, so that you can substantiate upon request by the Internal Revenue Service any and all distributions you made to individuals. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

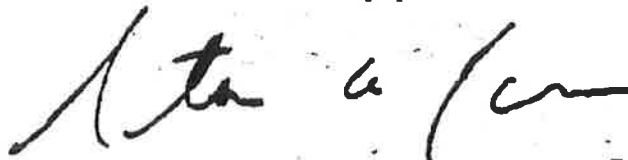
If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



District Director

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**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020  
with  
Report of Independent Auditors



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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of  
Wakeland Housing and Development Corporation:

We have audited the accompanying consolidated financial statements of Wakeland Housing and Development Corporation, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

*Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wakeland Housing and Development Corporation as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Report on Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Supplementary information (pages 34-41) is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Novogradac & Company LLP*

Portland, Oregon  
October 21, 2021

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

ASSETS

	2021	2020
Current Assets		
Cash and cash equivalents	\$ 10,010,279	\$ 7,526,135
Current portion of reserves	778,315	709,298
Tenant security deposits	578,802	516,322
Accounts receivable	775,814	588,255
Prepaid expenses	152,398	88,033
Notes receivable	22,271	406,749
Deposit	-	1,000,000
Due from related party	1,014,075	242,551
Total Current Assets	13,331,954	11,077,343
Noncurrent Assets		
Accrued interest receivable	569,292	358,405
Investment in securities	5,053,244	5,640,634
Investment in partnerships	1,783,003	-
Reserves, less current portion	11,980,123	8,893,932
Prepaid lease obligation	3,545,403	3,624,542
Fixed assets, net	290,293,756	272,162,923
Deferred charges, net	458,489	444,714
Construction in progress	81,560,542	39,908,993
Total Noncurrent Assets	395,243,852	331,034,143
Total Assets	\$ 408,575,806	\$ 342,111,486

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses	\$ 14,940,525	\$ 4,947,378
Accrued interest payable	33,024,839	29,160,808
Tenant security deposits payable	554,162	491,936
Developer fee payable	100,000	-
Deferred revenue	110,626	79,779
Deficiencies in limited partnerships	-	848,881
Current portion of notes payable, net of debt issuance costs	19,655,794	22,788,441
Total Current Liabilities	68,385,946	58,317,223

Noncurrent Liabilities

Notes payable, less current portion and net of debt issuance costs	274,469,147	222,985,424
Total Liabilities	342,855,093	281,302,647

Net Assets

Without donor restrictions		
Controlling interest	6,364,837	4,936,396
Non-controlling interest	59,355,876	55,872,443
Total Net Assets	65,720,713	60,808,839
Total Liabilities and Net Assets	\$ 408,575,806	\$ 342,111,486

see accompanying notes

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NET ASSETS WITHOUT DONOR RESTRICTIONS

	2021	2020
<b>REVENUE AND OTHER SUPPORT</b>		
Asset management fees	\$ 574,842	\$ 775,427
Forgiveness of debt - paycheck protection program	431,100	-
Contributions	2,878,388	157,700
Rental income	18,423,295	17,177,375
Development fees	-	302,613
Resident services	222,901	205,166
Interest income	458,701	398,221
Other income	329,027	506,388
Share of (loss) income from partnerships	(152)	242,591
Unrealized gain on securities	43,528	46,814
Gain on disposal of fixed assets	170,179	315,579
Total Revenue and Support	23,531,809	20,127,874
<b>EXPENSES</b>		
Program Services		
Rental operations		
Operating	12,072,855	11,224,665
Depreciation	10,445,634	10,158,226
Amortization	119,895	157,981
Interest	7,638,195	7,559,297
Development		
Development expenses	2,756,611	2,775,317
Bad debt expense	203,067	1,663,426
Resident services	950,371	966,205
Asset management	184,216	412,712
Total program services	34,370,844	34,917,829
Supporting Services		
Management and general		
Operational expenses	446,520	479,903
Donations	62,855	23,964
Depreciation	28,923	65,806
Total management and general	538,298	569,673
Fundraising	60,574	47,948
Total supporting services	598,872	617,621
Total Expenses	34,969,716	35,535,450
<b>CHANGE IN NET ASSETS</b>	<b>(11,437,907)</b>	<b>(15,407,576)</b>
Net assets at beginning of year	60,808,839	71,962,714
Limited partner contributions, net of distributions	16,349,781	4,253,701
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 65,720,713</b>	<b>\$ 60,808,839</b>

see accompanying notes



**WAKELAND HOUSING AND DEVELOPMENT SERVICES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>			Total Expenses
	Program Services	Supporting Services		
		Management and General	Fundraising	
EXPENSES				
General and administrative	\$ 1,941,638	\$ 56,591	\$ 2,225	\$ 2,000,454
Payroll	6,620,250	335,946	52,305	7,008,501
Utilities	2,511,318	3,797	200	2,515,315
Taxes and insurance	791,219	214	11	791,444
Repairs and maintenance	1,584,302	927	49	1,585,278
Marketing and advertising	27,544	2,576	136	30,256
Legal and professional	473,186	16,446	760	490,392
Rent expense	249,313	35,303	1,858	286,474
Asset management fee	878,984	-	-	878,984
Miscellaneous expense	884,048	-	-	884,048
Interest expense	7,638,195	-	-	7,638,195
Depreciation expense	10,445,634	28,923	-	10,474,557
Amortization	119,895	-	-	119,895
Donations	2,250	57,575	3,030	62,855
Total Expenses	<u>\$ 34,370,844</u>	<u>\$ 538,298</u>	<u>\$ 60,574</u>	<u>\$ 34,969,716</u>

	<u>2020</u>			Total Expenses
	Program Services	Supporting Services		
		Management and General	Fundraising	
EXPENSES				
General and administrative	\$ 1,758,277	\$ 60,405	\$ 2,438	\$ 1,821,120
Payroll	6,509,997	327,352	39,509	6,876,858
Utilities	2,299,902	4,185	220	2,304,307
Taxes and insurance	671,854	23,903	1,258	697,015
Repairs and maintenance	1,985,491	872	46	1,986,409
Marketing and advertising	92,438	3,049	160	95,647
Legal and professional	371,241	25,445	1,234	397,920
Rent expense	222,882	34,692	1,826	259,400
Asset management fee	858,768	-	-	858,768
Miscellaneous expense	607,907	-	-	607,907
Interest expense	7,559,297	-	-	7,559,297
Depreciation expense	10,158,226	65,806	-	10,224,032
Amortization	157,981	-	-	157,981
Bad debt (recovery) expenses	1,663,426	-	-	1,663,426
Donations	142	23,964	1,257	25,363
Total Expenses	<u>\$ 34,917,829</u>	<u>\$ 569,673</u>	<u>\$ 47,948</u>	<u>\$ 35,535,450</u>

see accompanying notes

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (11,437,907)	\$ (15,407,576)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	10,474,557	10,224,032
Amortization	119,895	157,981
Forgiveness of debt	(431,100)	-
Interest expense - debt issuance costs	221,808	133,708
Gain on disposal of fixed assets	(170,179)	(315,579)
Share of income (loss) from partnerships	152	(242,591)
Unrealized gain on securities	(43,528)	(46,814)
Bad debt expense	203,067	1,663,426
Change in accounts receivable	(187,559)	(47,100)
Change in prepaid expenses	(64,365)	11,484
Change in due from related party	(771,524)	(27,403)
Change in accrued interest receivable	(210,887)	(186,942)
Change in accounts payable and accrued expenses	5,776,451	600,277
Change in accrued interest payable	3,864,031	4,001,178
Change in tenant security deposits payable	62,226	(5,616)
Change in deferred revenue	30,847	(22,618)
Net cash provided by operating activities	7,435,985	489,847
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash received from investment securities	630,918	2,122,181
Proceeds from notes receivable	181,411	374,697
Cash paid for deferred charges	(54,531)	(164,968)
Cash contributions to limited partnerships	(2,533,377)	(49,123)
Cash distributions from limited partnerships	901,341	2,092
Cash paid for fixed assets and construction in progress	(65,770,064)	(32,001,389)
Net cash used in investing activities	(66,644,302)	(29,716,510)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from notes payable	57,745,462	34,140,924
Payments on notes payable	(8,982,564)	(7,095,343)
Cash paid for debt issuance costs	(202,530)	(576,877)
Non-controlling contribution	16,349,781	4,253,701
Net cash provided by financing activities	64,910,149	30,722,405
Net change in cash, cash equivalents and restricted cash	5,701,832	1,495,742
Cash, cash equivalents and restricted cash at beginning of year	17,645,687	16,149,945
Cash, cash equivalents and restricted cash at end of year	\$ 23,347,519	\$ 17,645,687
Cash and cash equivalents	\$ 10,010,279	\$ 7,526,135
Tenant security deposits	578,802	516,322
Reserves	12,758,438	9,603,230
Total cash, cash equivalents and restricted cash	\$ 23,347,519	\$ 17,645,687
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest - expensed	\$ 3,552,356	\$ 3,424,411

see accompanying notes

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

1. Organization

Wakeland Housing and Development Corporation (“Wakeland”) is a California Not-For-Profit Corporation. Its mission is to develop quality, affordable housing projects with resident education programs for low-income families by leveraging innovative financing and public-private partnerships. Through various ownerships, Wakeland has control over certain entities that provide services and housing for benefit of family services and those with special needs. The consolidated financial statements include the entities discussed below (collectively, the “Corporation”).

**100% Owned Entities**

The following entities are 100% owned or controlled by Wakeland (collectively, the “100% Owned Entities”):

Poinsettia Parks, LLC

Poinsettia Parks, LLC was established in November 2005 to acquire, own and operate a mobile home park located in Poway, California. Wakeland is the sole member of Poinsettia Parks, LLC.

Wakeland Opportunities for Affordable Housing

Wakeland Opportunities for Affordable Housing, a California Not-For-Profit Corporation (“WOAH”), was established in November 2014 to support Wakeland by providing affordable housing and related services for low-income and moderate-income persons who are in need of affordable, decent, safe and sanitary housing and related services.

Wakeland Entrada LP

Wakeland Entrada LP, a California limited partnership, was established in May 2017 to acquire, own, construct and operate a low income housing project located in Riverside, California. Wakeland is a 99.99% limited partner, Wakeland Entrada, LLC is a 0.005% managing general partner and RHDC Entrada LLC is a .005% co-general partner.

Cuatro at City Heights LP

Cuatro at City Heights LP, a California limited partnership, was established in July 2018 to acquire, own, construct and operate a low income housing project located in San Diego, California. Wakeland is a 99.99% limited partner and Cuatro at City Heights, LLC is a 0.01% managing general partner.

Wakeland Wilcox LP

Wakeland Wilcox LP, a California limited partnership, was established in August 2019 to acquire, own, construct and operate a low income housing project located in Los Angeles, California. Wakeland is a 99.99% limited partner and Wakeland Wilcox, LLC is a 0.01% managing general partner.

Wakeland Quincy LP

Wakeland Quincy LP, a California limited partnership, was established in August 2019 to acquire, own, construct and operate a low income housing project located in Los Angeles, California. Wakeland is a 99.99% limited partner and Wakeland Quincy, LLC is a 0.01% managing general partner.

Via Tijeras LP

Via Tijeras LP, a California limited partnership, was established on January 2018 to acquire, own, construct and operate a low income housing project located in Albuquerque, New Mexico. Wakeland is a 99.99% limited partner and Wakeland Via Tijeras, LLC is a 0.01% managing general partner. On July 5, 2019 Wakeland sold the property and dissolved the Partnership.

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

1. Organization (continued)

**100% Owned Entities (continued)**

Wakeland Price Fourth Corner LP

Wakeland Price Fourth Corner LP, a California limited partnership, was established in September 21, 2020 to acquire, own, construct and operate a low income housing project located in San Diego, California. Wakeland is a 99.99% limited partner and Wakeland Price Fourth Corner LLC is a 0.01% managing general partner.

Wakeland Price UB LP

Wakeland Price UB LP, a California limited partnership, was established on September 28, 2020 to acquire, own, construct and operate a low income housing project in San Diego, California. Wakeland is a 99.99% limited partner and Wakeland Price UB LLC is a 0.01% managing general partner.

**Consolidated Partnerships**

Wakeland controls, through LLCs, the following consolidated lower-tier partnerships (collectively the “Consolidated Partnerships”) in which Wakeland is the controlling general partner:

Consolidated Partnerships

	<u>GP % Ownership</u>
Beyer Boulevard Apartments, L.P.	0.01%
Camp Anza, L.P.*	0.0051%
Wakeland Anita, L.P.	0.01%
Amani Apartments LP	0.01%
Chesterfield Apartments, L.P.	0.01%
City Heights Ten, L.P.	0.009%
Country Club Apartments, L.P.	0.01%
Del Sol Apartments, L.P.	0.01%
Forester Square, L.P.	0.01%
Juniper Gardens, L.P.	0.01%
Levant Senior Cottages, L.P.**	0.008%
Lofts on Landis, L.P.	0.01%
Los Vecinos, L.P.	0.01%
Mission Heritage, L.P.	0.005%
Mt Alifan Apartments, L.P.	0.01%
Parkside Terrace, L.P.	0.01%
Talmadge Gateway, L.P.	0.0055%
Wakeland Atmosphere, L.P.	0.01%
Wakeland Atmosphere II, L.P.	0.01%
Wakeland Beacon Apartments, L.P.	0.01%
Wakeland Grove, L.P.***	0.005%
Wakeland Trinity Place, L.P.***	0.005%
Wakeland Village Green Apartments, L.P.	0.01%
Wakeland Vista Grande Apartments, L.P.	0.01%

\*WOAH is also the 0.0049% managing general partner.

\*\*Wakeland is also the 99.99% limited partner.

\*\*\*WOAH is also the 0.005% administrative general partner.

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

1. Organization (continued)

**Other consolidated companies - LLCs**

Wakeland establishes limited liability companies (collectively the “LLCs”) to serve as the managing general partner of limited partnerships to acquire, finance, build and operate a multifamily apartment complex intended for rental to residents of low income and to engage in any activities reasonably related thereto. Wakeland is the sole member of the below LLCs with the exception of Vista Las Flores, LLC which is owned 79% by WOA and 21% by San Diego Community Housing Corporation.

The LLCs and their respective ownership percentages in limited partnerships are as follows:

<u>LLC</u>	<u>Date Established</u>	<u>Ownership %</u>	<u>Limited Partnerships</u>
Wakeland Del Sol, LLC	December 2005	0.01%	Del Sol Apartments, L.P.
Wakeland Parkside, LLC	March 2006	0.01%	Parkside Terrace, L.P.
Wakeland Los Vecinos, LLC	January 2007	0.01%	Los Vecinos, L.P.
Wakeland Country Club, LLC	November 2007	0.01%	Country Club Apartments, L.P.
Wakeland Village Green Apartments, LLC	May 2008	0.01%	Wakeland Village Green Apartments, L.P.
Wakeland Vista Grande Apartments, LLC	June 2008	0.01%	Wakeland Vista Grande Apartments, L.P.
Wakeland Atmosphere, LLC	August 2010	0.01%	Wakeland Atmosphere, L.P.
Wakeland Forester Square, LLC	March 2011	0.01%	Forester Square, L.P.
Wakeland Juniper Gardens, LLC	November 2011	0.01%	Juniper Gardens, L.P.
Wakeland Atmosphere II, LLC	April 2013	0.01%	Wakeland Atmosphere II, L.P.
Wakeland Camp Anza, LLC	May 2013	0.0051%	Camp Anza, L.P.
Wakeland Landis, LLC	June 2013	0.01%	Lofts on Landis, L.P.
Wakeland City Heights Ten, LLC	October 2013	0.009%	City Heights Ten, L.P.
Wakeland Mobley, LLC	March 2014	0.0005%	Mobley Lane Partners, L.P.
Wakeland Talmadge Gateway, LLC	May 2015	0.0055%	Talmadge Gateway, L.P.
Wakeland Grove, LLC	January 2016	0.005%	Wakeland Grove, L.P.
Wakeland Beacon, LLC	July 2016	0.01%	Wakeland Beacon Apartments, L.P.
Wakeland Casa Panorama, LLC	August 2016	0.005%	RAHF IV Casa Panorama, L.P.
Wakeland La Mesa, LLC	August 2016	0.001%	La Mesa Springs Preservation LP
Wakeland Miramar, LLC	August 2016	0.001%	Miramar Tower Preservation LP
Wakeland Grove LA, LLC	August 2016	0.005%	RAHF IV Grove, L.P.
Wakeland Entrada, LLC	April 2017	0.005%	Wakeland Entrada LP
Wakeland Creekside Village, LLC*	September 2017	0.05%	BRE MG Creekside Village LP
Wakeland Poinsettia, LLC	October 2017	-	N/A
Wakeland Vista Las Flores, LLC	October 2017	0.005%	Vista Las Flores LP
Wakeland Warm Springs Affordable, LLC	October 2017	0.004%	Fairfield Warm Springs Affordable LP
Wakeland Anita, LLC	November 2017	0.01%	Wakeland Anita LP
Wakeland Reverend Glenn Allison, LLC	December 2017	0.0046%	Reverend Glenn Allison LP
Wakeland Mission Heritage, LLC	January 2018	0.005%	Mission Heritage, L.P.
Wakeland Trinity Place, LLC	January 2018	0.005%	Wakeland Trinity Place LP
Wakeland Mt. Alifan, LLC	April 2018	0.01%	Mt. Alifan Apartments LP
Cuatro at City Heights, LLC	July 2018	0.01%	Cuatro at City Heights LP
Wakeland Amani, LLC	December 2018	0.01%	Amani Apartments LP
Wakeland Chesterfield, LLC	December 2018	0.01%	Chesterfield Apartments LP
Wakeland Levant, LLC	December 2018	0.008%	Levant Senior Cottages, L.P.
Wakeland Quincy, LLC	August 2019	0.01%	Wakeland Quincy, L.P.
Wakeland Wilcox, LLC	August 2019	0.01%	Wakeland Wilcox, L.P.
Wakeland Price Fourth Corner LLC	September 2020	0.01%	Wakeland Price Fourth Corner L.P.
Wakeland Price UB LLC	September 2020	0.01%	Wakeland Price UB L.P.

\*BRE MG Creekside Village LP was sold November 20, 2020 and Wakeland Creekside Village LLC was dissolved March 26, 2021.

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

1. Organization (continued)

The following is a brief description of the Corporation's programs:

Rental operations

The Corporation owns and operates a mobile home park, and affordable housing projects to provide affordable housing to low and moderate income families, individuals, and resident education programs to the tenants. These expenses are composed of operational expenses such as utilities, operations and maintenance, taxes and insurance, depreciation, amortization, and interest.

Development

The Corporation's mission is to develop affordable housing using two methods: (1) acquisition and rehabilitation of existing multifamily residential housing; and (2) acquisition and entitlement of land and construction of new buildings.

Resident services

The resident services department is responsible for all onsite day-to-day resident services program implementation. The department provides initial set up, conducts ongoing assessments of community's program needs, and develops community partners while facilitating comprehensive programs for youth, adults and seniors. Wakeland supplements this department through its general fund.

Asset management

The asset management department administers all placed in service real estate in the Corporation's portfolio, which consists of 5,099 housing units. The department oversees all property tax abatement activities, monitors regulatory mandates, hires property management companies, provides property management oversight and develops operating budgets and capital improvement plans.

2. Summary of significant accounting policies

Basis of accounting

The Corporation prepares its consolidated financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Basis of presentation

The Corporation is required to report information regarding its consolidated financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Corporation. These net assets may be used at the discretion of the Corporation's management and the board of directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. As of June 30, 2021 and 2020, the Corporation has no net assets or contributions with donor restrictions.

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

2. Summary of significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements include the accounts of Wakeland Housing and Development Corporation, 100% owned entities, the LLCs, and the Consolidated Partnerships. All material intercompany transactions have been eliminated in consolidation.

Investment in partnerships – equity method

The Corporation uses the equity method of accounting for its investments in 24 limited partnerships in which the Corporation serves as a co-general partner, as the Corporation does not control the major operating and financial policies of the limited partnerships. Under this method, the Corporation's share of income, losses, and distributions incurred by the limited partnerships is recognized as an increase or reduction of the carrying value of the investments.

The following investments in partnerships are recorded under the equity method:

<u>Partnership</u>	<u>Ownership %</u>
Vista Las Flores LP	0.005%
Westgate Courtyards, L.P.	0.005%
Westchester Park, L.P.	0.10%
BRE MG Creekside Village LP	0.05%
Trinity Escondido 1, L.P.	0.005%
Walden Glen L.P.	0.02%
The Stratton, L.P.	0.02%
Fairfield Bristol, L.P.	0.02%
Canyon Rim, L.P.	0.02%
Fairfield Trestles L.P.	0.02%
Lillian Place, L.P.	0.005%
FF Hills, L.P.	0.02%
Fairfield Wyndover L.P.	0.02%
Mobley Lane Partners, L.P.	0.005%
Fairfield Belmont, L.P.	0.02%
Fairfield Creekview, L.P.	0.02%
Fairfield Turnleaf, L.P.	0.02%
La Mesa Springs Preservation LP	0.001%
Miramar Tower Preservation LP	0.001%
RAHF IV Casa Panorama, L.P.	0.005%
Reverend Glenn Allison LP	0.0046%
RAHF IV Grove, L.P.	0.005%
Fairfield Warm Springs Affordable LP	0.004%
Mission Terrace MGP, LLC	21.0%

Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents includes all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or fewer at the date of acquisition.

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

2. Summary of significant accounting policies (continued)

Cash and cash equivalents (continued)

Restricted cash is not considered cash and cash equivalents, and includes cash held with financial institutions for funding of operating deficits, repairs or improvements to the buildings that extend their useful lives, annual payments of tax and insurance, debt service payments, payments of tenant service fees, payments of asset management fees, and refunds of tenant security deposits. Restricted cash does not fall under the criteria for donor restricted net assets as these funds are held for operational purposes rather than donor imposed restrictions.

Concentration of credit risk

The Corporation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. The Corporation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable

Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Fair value measurements

The Corporation applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

- Level 1:* Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2:* Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3:* Unobservable inputs that reflect the Organization's own assumptions.



**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

2. Summary of significant accounting policies (continued)

Fair value measurements (continued)

The following tables present the Corporation's assets and liabilities that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of June 30, 2021 and 2020:

	Fair value at June 30, 2021 Level 1	Fair value at June 30, 2020 Level 1
Investment in securities	\$ 5,053,244	\$ 5,640,634

The Corporation's financial instruments are cash and cash equivalents, cash reserves, accounts payable and accrued liabilities. The recorded values of cash and cash equivalents, cash reserves, accounts payable and accrued liabilities approximate fair value values based on their short-term nature.

Investments

Investment purchases and sales are accounted for on a trade-date basis. Realized gains and losses are calculated based upon the underlying cost of individual lots. Interest income is recorded when earned and dividends are recorded on the ex-dividend date.

Investments are made according to the finance policy adopted by the Corporation's Board of Directors. The guidelines provide for investment in equities, fixed income, and other securities with performance measured against appropriate indices. Outside advisors are utilized by the Corporation for the purpose of providing investment and consulting advice.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

As of June 30, 2021 and 2020, the investments in securities including municipal and corporate bonds and floating rate debt instruments were \$5,053,244 and \$5,640,634, respectively.

Notes receivable

Amounts due from entities are recorded based on the total funds advanced to the consolidated entities, less an allowance for loan losses. Management assesses the collectability of loans or notes receivable to entities on a periodic basis, which assessment consists primarily of an evaluation of cash flow projections of the borrower to determine whether estimated cash flows are sufficient to repay principal and interest in accordance with the contractual terms of the arrangement. The adequacy of the allowance for loan losses is based on the likelihood of collection and the consolidated entities' compliance with the terms of repayment. Amounts outstanding that are contractually delinquent less than 90 days are generally not considered impaired, unless the borrower has claimed bankruptcy or the Corporation has received specific information concerning nonpayment.

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

2. Summary of significant accounting policies (continued)

Notes receivable (continued)

The Corporation recognizes impairment on these instruments when it is probable that principal and interest will not be received in accordance with the contractual terms of the arrangement. The amount of the impairment to be recognized generally is based on the fair value of the underlying collateral, which represents the primary source of loan repayment. The fair value of the collateral, which is generally comprised of real estate, other equipment and certain cash flows, is estimated through income and market valuation approaches using information such as broker estimates, purchase prices for recent transactions on comparable assets and net operating income capitalization analyses using observable and unobservable inputs such as capitalization rates, asset quality grading, geographic location analysis, and local supply and demand observations.

The Corporation's key credit quality indicator is a loan's performance status, defined as accruing or nonaccruing. Performing loans are considered to have a lower risk of loss. Amounts due from consolidated entities are placed on nonaccrual status when management believes, after considering economic conditions, business conditions, and collection efforts, that these instruments are impaired or collection of interest is doubtful. Uncollectible interest previously accrued is charged off, or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received and the principal balance is believed to be collectible. There were no loans on nonaccrual status and still accruing interest at June 30, 2021 and 2020. As of June 30, 2021 and 2020, the allowance for loan losses was \$2,238,495 for both years.

Fixed assets and depreciation

The Corporation capitalizes all expenditures in excess of \$1,000 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as having donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Corporation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over the estimated useful asset lives as follows:

Building	27.5 - 40 years
Improvements	15 - 40 years
Computer equipment	5 years
Office equipment	5 - 7 years
Vehicles	5 years

For the years ended June 30, 2021 and 2020, depreciation for rental operations was \$10,445,634 and \$10,158,226, respectively, and for financial expenses was \$28,923 and \$65,806, respectively. Total depreciation expense for the years ended June 30, 2021 and 2020 was \$10,474,557 and \$10,224,032, respectively.

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

2. Summary of significant accounting policies (continued)

Fixed assets and depreciation (continued)

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property or equipment, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

Construction in progress

In the normal course of business, the Corporation incurs costs when determining the viability of a real estate development. The Corporation capitalizes these costs until the project is transferred to a separate entity or it is determined not to be feasible and thereafter written off. Construction in progress consists of the following for the years ended June 30, 2021 and 2020:

	2021	2020
Construction in progress - Amani	\$ 7,194,601	\$ 1,871,834
Construction in progress - Anita	6,362,891	1,327,900
Construction in progress - Chesterfield	7,444,771	1,571,582
Construction in progress - Cuatro	1,501,244	772,395
Construction in progress - Entrada	1,574,065	1,109,857
Construction in progress - Grove	-	18,735,910
Construction in progress - Levant	568,202	200,246
Construction in progress - Mission Heritage	10,717,601	2,737,046
Construction in progress - Mt. Alifan	15,560,968	3,831,925
Construction in progress - Quincy	1,863,829	-
Construction in progress - Trinity	22,605,977	5,151,761
Construction in progress - Wilcox	2,244,567	735,245
Project development - Wakeland	3,921,826	1,863,292
Total construction in progress	\$ 81,560,542	\$ 39,908,993

Deferred charges and amortization

Tax credit fees are amortized on a straight-line basis over the 15-year tax credit compliance period. As of June 30, 2021 and 2020, the tax credit fees were \$838,360 and \$831,540, respectively. As of June 30, 2021 and 2020, accumulated amortization was \$379,871 and \$386,826, respectively. Amortization expense for the years ended June 30, 2021 and 2020 was \$119,895 and \$157,981, respectively.

Impairment of long-lived assets

The Corporation reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. There were no impairment losses recognized as of June 30, 2021 and 2020.

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

2. Summary of significant accounting policies (continued)

Compensated absences

Accumulated unpaid vacation and other employee benefit amounts totaling \$394,210 and \$302,297 at June 30, 2021 and 2020, respectively, are accrued when incurred and included in accounts payable and accrued expenses.

Income taxes

Wakeland and WOAHA are public charities and are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Wakeland and WOAHA believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements.

Income taxes on partnership and LLC income are levied on the partners and members in their individual capacity. Accordingly, all profits and losses of the 100% Owned Entities and Consolidated Partnerships are recognized by each partner and member on its respective tax return.

The preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires the Corporation to report information regarding its exposure to various tax positions taken by the Corporation. The Corporation has determined whether any tax positions have met the recognition threshold and has measured the Corporation's exposure to those tax positions. Management believes that the Corporation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Corporation are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying consolidated financial statements.

Property tax exemption

The Corporation's real estate holdings are exempt from real property taxes. In the event such exemption is not renewed annually or no longer available, the Corporation's cash flow would be negatively impacted.

Donated services

The Corporation utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the consolidated financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the years ended June 30, 2021 and 2020, did not meet the requirements above, therefore no amounts were recognized in the consolidated financial statements.

Revenue recognition

Rental revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Other income includes fees for late payments, cleaning, damages, laundry facilities and other charges and is recorded when earned. Developer fee income, asset management fee income, resident services fee income, and interest income are recognized when earned.

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
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2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Deferred revenue is defined as income received prior to the income being earned and is recorded as a liability. Deferred income is reduced and recorded as income as the income is earned. Advance receipts of rental income are deferred or classified as liabilities until earned and totaled \$110,626 and \$79,779 for the years ended June 30, 2021 and 2020, respectively.

Economic concentrations

The Corporation receives a significant amount of revenue from the projects in which it is the general partner. These sources of funds are dependent upon the continued successful development and management of these projects. The operations of these projects are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies.

The Corporation, either as a direct owner, advisor or general partner, has an economic interest in real estate projects that are subject to business risks associated with the economy and level of unemployment in California, which affects occupancy, as well as the tenants' ability to make rental payments. In addition, these projects operate in a heavily regulated environment.

Functional expenses

The costs of providing program services and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services. Such allocations are determined by management on an equitable basis.

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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2. Summary of significant accounting policies (continued)

Functional expenses (continued)

The expenses that are allocated include the following:

Type of Expense	Base of Allocation
<u>Functional</u>	
General and administrative	Direct Allocation
Payroll	Direct Allocation
Utilities	Direct Allocation
Taxes and insurance	Direct Allocation
Repairs and maintenance	Direct Allocation
Marketing and advertising	Direct Allocation
Legal and professional	Direct Allocation
Rent expense	Direct Allocation
Interest expense	Direct Allocation
Depreciation expense	Time and effort
Miscellaneous expenses	Direct Allocation

Subsequent events

Subsequent events have been evaluated through October 21, 2021, which is the date the consolidated financial statements were available to be issued. See Note 15 for subsequent events requiring disclosure.

3. Liquidity and availability of financial assets

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 10,010,279
Due from related party	1,014,075
Accounts receivable	<u>775,814</u>
Total	<u>\$ 11,800,168</u>

The Corporation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Corporation considers all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities, to be general expenditures. The Corporation has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debt and equity securities. In addition, the Corporation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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4. Restricted cash

Funded reserves are held by a financial institution to be used for reserves, including money market fund and short-term investment. All other entities funded reserves are held by a financial institution to be used for debt service, repairs and replacement, and tax and insurance escrow.

	2021	2020
Restricted reserves - Consolidated Partnerships	\$ 11,980,123	\$ 8,893,932
Tenant security deposits - Consolidated Partnerships	578,802	516,322
Restricted reserves - Wakeland Poway development fund - Poinsettia Parks, LLC	778,315	709,298
Total restricted reserves	\$ 13,337,240	\$ 10,119,552
Current		
Tenant security deposits	\$ 578,802	\$ 516,322
Wakeland Poway development fund - Poinsettia Parks, LLC	778,315	709,298
Total current restricted reserves	\$ 1,357,117	\$ 1,225,620
Noncurrent		
Other reserves - consolidated partnerships	\$ 11,980,123	\$ 8,893,932

5. Deposit

In January 2017, Wakeland made a deposit for an option to purchase Trinity Housing Investments 1, LLC's limited partner interest in Trinity Escondido 1, L.P in the amount of \$1,000,000. The option to purchase the limited partner interest was exercised June 28, 2021.

6. Transaction with related parties

The Corporation provides advances to cover certain predevelopment and operating expenses to limited partnerships of which the Corporation is the General Partner. As of June 30, 2021 and 2020, the Corporation was owed \$1,014,075 and \$242,551, respectively.

7. Notes receivable

The Corporation has advanced funds to certain limited partnerships in which the Corporation is the general partner. The Corporation also earns developer fees from services performed in connection with the development and construction of the low income housing tax credit projects. Notes receivable consist of the following as of June 30, 2021 and 2020:

	2021	2020
Lillian Place, L.P. - note receivable	\$ 574,839	\$ 574,839
Reverend Glenn Allison LP - note receivable	570,000	570,000
Reverend Glenn Allison LP - developer fee receivable	-	129,136
Vista Las Flores LP - note receivable	1,093,656	1,093,656
Vista Las Flores LP - developer fee receivable	22,271	277,613
Allowance	(2,238,495)	(2,238,495)
Total notes receivable	\$ 22,271	\$ 406,749

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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7. Notes receivable (continued)

Accrued interest receivable on notes receivable totaled \$569,292 and \$358,405 at June 30, 2021 and 2020, respectively, and is included in accrued interest receivable on the statements of financial position. For the years ended June 30, 2021 and 2020, bad debt expense was \$203,067 and \$1,663,426, respectively.

8. Fixed assets

Fixed assets consisted of the following for the years ended June 30, 2021 and 2020:

	2021	2020
Land	\$ 78,253,841	\$ 68,576,304
Building	271,772,097	255,981,337
Improvements	18,361,322	16,247,670
Furniture Fixtures and Equipment	6,669,167	5,931,800
Vehicles	7,000	7,000
Subtotal	375,063,427	346,744,111
Less: accumulated depreciation	(84,769,671)	(74,581,188)
Fixed assets, net	\$ 290,293,756	\$ 272,162,923

9. Investment in limited partnerships

The Corporation owns a general partner interest in limited partnerships accounted for on the equity method. The following are the share of investments (deficiencies) in the Corporation's partnership capital accounts at June 30, 2021 and 2020:

	2021	2020
Wakeland's Share of Investment (Deficiency) in Partnership		
Canyon Rim, L.P.	\$ (14,908)	\$ (3,961)
Fairfield Belmont, L.P.	(4,734)	668
Fairfield Bristol, L.P.	(966)	101
Fairfield Creekview, L.P.	(10,997)	(364)
Fairfield Trestles L.P.	(2,358)	(34)
Fairfield Turnleaf, L.P.	(5,601)	(82)
Fairfield Wyndover L.P.	(6,016)	(109)
FF Hills, L.P.	(8,499)	(192)
Lillian Place, L.P.	(20,103)	272,225
Mission Terrace MGP, LLC	21	21
The Stratton, L.P.	(6,388)	(305)
Trinity Escondido 1, L.P.	(3,894)	(3,882)
Vista Las Flores LP - Wakeland	(1,093,656)	(1,093,656)
Walden Glen L.P.	(3,237)	(53)
Westchester Park, L.P.	(14,643)	1,850
Westgate Courtyards, L.P.	(59,745)	(59,809)
Subtotal	(1,255,724)	(887,582)



**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

9. Investment in limited partnerships (continued)

	2021	2020
LLC's Share of Investment (Deficiency) in Partnership		
Trinity Escondido 1, L.P.	3,000,000	-0-
La Mesa Spring Preservation LP	(2,456)	(2,457)
Miramar Tower Preservation LP	(7,733)	(7,644)
Mobley Lane Partners, L.P.	(151)	(149)
RAHF IV Casa Panorama, L.P.	(397)	(448)
RAHF IV Grove, L.P.	8	6
Reverend Glenn Allison, L.P.	(3)	30
Fairfield Warm Spring Affordable LP	6	-0-
Vista Las Flores, L.P.	49,453	49,363
Subtotal	3,038,727	38,701
Total Share of Investment (Deficiency) in Partnerships	\$ 1,783,003	\$ (848,881)

10. Investment partnerships – revenue earned

The Corporation provided development, asset management and resident services to partnerships for which it earned the following amounts for the year ended June 30, 2021:

	Developer Fees	Asset Management Fees	Resident Services
BRE MG Creekside Village LP	\$ -	\$ 26,002	\$ 9,940
Canyon Rim, L.P.	-	91,375	39,874
Fairfield Belmont L.P.	-	33,058	-
Fairfield Bristol, L.P.	-	10,715	-
Fairfield Creekview L.P.	-	51,422	-
Fairfield Trestles L.P.	-	13,827	-
Fairfield Turnleaf L.P.	-	27,472	-
Fairfield Wyndover, L.P.	-	27,331	19,964
FF Hills LP	-	43,610	-
La Mesa Springs Preservation LP	-	-	60,124
Lillian Place, L.P.	-	10,917	-
Mobley Lane Partners, L.P.	-	-	5,720
Reverend Glenn Allison LP	-	12,699	-
The Stratton LP	-	56,090	24,684
Trinity Escondido 1, L.P.	-	41,883	36,012
Vista Las Flores LP	-	1,574	-
Wakeland Casa Panorama, LLC	-	23,116	-
Wakeland Grove LA, LLC	-	12,969	-
Walden Glen LP	-	25,883	14,715
Westgate Courtyards, L.P.	-	37,397	-
Westchester Park, L.P.	-	27,502	11,868
Total	\$ -	\$ 574,842	\$ 222,901

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

10. Investment partnerships – revenue earned (continued)

The Corporation provided development, asset management and resident services to partnerships for which it earned the following amounts for the year ended June 30, 2020:

	Developer Fees	Asset Management Fees	Resident Services
BRE MG Creekside Village LP	\$ -	\$ 30,972	\$ 25,189
Canyon Rim, L.P.	-	105,125	38,713
Fairfield Belmont L.P.	-	41,687	-
Fairfield Bristol, L.P.	-	13,371	-
Fairfield Creekview L.P.	-	64,092	-
Fairfield Trestles L.P.	-	14,984	-
Fairfield Turnleaf L.P.	-	31,897	-
Fairfield Wyndover, L.P.	-	32,969	19,383
FF Hills LP	-	55,332	-
La Mesa Springs Preservation LP	-	-	29,618
Lillian Place, L.P.	-	10,492	-
Miramar Tower Preservation LP	25,000	-	-
Mobley Lane Partners, L.P.	-	-	4,738
Reverend Glenn Allison LP	-	21,395	-
The Stratton LP	-	63,537	23,965
Trinity Escondido 1, L.P.	-	41,063	34,963
Vista Las Flores LP	277,613	59,512	2,789
Wakeland Casa Panorama, LLC	-	58,869	-
Wakeland Creekside Village, LLC	-	8,155	-
Wakeland Grove LA, LLC	-	12,617	-
Wakeland Miramar, LLC	-	11,044	-
Walden Glen LP	-	31,767	14,286
Westgate Courtyards, L.P.	-	36,403	-
Westchester Park, L.P.	-	30,444	11,522
Total	<u>\$ 302,613</u>	<u>\$ 775,427</u>	<u>\$ 205,166</u>

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

11. Notes payable

Notes payable consisted of the following at June 30, 2021 and 2020:

	2021	2020
<u>Wakeland Housing and Development Corporation</u>		
<u>Union Bank, N.A.</u>		
On April 1, 2014, Wakeland obtained a loan (the “Union Bank Note”) from Union Bank, N.A in the amount of \$400,000. The Union Bank Note has a fixed interest rate of 2.5% per annum. After exercising a two year extension the loan matures on April 1, 2023. The Union Bank Note is secured by Wakeland. Interest is payable quarterly, in arrears, on the first day of the first month of each quarter beginning July 1, 2014. The outstanding principal balance of the note and accrued but unpaid interest shall be due and payable on the maturity date. As of June 30, 2021 and 2020, accrued interest was \$-0- for both years. For the years ended June 30, 2021 and 2020, interest expense was \$10,000 for each year.	\$ 400,000	\$ 400,000
 <u>Wells Fargo Community Investment Holdings</u>		
On May 26, 2017, Wakeland obtained a loan from Wells Fargo Community Investment Holdings (the “Wells Fargo Note”) in the amount of \$750,000. The Wells Fargo Note has a fixed interest rate of 2.0% per annum, and matures on March 1, 2027 on which date all outstanding principal and interest is due. The Wells Fargo Note is secured by Wakeland. Interest is payable quarterly, in arrears, on the first day of the first month of each quarter. Payments of principal and interest equal to \$93,750 shall be made quarterly beginning in June 1, 2025. As of June 30, 2021 and 2020, accrued interest was \$1,250 and \$-0-, respectively. For the years ended June 30, 2021 and 2020, interest expense was \$15,000 for each year.	\$ 750,000	\$ 750,000
 <u>Wells Fargo AHP Federal Home Loan</u>		
On January 9, 2017, Wakeland obtained a loan (the “Wells Fargo AHP Loan”) from Wells Fargo Financial National Bank. The Wells Fargo AHP Federal Home Loan was in the amount of \$350,000, has no interest, and matures on October 1, 2071. The Wells Fargo AHP Loan is secured by Wakeland. All unpaid principal is due and payable on October 1, 2071. The proceeds of the Wells Fargo AHP Loan are designated for Talmadge Gateway, L.P. As of June 30, 2021 and 2020, accrued interest was \$-0- for both years. For the years ended June 30, 2021 and 2020, interest expense was \$-0- for each year.	\$ 350,000	\$ 350,000

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

11. Notes payable (continued)

	2021	2020
<u>Wakeland Housing and Development Corporation</u> (continued)		
<u>U.S. Bancorp Community Development Corporation</u>		
On November 1, 2007, Wakeland obtained a loan (the “U.S. Bank EQ2 Funds Note”) from U.S. Bancorp Community Development Corporation. The U.S. Bancorp Note is in the amount \$500,000, has a fixed interest rate of 4.0% per annum, and matures on November 1, 2022. The U.S. Bank EQ2 Funds Note is secured by Wakeland. Interest is payable quarterly. All unpaid principal and interest is due and payable on November 1, 2022. As of June 30, 2021 and 2020, accrued interest was \$-0- for both years. For the years ended June 30, 2021 and 2020, interest expense was \$20,000 for each year.	\$ 500,000	\$ 500,000
 <u>Wells Fargo AHP RGA Home Loan</u>		
On December 1, 2017, Wakeland obtained a loan (the “Wells Fargo AHP RGA Loan”) from Wells Fargo Financial National Bank. The Wells Fargo AHP RGA Home Loan is in the amount of \$570,000, has no interest, and matures on October 1, 2034. The Wells Fargo AHP RGA Loan is secured by Wakeland. All unpaid principal is due and payable on December 1, 2034. The proceeds of the Wells Fargo AHP RGA Loan are designated for Reverend Glenn Allison LP. As of June 30, 2021 and 2020, accrued interest was \$-0- for both years. For the years ended June 30, 2021 and 2020, interest expense was \$-0- for each year.	\$ 570,000	\$ 570,000
 <u>Wells Fargo AHP Grove Home Loan</u>		
On March 13, 2019, Wakeland obtained a loan (the “Wells Fargo AHP Grove Loan”) from Wells Fargo Financial National Bank. The Wells Fargo AHP Grove Home Loan is in the amount of \$800,000, has no interest, and matures on March 13, 2034. The Wells Fargo AHP Grove Loan is secured by Wakeland. All unpaid principal is due and payable on March 13, 2034. The proceeds of the Wells Fargo AHP Grove Loan are designated for Wakeland Grove, LP. As of June 30, 2021 and 2020, accrued interest was \$-0- for both years. For the years ended June 30, 2021 and 2020, interest expense was \$-0- for each year.	\$ 800,000	\$ 800,000

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

11. Notes payable (continued)

	2021	2020
<u>Wakeland Housing and Development Corporation</u> (continued)		
<u>Wells Fargo AHP Trinity Home Loan</u>		
On October 1, 2020, Wakeland obtained a loan (the “Wells Fargo AHP Trinity Loan”) from Wells Fargo Financial National Bank. The Wells Fargo AHP Trinity Home Loan is in the amount of \$730,000, has no interest, and matures on October 1, 2075, on which date all outstanding principal and interest is due. The Wells Fargo AHP Trinity Loan is secured by Wakeland. The proceeds of the Wells Fargo AHP Trinity Loan are designated for Wakeland Trinity Place LP. As of June 30, 2021 and 2020, accrued interest was \$-0- for both years. For the years ended June 30, 2021 and 2020, interest expense was \$-0- for each year.	\$ 730,000	\$ -0-
 <u>CCDFI AHP Amani Home Loan</u>		
On November 1, 2020, Wakeland obtained a loan (the “CCDFI AHP Amani Loan”) from Clearinghouse Community Development Financial Institution. The CCDFI AHP Amani Home Loan is in the amount of \$530,000, has no interest, and matures 15 years after the Project, as defined in the promissory note, is placed in service. All outstanding principal and interest is due at maturity. The CCDFI AHP Amani Loan is secured by Wakeland. The proceeds of the CCDFI AHP Amani Loan are designated for Amani Apartments LP. As of June 30, 2021 and 2020, accrued interest was \$-0- for both years. For the years ended June 30, 2021 and 2020, interest expense was \$-0- for each year.	\$ 530,000	\$ -0-
 <u>Wells Fargo AHP Ivy Home Loan</u>		
On April 1, 2020, Wakeland obtained a loan (the “Wells Fargo AHP Ivy Loan”) from Wells Fargo Financial National Bank. The Wells Fargo AHP Ivy Home Loan is in the amount of \$520,000, has no interest, and matures on April 1, 2075, on which date all outstanding principal and interest is due. The Wells Fargo AHP Ivy Loan is secured by Wakeland. The proceeds of the Wells Fargo AHP Ivy Loan are designated for Wakeland Mt. Alifan Apartments LP. As of June 30, 2021 and 2020, accrued interest was \$-0- for both years. For the years ended June 30, 2021 and 2020, interest expense was \$-0- for each year.	\$ 520,000	\$ -0-

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

11. Notes payable (continued)

	2021	2020
<u>Wakeland Housing and Development Corporation</u> (continued)		
<u>US Small Business Administration PPP Loan</u>		
On April 22, 2020, Wakeland obtained a loan from the US Small Business Administration under the Paycheck Protection Program (“PPP”) in the amount of \$431,100 (the “PPP Loan”). The application for the PPP Loan requires the Corporation to, in good faith, certify that the current economic uncertainty resulting from the COVID-19 pandemic made the loan request necessary to support the ongoing operation of the Corporation. This certification further requires the Corporation to take into account its current business activity and its ability to access other sources of liquidity sufficient to support the ongoing operations in a manner that is not significantly detrimental to the business. The receipt of funds from the PPP Loan is dependent on the initial qualification of the Corporation for the PPP Loan. Forgiveness of the PPP Loan is dependent on the use of such funds for certain expenditures such as payroll costs and rent, as required by the terms of the PPP Loan. During 2021, the PPP Loan was forgiven and is included in forgiveness of debt on the consolidated statement of change in net assets. As of June 30, 2021 and 2020, accrued interest was \$-0- for both years. For the years ended June 30, 2021 and 2020, interest expense was \$-0- for each year.	\$ -0-	\$ 431,100
 <u>Local Initiatives Support Corporation</u>		
On December 23, 2020 the Company entered into two loan agreements with Local Initiative Support Corporation each in an amount not to exceed \$500,000 (“LISC Loans”). The LISC Loans each bear interest at a rate of 4.5% and 6% per annum and are secured by Wakeland. Interest is paid via a prefunded interest reserve. The LISC Loans mature on December 12, 2023 on which date all unpaid principal and interest is due. The proceeds from the LISC Loans are intended to be used for Wakeland Price UB and Wakeland Price Fourth Corner. As of June 30, 2021 and 2020 accrued interest was \$-0- for both years. For the years ended June 30, 2021 and 2020 interest capitalized was \$11,481 and \$-0-, respectively.	\$ 800,456	\$ -0-

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

11. Notes payable (continued)

	2021	2020
<u>Poinsettia Parks, LLC</u>		
<u>NorthMarq Capital Loan</u>		
On September 12, 2017, the Company obtained a loan (the “NorthMarq Capital Loan”) from NorthMarq Capital Finance, LLC. The NorthMarq Capital Loan was in the amount of \$24,250,000, has an interest rate of 3.89% per annum, and matures on October 1, 2027. Payments on the loan began on November 1, 2017. Monthly payments of \$114,241 of principal and interest are due the first day of each month. The NorthMarq Capital Loan is secured by a first position Deed of Trust on the Park. As of June 30, 2021 and 2020, accrued interest was \$-0- for both years. For the years ended June 30, 2021 and 2020, interest expense was \$902,238 and \$923,021, respectively. As of June 30, 2021 and 2020, the effective interest rate was 4.07% and 4.08%, respectively.	\$ 22,619,613	\$ 23,088,263
<u>Wakeland Entrada LP</u>		
<u>City of Riverside</u>		
On February 8, 2018, Wakeland Entrada LP obtained a loan (the “City of Riverside Loan”) held by Housing Authority of the City of Riverside in an amount not to exceed \$4,000,000. The City of Riverside Loan has an interest rate of 3.0% per annum and matures on December 31, 2075. The outstanding principal balance of the grant and accrued but unpaid interest is due and payable on the maturity date. The City of Riverside Loan is secured by a first position Deed of Trust. As of June 30, 2021 and 2020, accrued interest was \$282,091 and \$172,718 , respectively. For the years ended June 30, 2021 and 2020, capitalized interest was \$109,373 and \$172,718, respectively.	\$ 3,758,892	\$ 3,645,789

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

11. Notes payable (continued)

	2021	2020
<u>Via Tijeras LP</u>		
<u>Local Initiatives Support Corporation</u>		
On January 31, 2018, Via Tijeras LP obtained a loan (the “Local Initiatives Support Corporation Loan”) held by Local Initiatives Support Corporation in the amount of \$5,607,000 and accrues interest at a fixed rate of 5.0% per annum. No interest is paid or accrued during construction. Payments of interest are due monthly. The outstanding principal balance of the note and accrued interest were repaid in full on July 5, 2019. The Local Initiatives Support Corporation Loan is secured by a first position Deed of Trust. As of June 30, 2021 and 2020, accrued interest was \$-0- for both years. For the years ended June 30, 2021 and 2020, interest expense was \$-0- and \$50,275, respectively.	\$ -0-	\$ -0-
 <u>Wakeland Wilcox LP</u>		
<u>Century Housing Corporation first loan</u>		
On September 23, 2019 Wakeland Wilcox LP entered into a loan agreement with Century Housing Corporation in an amount not to exceed \$6,400,000 (the “CHC First Loan”). Interest accrues at a rate equal to one-month LIBOR plus 4% per annum, with a floor of 6.5%. Interest is paid monthly out of an established interest reserve. The outstanding principal and interest is due and payable on September 26, 2021. The CHC First Loan is secured by a Deed of Trust. For the years ended June 30, 2021 and 2020 capitalized interest was \$390,879 and \$286,156, respectively.	\$ 6,236,878	\$ 5,840,156
<u>Century Housing Corporation second loan</u>		
On September May 28, 2021 Wakeland Wilcox LP entered into a loan agreement with Century Housing Corporation in an amount not to exceed \$1,250,000 (the “CHC Second Loan”). Interest accrues at a rate equal to one-month LIBOR plus 5% per annum, with a floor of 5.75%. Interest is paid monthly out of an established interest reserve. The outstanding principal and interest is due and payable on November 28, 2021. The CHC Second Loan is secured by a Deed of Trust. For the years ended June 30, 2021 and 2020 capitalized interest was \$5,843 and \$-0-, respectively.	\$ 1,219,486	\$ -0-



**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

11. Notes payable (continued)

	2021	2020
<u>Wakeland Quincy LP</u>		
<u>Century Housing Corporation</u>		
On September 23, 2019 Wakeland Wilcox LP entered into two loan agreements with Century Housing Corporation in an amount not to exceed \$1,250,000 and \$4,100,000 (the "CHC Loans"). Interest accrues at a rate equal to one-month LIBOR plus 4% per annum, with a floor of 6% and 5.75%. Interest is paid monthly out of an established interest reserve. The outstanding principal and interest on the CHC Loans is due and payable on September 7, 2022. The CHC Loans are secured by a Deed of Trust. For the years ended June 30, 2021 and 2020 capitalized interest was \$195,757 and \$-0-, respectively.	\$ 4,897,507	\$ -0-
<u>Cuatro at City Heights LP</u>		
<u>Local Initiatives Support Corporation</u>		
On March 8, 2019, Cuatro City Heights LP obtained a loan (the "Local Initiatives Support Corporation Loan") held by Local Initiatives Support Corporation in an amount not to exceed \$5,000,000 that was later increased to \$5,500,000 on March 9, 2020. The note accrues interest at a fixed rate of 5.00% per annum. Payments of interest are due monthly. The outstanding principal balance of the note and accrued, but unpaid interest and principal is due and payable on March 8, 2023. The Local Initiatives Support Corporation Loan is secured by a first position Deed of Trust. As of June 30, 2021 and 2020, accrued interest was \$-0- for both years. For the years ended June 30, 2021 and 2020, interest capitalized was \$327,409 and \$293,077, respectively.	\$ 5,495,599	\$ 5,224,809
<u>Other consolidated Partnerships</u>		
<u>Notes payable with regular payments</u>		
Permanent loans, bearing interest from 2.94% to 6.03%, generally with principal and interest due monthly, to be repaid in full through 2063. As of June 30, 2021 and 2020, accrued interest was \$404,013 and \$1,017,455, respectively. For the years ended June 30, 2021 and 2020, interest expense was \$2,613,625 and \$3,094,594, respectively.	\$ 72,682,312	\$ 60,245,946

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

11. Notes payable (continued)

	2021	2020
<u>Other consolidated Partnerships (continued)</u>		
<u>Notes payable with annual payments from cash flow</u>		
Permanent loans and construction loans, bearing interest from 0% to 5.00%, generally with principal and interest payable from surplus cash, to be repaid in full through 2078. As of June 30, 2021 and 2020 accrued interest was \$31,854,992 and \$27,524,105, respectively. For the years ended June 30, 2021 and 2020, interest expense was \$3,662,475 and \$3,021,964, respectively.	\$ 137,606,443	\$ 127,907,587
<u>Notes payable with repayments due at maturity</u>		
Permanent loans, bearing interest from 0% to 4.19%, generally with principal and interest due not due until maturity, to be repaid in full through 2077. As of June 30, 2021 and 2020, accrued interest was \$482,493 and \$446,529, respectively. For the years ended June 30, 2021 and 2020, interest expense was \$193,049 and \$290,735, respectively.	\$ 36,391,908	\$ 18,773,646

Notes payable consisted of the following as of June 30, 2021 and 2020:

Notes payable	\$ 296,859,094	\$ 248,527,296
Less: debt issuance costs	(2,734,153)	(2,753,431)
Total notes payable	294,124,941	245,773,865
Less: current portion, net debt issuance cost	(19,655,794)	(22,788,441)
Notes payable, noncurrent	\$ 274,469,147	\$ 222,985,424

Debt issuance costs are being amortized to interest expense over the term of the respective loans. During 2021 and 2020, interest expense from amortization of debt issuance costs was \$221,808 and \$133,708, respectively.

Future minimum principal payment requirements over the next five years and thereafter are as follows:

Year ending June 30,	
2022	\$ 19,655,794
2023	39,888,923
2024	1,890,160
2025	2,062,525
2026	5,704,697
Thereafter	227,656,995
Total	\$ 296,859,094

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

12. Change in consolidated net assets without donor restrictions

The change in the Corporation's consolidated net assets without donor restrictions is reconciled as follows:

	<u>Total</u>	<u>Controlling Interest</u>	<u>Non-Controlling Interest</u>
Balance, July 1, 2019	\$ 71,962,714	\$ 7,458,438	\$ 64,504,276
Change in net assets without donor restrictions	(15,407,576)	(2,522,042)	(12,885,534)
Contributions, net of distributions	4,253,701	-	4,253,701
Balance, June 30, 2020	<u>\$ 60,808,839</u>	<u>\$ 4,936,396</u>	<u>\$ 55,872,443</u>
	<u>Total</u>	<u>Controlling Interest</u>	<u>Non-Controlling Interest</u>
Balance, July 1, 2020	\$ 60,808,839	\$ 4,936,396	\$ 55,872,443
Change in net assets without donor restrictions	(11,437,907)	1,428,441	(12,798,536)
Contributions, net of distributions	16,349,781	-	16,281,969
Balance, June 30, 2021	<u>\$ 65,720,713</u>	<u>\$ 6,364,837</u>	<u>\$ 59,355,876</u>

13. Commitments and contingencies

Wakeland lease

The Corporation leases office space at 1230 Columbia Street through September 30, 2023. Lease expense included in the operating account in the consolidated statements of activities totaled \$238,445 and \$229,274 for the years ended June 30, 2021 and 2020, respectively.

Future minimum lease payments under the lease are as follows:

Year ending June 30,	
2022	\$ 247,982
2023	257,901
2024	66,610
Total	<u>\$ 572,493</u>

Ground lease

On March 13, 2019 Wakeland Grove, LP ("Lessee") entered into a lease agreement with the Community Development Commission of the City of Vista (the "Commission") whereby the Lessee leases land from the Commission (the "Ground Lease"). The term of the Ground Lease commenced on March 13, 2019 and continues for 90 years, composed of a 70 year base period, and a 20 year extension period. During the base period, annual rent of \$1 is due and payable on each anniversary of the lease commencement. During the extension period, rent in an amount equal to 1/12 of 10% of yearly Gross Revenues, as defined in the Ground Lease, is due and payable on the first day of each month which occurs during the year.

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

13. Commitments and contingencies (continued)

Ground lease (continued)

In conjunction with entering into the lease agreement, Wakeland Grove, LP sold the land to the city for \$3,693,187, the proceeds of which are to be treated as an upfront lease payment and amortized over the 70 year base period of the lease. As of June 30, 2021 and 2020, prepaid lease obligation was \$3,545,403 and \$3,624,542 respectively. For the years ended June 30, 2021 and 2020, lease expense was \$79,139 and \$68,649, respectively.

Employee benefit plan

The Corporation has established a 401(k) plan covering employees who have completed 90 days of service and have attained age 18. Employees may defer a percentage of their annual compensation, not to exceed the annual amount allowed by law. The Corporation made a safe harbor matching contribution equal to 100% of employee salary deferrals that did not exceed 4% of employee compensation through June 30, 2021. The Corporation contributed \$125,380 and \$115,170 for the years ended June 30, 2021 and 2020, respectively.

Litigation

The Corporation is, from time to time, involved in lawsuits arising in the ordinary course of its business that, in the opinion of management, will not have a material effect on the Corporation's consolidated results of operations.

Guarantees

Wakeland is subject to certain guarantees in connection with its partnership interests in the Consolidated Partnerships. As of June 30, 2021 and 2020, Wakeland has operating deficit guarantees from several of the Consolidated Partnerships that total \$9,497,458 and \$6,571,184, respectively. For the years ended June 30, 2021 and 2020, no advances have been required. In addition, Wakeland has completion and repayment guarantees pursuant to specific agreements.

14. Low-income housing tax credits

The Consolidated Partnerships expect to generate federal low-income housing tax credits ("Tax Credits"). Generally, such credits become available for use by its partners pro-rata over a ten-year period. The year in which the credit period begins is determined on a building-by-building basis within the respected partnerships. In order to qualify for these credits, projects must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income tenants at rental rates which do not exceed specified percentages of area median gross income for the first 15 years of operation. As required by state and federal regulations and by loan covenants, the Consolidated Partnerships have also agreed to maintain and operate projects as low-income housing for an additional 15 years to 40 years beyond the initial 15 year compliance period. Because the Tax Credits are subject to compliance with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized, and failure to meet all such requirements or to correct noncompliance within a specified time period may result in generating a lesser amount of Tax Credits than expected in future years, and/or recapture of Tax Credits previously allocated. A reduction of future credits or recapture would require credit deficit payments to the limited partner under the terms of the partnership agreement.

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

15. Subsequent events

Subsequent events have been evaluated through October 21, 2021, which is the date the consolidated financial statements were available to be issued. On July 15, 2021, Wakeland Grove, L.P. repaid the Wells Fargo construction loan with proceeds from equity and a loan from California Community Reinvestment Corporation.

## **Supplementary Schedules - Consolidating**

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
 SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
 JUNE 30, 2021

	Wakeland Housing and Development Corporation	Poinsettia Parks, LLC	WOAH	Wakeland Entrada LP	Cuatro at City Heights LP	Wakeland Wilcox LP	Wakeland Quincy LP	Wakeland LLCs	Wakeland Partnerships	Elimination	Consolidated Total
<b>Current Assets:</b>											
Cash and cash equivalents	\$ 1,660,416	\$ 360,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,449	\$ 7,970,222	\$ -	\$ 10,010,279
Current portion of reserves	-	778,315	-	-	-	-	-	-	-	-	778,315
Tenant security deposits	22,203	18,339	-	-	-	-	-	7,891	530,369	-	578,802
Accounts receivable	564,618	441	9,220	-	-	-	-	3,052,109	699,837	(3,550,411)	775,814
Prepaid expenses	106,911	-	-	-	-	-	-	-	45,487	-	152,398
Notes receivable	1,000,000	-	-	-	-	-	-	-	-	(977,729)	22,271
Due from related party	3,722,970	-	-	-	-	-	-	-	-	(2,708,895)	1,014,075
Total Current Assets	<u>7,077,118</u>	<u>1,157,287</u>	<u>9,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,079,449</u>	<u>9,245,915</u>	<u>(7,237,035)</u>	<u>13,331,954</u>
<b>Noncurrent Assets:</b>											
Accrued interest receivable	843,206	-	-	-	-	-	-	-	-	(273,914)	569,292
Investment in securities	4,767,374	285,870	-	-	-	-	-	-	-	-	5,053,244
Investments (deficiencies) in partnerships	6,957,917	-	912,550	-	-	-	-	6,805,359	-	(12,892,823)	1,783,003
Reserves, less current portion	-	1,203,568	-	-	-	-	-	-	10,776,555	-	11,980,123
Due from related party	1,646,850	-	22,271	-	-	-	-	-	-	(1,669,121)	-
Notes receivable, net of allowance, less current portion	6,569,486	-	-	-	-	-	-	-	-	(6,569,486)	-
Prepaid lease obligation	-	-	-	-	-	-	-	-	3,545,403	-	3,545,403
Fixed assets, net	97,989	14,656,157	-	2,655,000	4,984,000	6,400,000	4,100,000	621,337	272,286,425	(15,507,152)	290,293,756
Deferred charges, net	-	-	-	-	-	-	-	-	458,489	-	458,489
Construction in progress	3,921,826	-	-	1,746,735	1,599,127	2,411,360	1,920,965	-	75,027,656	(5,067,127)	81,560,542
Total Noncurrent Assets	<u>24,804,648</u>	<u>16,145,595</u>	<u>934,821</u>	<u>4,401,735</u>	<u>6,583,127</u>	<u>8,811,360</u>	<u>6,020,965</u>	<u>7,426,696</u>	<u>362,094,528</u>	<u>(41,979,623)</u>	<u>395,243,852</u>
<b>TOTAL ASSETS</b>	<u>\$ 31,881,766</u>	<u>\$ 17,302,882</u>	<u>\$ 944,041</u>	<u>\$ 4,401,735</u>	<u>\$ 6,583,127</u>	<u>\$ 8,811,360</u>	<u>\$ 6,020,965</u>	<u>\$ 10,506,145</u>	<u>\$ 371,340,443</u>	<u>\$ (49,216,658)</u>	<u>\$ 408,575,806</u>

See accompanying notes and report of independent auditors

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
 JUNE 30, 2021

	Wakeland Housing and Development Corporation	Poinsettia Parks, LLC	WOAH	Wakeland Entrada LP	Cuatro at City Heights LP	Wakeland Wilcox LP	Wakeland Quincy LP	Wakeland LLCs	Wakeland Partnerships	Elimination	Consolidated Total
<b><u>Current Liabilities:</u></b>											
Accounts payable and accrued expenses	\$ 1,030,466	\$ 44,115	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ 127,796	\$ 16,998,064	\$ (3,261,916)	\$ 14,940,525
Development fee payable	-	-	-	-	-	-	-	-	3,199,479	(3,099,479)	100,000
Due to related party	-	-	514,630	383,377	1,189,027	1,418,996	1,209,830	641,435	(121,422)	(5,235,873)	-
Accrued interest payable	1,250	-	2,838	282,091	-	-	-	147,868	32,864,706	(273,914)	33,024,839
Tenant security deposits payable	-	15,263	-	-	-	-	-	7,891	531,008	-	554,162
Deferred revenue	-	-	-	-	-	-	-	2,663	107,963	-	110,626
Current portion of notes payable, net of debt issuance costs	1,200,456	487,471	-	-	-	-	-	-	17,967,867	-	19,655,794
Total Current Liabilities	2,232,172	546,849	517,468	665,468	1,191,027	1,418,996	1,209,830	927,653	71,547,665	(11,871,182)	68,385,946
<b><u>Noncurrent Liabilities:</u></b>											
Notes Payable, less current portion and net of unamortized debt issuance costs	4,750,000	21,886,089	-	3,723,094	5,392,100	7,392,364	4,789,216	1,311,500	233,258,099	(8,033,315)	274,469,147
Total Liabilities	6,982,172	22,432,938	517,468	4,388,562	6,583,127	8,811,360	5,999,046	2,239,153	304,805,764	(19,904,497)	342,855,093
<b><u>Net Assets</u></b>											
Controlling interest	24,899,594	(5,130,056)	426,573	13,173	-	-	21,919	8,266,992	7,178,803	(29,312,161)	6,364,837
Non-controlling interest	-	-	-	-	-	-	-	-	59,355,876	-	59,355,876
Total Net Assets	24,899,594	(5,130,056)	426,573	13,173	-	-	21,919	8,266,992	66,534,679	(29,312,161)	65,720,713
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 31,881,766</b>	<b>\$ 17,302,882</b>	<b>\$ 944,041</b>	<b>\$ 4,401,735</b>	<b>\$ 6,583,127</b>	<b>\$ 8,811,360</b>	<b>\$ 6,020,965</b>	<b>\$ 10,506,145</b>	<b>\$ 371,340,443</b>	<b>\$ (49,216,658)</b>	<b>\$ 408,575,806</b>

See accompanying notes and report of independent auditors



**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Wakeland Housing and Development Corporation	Poinsettia Parks, LLC	WOAH	Wakeland Entrada LP	Cuatro at City Heights LP	Wakeland Wilcox LP	Wakeland Quincy LP	Wakeland LLCs	Wakeland Partnerships	Elimination	Consolidated Total
<b>Revenues and Support:</b>											
Asset management fees	\$ 892,089	\$ -	\$ 5,015	\$ -	\$ -	\$ -	\$ -	\$ 589,847	\$ -	\$ (912,109)	\$ 574,842
Forgiveness of debt	431,100	-	-	-	-	-	-	-	-	-	431,100
Contributions	164,870	-	-	-	-	-	-	2,713,518	-	-	2,878,388
Rental income	-	3,104,702	-	-	-	-	21,800	73,597	15,223,196	-	18,423,295
Developer fees	3,686,270	-	-	-	-	-	-	-	-	(3,686,270)	-
Resident services	664,185	-	-	-	-	-	-	-	-	(441,284)	222,901
Interest income	876,867	7,301	-	-	-	-	119	-	8,317	(433,903)	458,701
Other income	790,200	8	-	-	-	-	-	142,881	232,786	(836,848)	329,027
Share of (loss) income from partnerships	2,536,352	-	(2,001)	-	-	-	-	178,584	-	(2,713,087)	(152)
Unrealized gain (loss) on securities	48,761	(5,233)	-	-	-	-	-	-	-	-	43,528
(Loss) Gain on disposal of assets	(6,610)	-	-	73,620	-	-	-	-	103,169	-	170,179
<b>Total Revenues and Support</b>	<b>10,084,084</b>	<b>3,106,778</b>	<b>3,014</b>	<b>73,620</b>	<b>-</b>	<b>-</b>	<b>21,919</b>	<b>3,698,427</b>	<b>15,567,468</b>	<b>(9,023,501)</b>	<b>23,531,809</b>
<b>Expenses:</b>											
Program Services:											
Rental operations											
Operating	-	1,311,593	-	-	-	-	-	1,389	10,726,375	33,498	12,072,855
Depreciation	-	294,211	-	-	-	-	-	48,013	10,795,698	(692,288)	10,445,634
Amortization	-	-	-	-	-	-	-	-	119,895	-	119,895
Interest	45,000	910,125	-	-	-	-	-	11,909	6,713,989	(42,828)	7,638,195
Development											
Development expenses	2,608,510	-	-	-	-	-	-	148,101	-	-	2,756,611
Bad debt expense	950,034	-	-	-	-	-	-	-	203,067	(950,034)	203,067
Resident services	1,425,146	-	-	-	-	-	-	-	-	(474,775)	950,371
Asset management	942,472	-	-	-	-	-	-	167,216	-	(925,472)	184,216
<b>Total program services</b>	<b>5,971,162</b>	<b>2,515,929</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>376,628</b>	<b>28,559,024</b>	<b>(3,051,899)</b>	<b>34,370,844</b>
Supporting Services											
Management and general:											
Operational expenses	437,420	-	764,780	-	-	-	-	-	-	(755,680)	446,520
Donations	62,855	-	-	-	-	-	-	-	-	-	62,855
Depreciation	28,923	-	-	-	-	-	-	-	-	-	28,923
Interest	-	-	170	-	-	-	-	-	-	(170)	-
<b>Total management and general</b>	<b>529,198</b>	<b>-</b>	<b>764,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(755,850)</b>	<b>538,298</b>
Fundraising	60,574	-	-	-	-	-	-	-	-	-	60,574
<b>Total supporting services</b>	<b>589,772</b>	<b>-</b>	<b>764,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(755,850)</b>	<b>598,872</b>
<b>Total Expenses</b>	<b>6,560,934</b>	<b>2,515,929</b>	<b>764,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>376,628</b>	<b>28,559,024</b>	<b>(3,807,749)</b>	<b>34,969,716</b>
Change In Net Assets	3,523,150	590,849	(761,936)	73,620	-	-	21,919	3,321,799	(12,991,556)	(5,215,752)	(11,437,907)
Net Assets at Beginning of Year	18,543,281	(5,653,094)	271,915	(60,447)	-	-	-	2,152,800	60,319,629	(14,765,245)	60,808,839
Correction to Net Assets (see page 36)	2,833,163	-	916,594	-	-	-	-	2,833,163	-	(6,582,920)	-
Contributions (distributions), net	-	(67,811)	-	-	-	-	-	(40,770)	19,206,606	(2,748,244)	16,349,781
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 24,899,594</b>	<b>\$ (5,130,056)</b>	<b>\$ 426,573</b>	<b>\$ 13,173</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,919</b>	<b>\$ 8,266,992</b>	<b>\$ 66,534,679</b>	<b>\$ (29,312,161)</b>	<b>\$ 65,720,713</b>

See accompanying notes and report of independent auditors

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**SUPPLEMENTARY STATEMENT OF CORRECTION TO NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Corrections were made in the June 30, 2020 consolidated financial statements dated September 12, 2020. The impact of the corrections were not reflected in the consolidating schedules in the June 30, 2020 supplemental schedules. The entries below were made to the supplemental schedules to reflect the adjustments made in 2020 to the consolidated balances.

**Wakeland Housing and Development Corporation:**

Wakeland Beacon LLC 2016 flowthrough income	\$ 1,916,569
Wakeland Grove, LLC 2019 flowthrough income (50% allocation)	<u>916,594</u>
Total correction to net assets	<u><u>\$ 2,833,163</u></u>

**WOAH:**

Wakeland Grove Limited Partnership 2019 donation income (50% allocation)	\$ <u>916,594</u>
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**Wakeland LLCs:**

Wakeland Beacon Apartments Limited Partnership 2016 donation income	\$ 1,916,569
Wakeland Grove Limited Partnership 2019 donation income (50% allocation)	<u>916,594</u>
Total correction to net assets	<u><u>\$ 2,833,163</u></u>

These entries are eliminated in consolidation and do not impact the consolidated financial statements.

## **Supplementary Schedules - Nonconsolidated**

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**SUPPLEMENTARY STATEMENT OF CASH FLOWS - WAKELAND**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 3,523,150	\$ (1,370,170)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	28,923	23,802
Forgiveness of debt	(431,100)	-
Gain on disposal of assets	(6,610)	(3)
Share of loss (gain) from partnership	(2,536,352)	(597,648)
Unrealized gain on securities	(43,528)	(46,814)
Bad debt expense	950,034	945,644
Change in accounts receivable	167,804	18,638
Change in prepaid expenses	(55,156)	9,860
Change in accrued interest receivable	(246,466)	(209,317)
Change in accounts payable and accrued expenses	(281,437)	616,424
Change in accrued interest payable	1,250	(6,250)
Change in due from related party	3,263,316	632,591
Net cash provided by operating activities	4,333,828	16,757
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of investment securities	625,685	1,853,284
Contributions made to investments in limited partnerships	(2,533,377)	(49,123)
Distributions received - investments in limited partnerships	759,999	261,616
Cash paid for notes receivable	(2,023,869)	(520,363)
Cash paid for construction in progress	(3,534,110)	(2,232,533)
Net cash used in investing activities	(6,705,672)	(687,119)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from notes payable	2,149,356	1,231,100
Net change in cash, cash equivalents and restricted cash	(222,488)	560,738
Cash, cash equivalents and restricted cash at beginning of year	1,905,107	1,344,369
Cash, cash equivalents and restricted cash at end of year	\$ 1,682,619	\$ 1,905,107
Cash and cash equivalents	\$ 1,660,416	\$ 1,882,904
Restricted Cash	22,203	22,203
Total cash, cash equivalents and restricted cash	\$ 1,682,619	\$ 1,905,107
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest - expensed	\$ 43,750	\$ 51,250

See accompanying notes and report of independent auditors

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**SUPPLEMENTARY SCHEDULE OF DUE FROM RELATED PARTY - WAKELAND**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Current

Amani Apartments LP	\$ 51,217
Chesterfield Apartments LP	34,340
Levant Senior Cottages LP	595,743
Wakeland Anita, L.P.	5,513
Wakeland Entrada, L.P.	383,377
Wakeland Grove, L.P.	365
Mission Heritage, L.P.	6,040
Mt. Alifan Apartments LP	8,103
Wakeland Quincy LP	1,209,830
Wakeland Trinity Place, L.P.	9,447
Wakeland Wilcox LP	<u>1,418,995</u>
Total current	<u>3,722,970</u>

Noncurrent

Cuatro at City Heights LLC	7,220
Cuatro at City Heights LP	1,189,026
Del Sol Apartments, L.P.	30,258
Parkside Terrace, L.P.	48,849
Wakeland Amani LLC	7,220
Wakeland Anita, LLC	10,170
Wakeland Atmosphere II, LLC	24,259
Wakeland Atmosphere, LLC	28,073
Wakeland Beacon, LLC	12,934
Wakeland Camp Anza, LLC	2,370
Wakeland Casa Panorama, LLC	2,335
Wakeland Chesterfield LLC	7,220
Wakeland City Heights Ten, LLC	10,136
Wakeland Country Club, LLC	2,745
Wakeland Del Sol, LLC	1,175
Wakeland Entrada, LLC	9,651
Wakeland Forester Square, LLC	12,950
Wakeland Grove LA, LLC	1,438
Wakeland Grove, LLC	12,885
Wakeland Juniper Gardens, LLC	2,381
Wakeland La Mesa, LLC	3,649
Wakeland Landis, LLC	10,485
Wakeland Levant LLC	7,240
Wakeland Los Vecinos, LLC	5,915
Wakeland Miramar, LLC	4,101
Wakeland Mission Heritage, LLC	10,576
Wakeland Mobley, LLC	13,785
Wakeland Mt. Alifan LLC	7,568
Wakeland Parkside, LLC	50,899
Wakeland Poinsettia, LLC	12,371
Wakeland Quincy LLC	5,113
Wakeland Reverend Glenn Allison, LLC	1,820
Wakeland Trinity Place, LLC	8,688
Wakeland Village Green Apartments, LLC	16,868
Wakeland Vista Grande Apartments, L.P.	26,234
Wakeland Vista Grande Apartments, LLC	16,826
Wakeland Vista Las Flores, LLC	7,399
Wakeland Warm Springs Affordable, LLC	8,960
Wakeland Wilcox LLC	<u>5,058</u>
Total noncurrent	<u>1,646,850</u>

**TOTAL** **\$ 5,369,820**

See accompanying notes and report of independent auditors

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**SUPPLEMENTARY SCHEDULE OF NOTES RECEIVABLE**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Developer Fee Receivable	Notes Receivable	Allowance	Total
Wakeland Opportunities for Affordable Housing	\$ -	\$ 514,630	\$ -	\$ 514,630
Wakeland LLCs				
Wakeland Atmosphere, LLC	-	200,000	(200,000)	-
Wakeland Atmosphere II, LLC	-	900,000	(900,000)	-
Wakeland City Height Ten LLC	-	211,500	-	211,500
Wakeland Partnerships				
Amani Apartments LP	-	530,000	-	530,000
Camp Anza, L.P.	-	453,150	(453,150)	-
Forester Square, L.P.	236,846	-	-	236,846
Lillian Place, L.P.	-	397,125	(397,125)	-
Lofts on Landis, LP	717,369	-	-	717,369
Mt. Alifan Apartments LP	-	520,000	-	520,000
Reverend Glenn Allison LP	-	570,000	(570,000)	-
Talmadge Gateway, L.P.	-	350,000	(350,000)	-
Wakeland Atmosphere, L.P.	-	3,127,165	(1,963,288)	1,163,877
Wakeland Atmosphere II, L.P.	559,290	-	-	559,290
Wakeland Beacon Apartments, L.P.	250,000	-	-	250,000
Wakeland Grove, LP	900,000	800,000	-	1,700,000
Wakeland Trinity Place LP	-	730,000	-	730,000
Wakeland Village Green Apartments, L.P.	37,734	77,003	(77,003)	37,734
Wakeland Vista Grande Apartments, LP	398,240	-	-	398,240
Wakeland Vista Las Flores LLC	-	1,093,656	(1,093,656)	-
<b>TOTAL NOTES RECEIVABLE</b>	<b>\$ 3,099,479</b>	<b>\$ 10,474,229</b>	<b>\$ (6,004,222)</b>	<b>\$ 7,569,486</b>

See accompanying notes and report of independent auditors

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**SUPPLEMENTARY SCHEDULE OF REVENUE - WAKELAND**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Asset Management Fees	Development Fees	Resident Services Fees
Amani Apartments LP	\$ -	\$ 750,000	\$ -
Beyer Blvd Apartments, L.P.	134,498	-	36,844
BRE MG Creekside Village LP	-	-	9,940
Canyon Rim, L.P.	91,375	-	39,874
Chesterfield Apartments LP	-	800,000	-
City Heights Ten, L.P.	30,299	-	-
Country Club Apartments LP	-	-	73,009
Del Sol Apartments LP	-	-	22,640
Fairfield Belmont L.P.	33,058	-	-
Fairfield Bristol, L.P.	10,715	-	-
Fairfield Creekview L.P.	51,422	-	-
Fairfield Trestles L.P.	13,827	-	-
Fairfield Turnleaf L.P.	27,472	-	-
Fairfield Wyndover, L.P.	27,331	-	19,964
FF Hills LP	43,610	-	-
Forester Square, L.P.	-	-	29,960
Juniper Gardens, L.P.	-	-	29,960
Lillian Place, L.P.	10,917	-	-
La Mesa Springs Preservation LP	-	-	60,124
Lofts on Landis, L.P.	-	-	20,563
Los Vecinos, L.P.	-	-	19,964
Mission Heritage LP	-	356,270	-
Mobley Lane Partners, L.P.	-	-	5,720
Parkside Terrace, L.P.	-	-	36,850
Poinsettia Parks, LLC	67,812	-	-
Poinsettia Parks, LLC	40,850	-	33,677
Talmadge Gateway, L.P.	27,728	-	7,984
The Stratton LP	56,090	-	24,684
Trinity Escondido 1, L.P.	41,883	-	36,012
Wakeland Anita LP	-	880,000	-
Wakeland Atmosphere II, L.P.	11,281	-	22,182
Wakeland Atmosphere, L.P.	81,139	-	19,830
Wakeland Beacon Apartments , L.P.	-	-	4,167
Wakeland Grove, L.P.	-	900,000	18,750
Wakeland Village Green Apartments, L.P.	-	-	44,940
Wakeland Vista Grande Apartments, L.P.	-	-	19,964
Walden Glen LP	25,883	-	14,715
Westchester Park, L.P.	27,502	-	11,868
Westgate Courtyards, L.P.	37,397	-	-
<b>TOTAL</b>	<b>\$ 892,089</b>	<b>\$ 3,686,270</b>	<b>\$ 664,185</b>

See accompanying notes and report of independent auditors



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/27/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Cavnagac 451 A Street, Suite 1800 San Diego CA 92101	<b>CONTACT NAME:</b> Certificate Department <b>PHONE (A/C, No, Ext):</b> 619-234-6848 <b>E-MAIL ADDRESS:</b> certificates@cavnagac.com		<b>FAX (A/C, No):</b> 619-234-8601													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Philadelphia Indemnity Ins. Co</td> <td>18058</td> </tr> <tr> <td>INSURER B : Oak River Insurance Company</td> <td>34630</td> </tr> <tr> <td>INSURER C : Scottsdale Insurance Company</td> <td>41297</td> </tr> <tr> <td>INSURER D : QBE Specialty Ins. Co.</td> <td>11515</td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>			INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Philadelphia Indemnity Ins. Co	18058	INSURER B : Oak River Insurance Company	34630	INSURER C : Scottsdale Insurance Company	41297	INSURER D : QBE Specialty Ins. Co.	11515	INSURER E :		INSURER F :
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<b>INSURED</b> Wakeland Housing & Development 1230 Columbia Street #950 San Diego, CA 92101	WAKEHOU-01															

**COVERAGES**

CERTIFICATE NUMBER: 1982376761

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			PHPK2295800	6/30/2021	6/30/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2295800	6/30/2021	6/30/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB775500	6/30/2021	6/30/2022	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WAWC216183	9/27/2021	9/27/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Umbrella Liability (2nd Layer)			XLS0119779	6/30/2021	6/30/2022	Ea. Occ./Aggregate 3,000,000
D	Umbrella Liability (3rd layer)			MQSX0000752800	6/30/2021	6/30/2022	Ea. Occ./Aggregate 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Excess/Umbrella policy follows form over underlying policies: General Liability & Employers Liability (additional insured and waiver of subrogation apply when afforded on underlying policies). Premises operations is covered under policy number PHPK2150799.

**CERTIFICATE HOLDER****CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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# INTRODUCTION BRIEF



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- I. INTRODUCTION
- II. PROJECT EXPERIENCE
- III. AGC TEAM
- IV. INSURANCE, BOND & SAFETY
- V. REFERENCES



# I. INTRODUCTION

# AGC STORY

With over 32 years of leading industry experience, Allgire General Contractors is dedicated to being the best multi-family contractor. AGC has established excellence in both new construction and renovation of existing projects, while committing to provide quality in everything we build at fair and competitive prices. Our team continually seeks to improve our practices by providing innovative solutions to meet our clients' ever-changing needs.

AGC, led by second generation contractor, Grant Allgire, has built a reputation for quality construction and customer satisfaction since 1988. Specializing in multi-family, mixed-use, renovation, and commercial projects, AGC's breadth of capabilities ensures that we are able to meet each of our client's unique needs every time; whether it is a 20-unit mixed-use project or a 300-unit multi-family project. Based in San Diego, our dedicated and committed team, who have spent their careers helping to establish AGC's reputation, are the greatest asset that AGC has acquired over the years. Our team consists of industry professionals with decades of experience and AGC has always emphasized the value that a team member can bring to the organization. AGC strives to empower its team to achieve greatness.

The center of our process is Quality. We make sure that your expectations are the baseline for what we deliver, and what you get in that delivery is an exceptional product. From concept to management to the paint on the walls, AGC exceeds expectations.



## What We Do

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AGC is “Building Your Future” one project at a time. We know what it takes to succeed from concept to completion and we translate that experience into results. Whether you need conceptual budgeting, design assist, pre-construction services, or a builder who can deliver, AGC is your solution.

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**We are more than a general contractor, we are a solution to your needs, and a partner to your business**

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## How We Do It

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The center of our process is Quality. Whether it is your Project Manager, or Superintendent, a specialty subcontractor, or the building itself, Quality is our focus.

We provide General Contracting services focused on the quality you deserve. The success we consistently achieve is a product of our vast experience.

## What You Need

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While we know that a reliable contractor is a prerequisite, we also recognize that the needs of our clients go much further than hammers and nails. We provide the services that you need for your project.

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**Whether it is a  
concept that you  
need help analyzing  
or a project you want  
built, AGC fulfills those  
requirements**

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## What We Have

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- Hundreds of years of combined experience
- Financial stability and security
- Strong bonding capacity
- A Safety Program that has consistently proven effective
- QSP Certified Professionals
- Value engineering based on expertise, not trial and error
- Budgeting for any project, any time
- An Estimating Department that utilizes the latest in digital On Screen Takeoff technology
- A pre-qualified subcontractor base that consistently provides competitive pricing
- A licensed construction lawyer on staff
- Registered AIA Architects on staff
- An AIA Architect who oversees BIM implementation
- Full 3D imaging capabilities
- Direct access to experienced, on-staff, construction consultants
- Proven Live Environment renovation experience
- Quality Control that is setting a standard in our industry



# PROJECT INTEGRATION

## Preconstruction Services:

- Constructability Review
- Value Engineering support
- Budgets/ Estimates:
  - Design Development Budget and Conceptual Budgets as needed
  - Construction Documents, current market pricing leading up to and including contract negotiations

## PRECONSTRUCTION

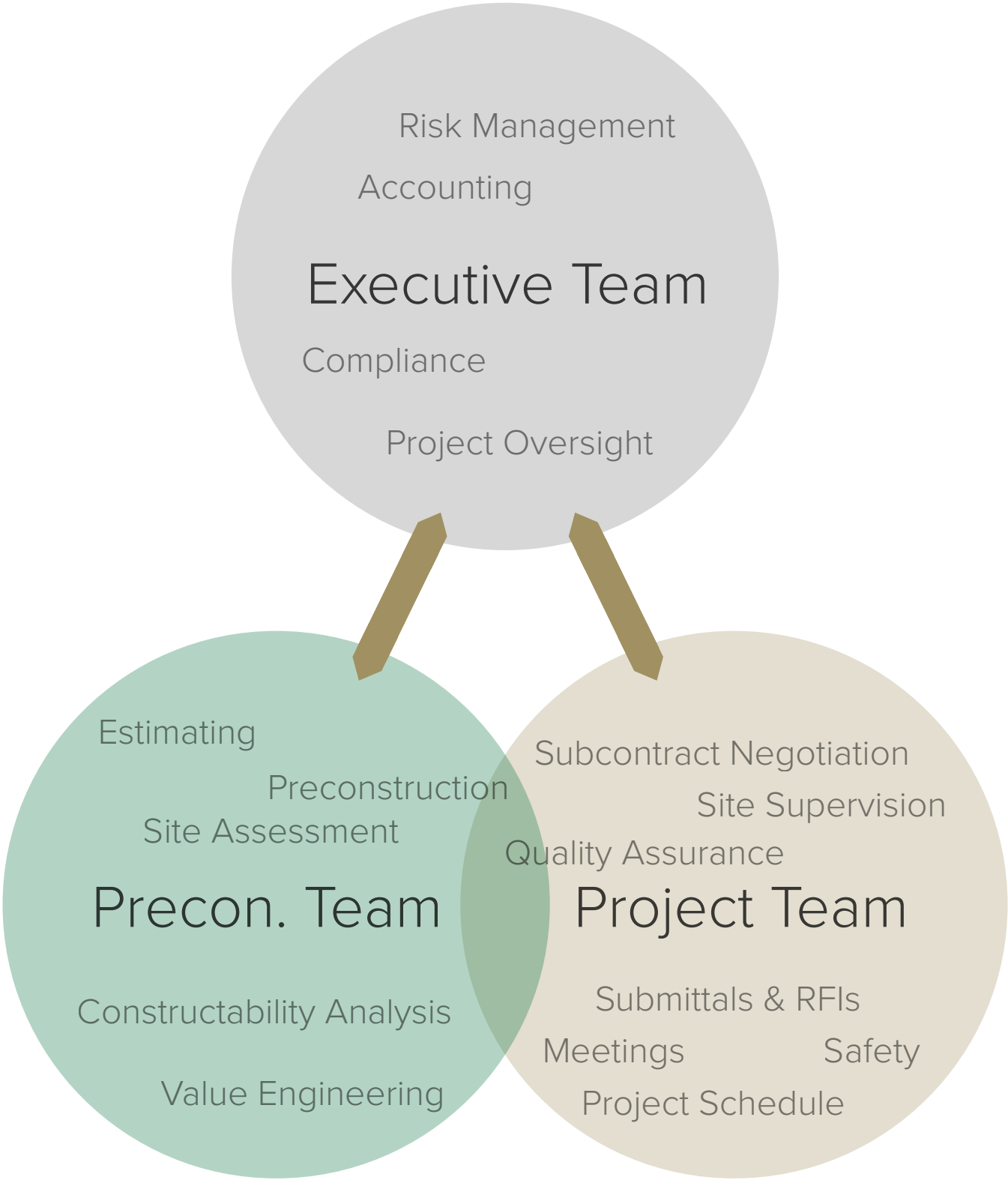
### INTEGRATION

- Project Manager assists in estimating the job
- &
- Estimator coordinates purchasing with the Project Manager / Superintendent

## CONSTRUCTION

### Construction Services:

- Project Management and Coordination
- Project / Corporate Safety
- Purchasing
- Cost Tracking / Forecasting
- ASI, RFI, COR and submittal processing
- Document Control
- Sub-Contractor Management
- Quality Control / Assurance
- Productivity Assurance
- System Startup
- System Turnover Management / Controls





# PROCORE

Procore, which AGC implemented in 2015, is an integral part of our day-to-day operations. The cloud based platform keeps the office and field processes synchronized, coordinated and accessible at all times to all parties involved.

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## PROCORE

A mobile and collaborative all-in-one platform built to streamline construction project management

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### VIEW AND UPLOAD DOCUMENTS FROM THE FIELD

On the road or at the job site, Procore's mobile app gives users constant access to project drawings, RFIs, submittals, directories and shared documents.



ORGANIZED SUBMITTAL PROCESS

Always know the current status of submittals and who needs to take action through a sophisticated distribution workflow. Your team is always in the loop on a submittal status.

**COMMUNICATION**

KEEP EVERYONE ON THE CURRENT SET

All team members are working off of the most recent version and building Real Time As-Builts by annotating and adding notes on the drawings that are linked to RFIs and other documents.

**TRANSPARENCY**

LIVE PROJECT PHOTOS

Progress photos of your project are captured from mobile devices daily and are easily available to all team members. Photos can be linked to daily logs or project drawings by location.

**RELIABILITY**



**EFFICIENCY**

TIMELY RFI MANAGEMENT

Timely and accountable RFI process to ensure all parties involved are on track. RFIs are linked to the related drawings automatically.

**ACCOUNTABILITY**

COMPREHENSIVE DAILY LOG

Team effort to keep track of every detail, including labor, communication, equipment, materials, and job site events every day, supplemented by a weather log automatically logging and archiving daily weather reports and the labor tracking tool that helps manage productivity.

**SPEED**

STREAMLINED CHANGE MANAGEMENT

Integrated platform to ensure that potential cost impacts don't slip through the cracks. ProcCore's streamlined process helps you understand the next step for every single item.

# Allgire Gives Back to Community

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AGC has been building affordable housing for more than 30 years, becoming one of the top contractors and a strong, positive force in the community. With the retirement of founders Rick and Mary Ann Allgire, the company's passionate employees are honoring them and continuing their legacy through the Allgire Foundation, an organization the employees created to give back to the community where they live, build and play. Through their decades of building affordable housing, AGC has observed that residents moving into affordable housing often lack some of the basics needed for a new home: plates, silverware, pots & pans, cleaning supplies, basic hygiene supplies, and so many other needs. The Allgire Foundation is helping fill that void by providing community care packages to residents of these communities. The Foundation will also focus on providing scholarships to people living and working in affordable housing to help create new opportunities for the future.



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**The Allgire Foundation is dedicated to empowering people who are impacted by the lack of affordable housing and changing their lives through advocacy, education and support programs that provide tangible help**

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## Supporting our community in this time of need

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As we are facing unprecedented challenges because of the Coronavirus that are changing daily, the Allgire Foundation has shifted some of its efforts to contribute and help residents of affordable communities that may be in need during this pandemic. This is especially true for seniors who cannot venture out of their homes to stores. As of right now, we are focused on providing needed food supplies and will shift our focus to other essentials as we find these limited items.

Please know that we are taking extra safety precautions putting packages together and during deliveries.





## II. PROJECT EXPERIENCE

# AGC'S PROJECT EXPERIENCE

Year	Units	Project Name	Value	Status	Location	TCAC	Green/LEED	Wage Type	Project Type	New/Rehab	Developer/Architect
2021	3	Leo Ground Floor	\$ 439,540	4/21/2021	San Diego, CA				Multi-Family	New	15th & G, LLC/Stephen Dalton Architects
2021	53	Ivy Senior	\$ 15,432,932	10/31/2021	San Diego, CA	x		PW/Section 3	Senior	New	Wakeland Housing & Development Corp/BNIM
2021	74	Trinity Place	\$ 19,758,777	8/30/2021	San Diego, CA	x		PW/Section 3	Multi-Family	New	Wakeland Housing & Development Corp/Studio E
2020	28	Leo Apartments	\$ 8,933,857	Completed	San Diego, CA				Multi-Family	New	15th & G, LLC/Stephen Dalton Architects
2020	47	West Park	\$ 4,826,803	Completed	San Diego, CA	x		PW/Section 3	Senior	Rehab (Live Environment)	Housing Development Partners/Basis Architecture
2019	10	Living Rooms at Border	\$ 7,493,646	Completed	San Ysidro, CA		x		Multi-Family	New/Rehab (Historic Church)	Casa Familiar/Studio E
2019	225	Montera	\$ 2,510,526	Completed	San Diego, CA				Asst. Living	Rehab (Common Areas)	MBK Senior Living/NOAA Architects
2019	44	Beacon Apartments	\$ 10,475,800	Completed	San Diego, CA	x	x	PW/Section 3	Multi-Family	New	Wakeland Housing & Development Corp/M.W. Steele Group
2018	80	New Palace Hotel	\$ 7,106,690	Completed	San Diego, CA	x		PW/Section 3	Senior	Rehab (Live Environment)	Housing Development Partners/Studio E
2018	91	Nook East Village	\$ 8,546,475	Completed	San Diego, CA			Section 3	Multi-Family	New	Trestle Development/Joseph Wong Design Architects
2018	124	Solana Mar Renovation	\$ 19,127,578	Completed	Solana Beach, CA				Multi-Family	Rehab	Solana Mar, LLC/Howard Anderson Architecture
2018	148	Bella Villaggio	\$ 23,745,423	Completed	Palm Desert, CA				Asst. Living	New	WESTLiving/CB Two Architects
2017	80	Del Oro on Broadway	\$ 19,032,766	Completed	Chula Vista, CA				Multi-Family	New	Broadway, LLC/Studio E
2017	33	Solutions Escondido	\$ 7,019,278	Completed	Escondido, CA	x	x	PW/Section 3	Multi-Family	New	Solutions Escondido Boulevard 33, LP/Foundation for Form
2017	60	Talmadge Gateway	\$ 11,133,085	Completed	San Diego, CA	x	x	PW/Section 3	Senior	New	Wakeland Housing & Development Corp/Studio E
2016	73	Hotel Churchill	\$ 15,779,386	Completed	San Diego, CA		x	PW/Section 3	Multi-Family	Rehab	Housing Development Partners/Studio E
2016	66	Promenade at Creekside	\$ 17,819,428	Completed	San Marcos, CA	x	x	Section 3	Multi-Family	New	Promenade Housing Partners LP/Rodriguez Associates Architecture
2015	156	San Diego Square	\$ 12,087,354	Completed	San Diego, CA	x		Section 3	Multi-Family	Rehab (Live Environment)	Housing Development Partners/Basis Architecture
2015	229	Grande North	\$ 6,266,404	Completed	San Diego, CA				Multi-Family	Rehab (Live Environment)	Grande North Homeowners' Association/Burgess Engineering
2014	76	Navy Village	\$ 15,762,930	Completed	San Pedro, CA	x	x	PW/Section 3	Multi-Family	Rehab	Volunteers of America/Bryant Palmer Soto
2014	80	Citronica Two	\$ 11,622,798	Completed	Lemon Grove, CA	x	x		Senior	New	Hitzke Development/Foundation for Form
2013	22	You Are Here	\$ 2,969,205	Completed	San Diego, CA				Multi-Family	New	You Are Here, LLC/Foundation for Form
2013	54	Knox Glen	\$ 2,285,017	Completed	San Diego, CA	x		Section 3	Multi-Family	Rehab (Live Environment)	Housing Development Partners/Basis Architecture
2012	16	Mason Building	\$ 2,595,196	Completed	San Diego, CA	x		PW/Section 3	Multi-Family	Rehab	Housing Development Partners/Richard Bundy & David Thompson
2012	56	Citronica One	\$ 8,967,671	Completed	Lemon Grove, CA	x	x		Multi-Family	New	Hitzke Development/Foundation for Form
2012	49	Chambers Senior	\$ 7,822,548	Completed	El Cajon, CA	x	x	Section 3	Senior	New	Affirmed Housing Group/Studio E
2011	52	Orange Gardens	\$ 5,259,048	Completed	Poway, CA	x	x	PW/Section 3	Multi-Family	Rehab/New	Affirmed Housing Group/Rodriguez Associates
2011	50	Riverwalk	\$ 7,169,764	Completed	Nestor, CA	x	x		Multi-Family	New	Affirmed Housing Group/Studio E
2010	60	Juniper Sr. Village	\$ 7,665,563	Completed	Escondido, CA	x		PW/Section 3	Senior	New	National Core/Davis Group
2010	60	Hacienda Hills	\$ 2,595,364	Completed	Palm Desert, CA	x			Multi-Family	New	Hitzke Development/Foundation for Form
2010	103	Autumn Terrace	\$ 14,072,222	Completed	San Marcos, CA	x	x	PW/Section 3	Multi-Family	New	Hitzke Development/Foundation for Form
2009	168	Palomar	\$ 4,780,317	Completed	Chula Vista, CA	x		Section 3	Senior	Rehab (Live Environment)	Volunteers of America/Davis Group
2009	275	Studio 15	\$ 24,245,179	Completed	San Diego, CA	x	x	PW/Section 3	Multi-Family	New	Affirmed Housing Group/Carrier Johnson
2009	36	Citron Court	\$ 6,536,075	Completed	Lemon Grove, CA	x		PW/Section 3	Multi-Family	New	Hitzke Development/Foundation for Form
2008	80	La Mision Village	\$ 19,912,954	Completed	Oceanside, CA	x		PW/Section 3	Multi-Family	New	National Core/Davis Group
2008	36	Cape Cod	\$ 588,512	Completed	Oceanside, CA				Senior	Rehab (Live Environment)	National Core/N/A
2007	56	Cassia Heights	\$ 9,783,528	Completed	Carlsbad, CA	x		PW/Section 3	Multi-Family	New	Affirmed Housing Group/Davis Group
2006	50	Creekside Trails	\$ 7,310,270	Completed	San Diego, CA	x			Multi-Family	New	Affirmed Housing Group/Studio E
2005	64	Monte Vista	\$ 6,376,498	Completed	Murrieta, CA	x			Multi-Family	New	Affirmed Housing Group/Davis Group
2005	180	La Costa Greens	\$ 17,863,785	Completed	Carlsbad, CA	x			Multi-Family	New	Community Housing Works/Mercy Housing/Rodriguez & Simon
2004	80	Fallbrook View	\$ 10,610,312	Completed	Fallbrook, CA	x			Multi-Family	New	Community Housing Works/Mercy Housing/Rodriguez & Simon
2003	106	Tesoro Grove	\$ 9,239,299	Completed	Nestor, CA	x			Multi-Family	New	Affirmed Housing Group/Studio E
2003	184	Crescent Heights	\$ 14,784,963	Completed	Murrieta, CA				Multi-Family	New	The MJW Property Group/John Watson
2001	48	Ventaliso	\$ 4,252,254	Completed	San Marcos, CA	x			Multi-Family	New	Affirmed Housing Group/Davis Group
2000	92	Poinsettia Station	\$ 6,121,300	Completed	Carlsbad, CA	x			Multi-Family	New	Bridge Housing Corporation/Studio E
2000	76	Mission Village	\$ 3,681,204	Completed	Temecula, CA	x			Multi-Family	New/Rehab	Affirmed Housing Group/Davis Group
1998	80	Mariposa	\$ 1,841,000	Completed	San Marcos, CA	x			Multi-Family	Rehab	Affirmed Housing Group/Davis Group
1996	190	Terraces	\$ 8,408,000	Completed	Escondido, CA	x			Multi-Family	New	Affirmed Housing Group/Davis Group
1994	36	Las Brisas	\$ 1,100,000	Completed	Solana Beach, CA				Multi-Family	Rehab (Live Environment)	La Brisas Homeowners' Association/N/A
<b>TOTAL</b>	<b>4139</b>	<b>TOTAL</b>	<b>\$ 463,758,524</b>								

# Trinity Place

San Diego, CA

- TYPE OF PROJECT -  
New Construction  
Affordable Housing  
Senior Housing



Client: Wakeland Housing and Development  
Architect: Studio E Architects

## Overview:

This 4-story affordable housing project consists of 74 studio apartments that will provide permanent housing for homeless senior individuals in San Diego. Trinity Place will offer residents on and off-site supportive services that address their needs and help them lead more stable and independent lives. This project has 4 stories of wood-framing over a podium deck with a solar photo-voltaic system and indoor and outdoor residential amenities, including exterior deck, dog park, and fitness room.



# Ivy Senior Apartments

San Diego, CA

CURRENTLY UNDER CONSTRUCTION

- TYPE OF PROJECT -  
New Construction  
Affordable Housing  
Senior Housing



Client: Wakeland Housing & Development  
Architect: BNIM

## Overview:

This 3-story affordable housing project consists of 53 studio apartments that will provide permanent housing for the senior community in San Diego. Ivy Senior Living will offer residents on-site supportive services that address their needs and help them lead more stable and comfortable lives. This project has 3 stories of wood-framing with solar panels & thermal solar system, lobby with parcel lockers and computer stations, community room with a full kitchen and a landscaped courtyard. This project is on schedule to complete in Fall of 2021.





# The Beacon

San Diego, CA

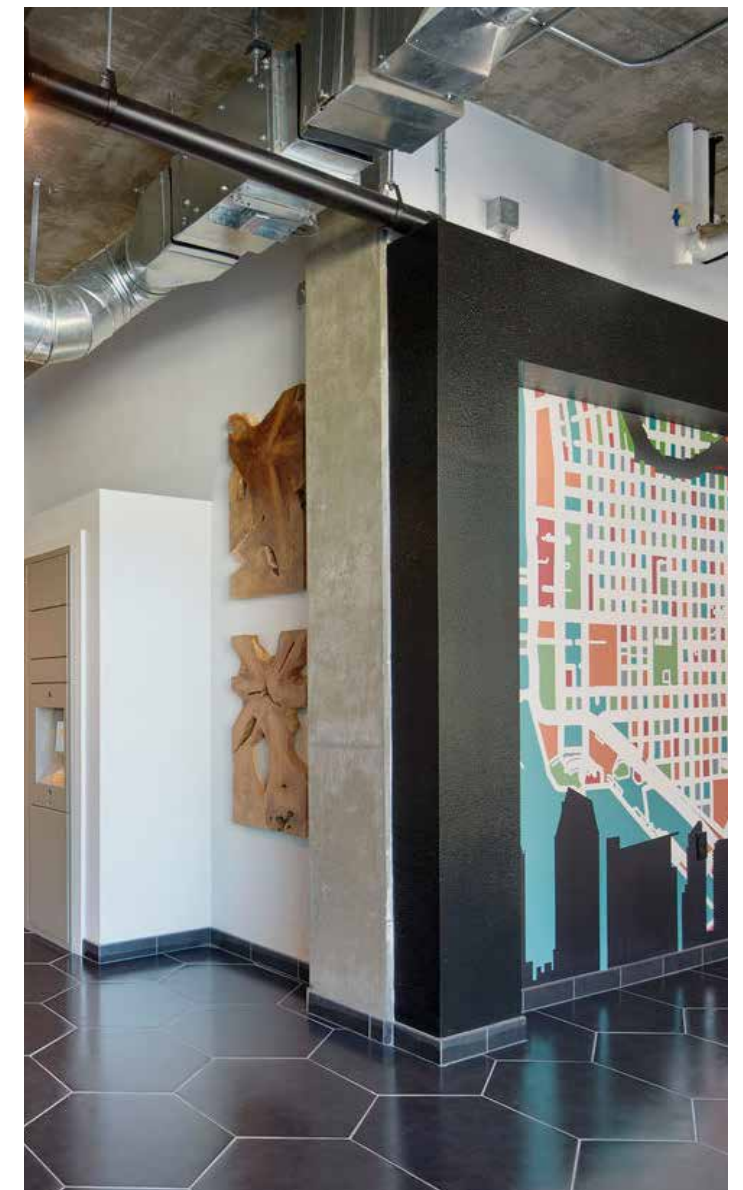
- TYPE OF PROJECT -  
New Construction  
Affordable Housing



Client: Wakeland Housing and Development  
Architect: MW Steele Architects

### Overview:

This 5-story affordable housing project consists of 44 studio apartments that provide permanent housing for homeless individuals in Downtown San Diego. The Beacon offers residents on- and off-site supportive services that address their needs and help them lead more stable and independent lives. This project has 5 stories of wood-framing over podium deck on a tight infill site that includes extensive residential amenities and a challenging bio-retention system.



# Talmadge Gateway

San Diego, CA

- TYPE OF PROJECT -  
New Construction  
Affordable Housing  
Senior Housing



Client: Wakeland Housing and Development  
Architect: Studio E Architects

## Overview:

60 unit affordable senior apartment infill project. Includes podium deck, bio-retention system, extensive residential amenities, tuck-under parking and 1,500 SF of commercial space.



# Living Rooms at the Border

San Ysidro, CA

- TYPE OF PROJECT -  
New Construction  
Affordable Housing



Client: Casa Familiar, Inc.  
Architect: Studio E Architects

## Overview:

Living Rooms at the Border is a 13,469 square-foot mixed-use project in the heart of San Ysidro, in the City of San Diego. Designed by Teddy Cruz, UCSD Professor and Director of Urban Research, over the last 17 years, the unique labor of love project includes 10 units of affordable housing and the restoration of the historic Our Lady of Mount Carmel Church, built in 1927, into a theatre and community space.



# Bella Villaggio

Palm Desert, CA

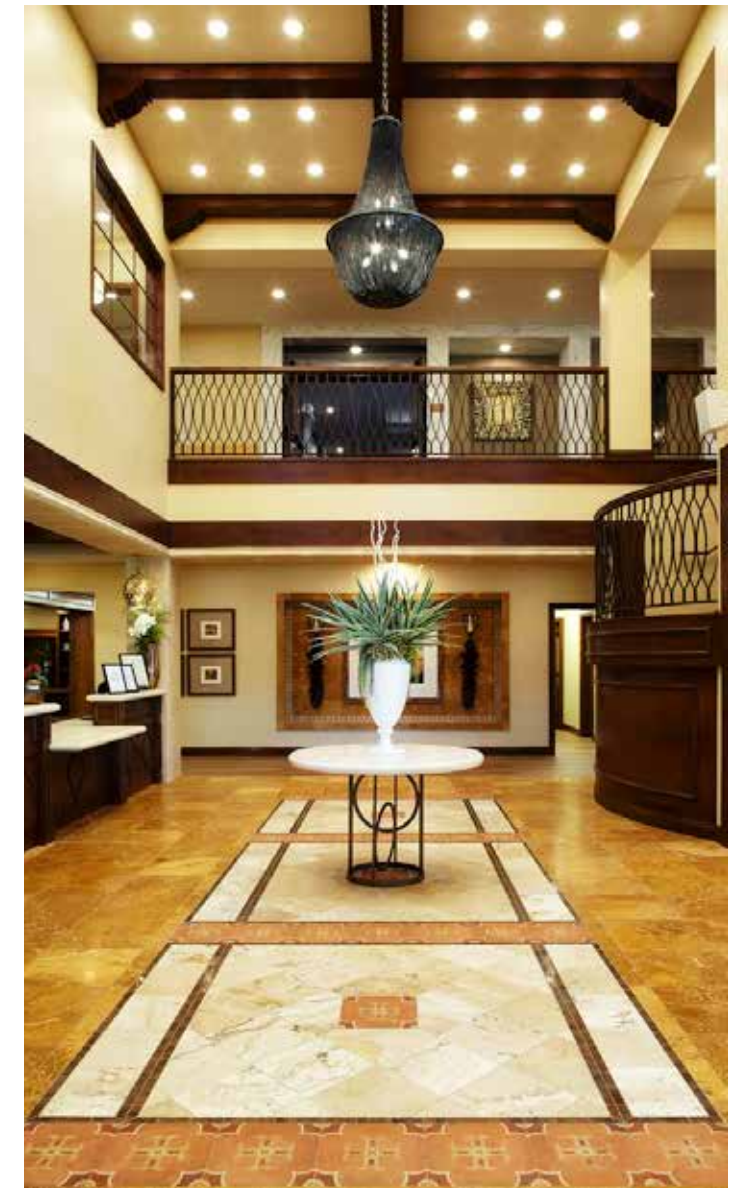
- TYPE OF PROJECT -  
New Construction  
Senior Housing  
Memory Care



Client: WESTliving  
Architect: CB Two Architects

## Overview:

Two-story, 148 unit senior assisted living facility, including 138,000 square feet over 6.78 acre site. Included challenging infrastructure, large bio-retention system, unique architectural features, and extensive common area amenities.





III. AGC TEAM

# EXECUTIVE TEAM

## Grant Allgire President

Grant's passion for construction started at an early age. Grant continued his passion for construction at the University of Denver, Daniels College of Business, where he graduated with a degree in Construction Management. As part of Grant's calculated and deliberate journey to becoming President of AGC, Grant put in the hard work in all aspects of AGC, from the field to the office. Grant's foundation and desire to lead AGC into the future is based on AGC's success over the last 30+ years and he has now developed his own leadership style, which is based on commitment, vision, and extensive hands-on experience.

## Patrick Early Senior Vice President

Patrick's varied and innovative construction experience positions him to provide detailed and complete estimating. Patrick graduated from Purdue University with a major in Building Construction Management and a minor in Organization Leadership and Supervision. Patrick has worked on numerous projects in the hospitality, commercial and residential industries in various states ranging from small tenant improvement projects to \$40,000,000 projects. Patrick is the lead cost estimator and scheduling expert on all of AGC's Consulting cases where he assists attorneys and clients with resolving litigation cases.

## Scott Silber Executive Vice President

Scott utilizes his nearly 25 years of construction law experience, including over 15 years as a practicing construction law attorney, to minimize and transfer risks for AGC and its clients. As Executive Vice President, Scott oversees contract negotiation, insurance compliance, financial analysis, and overall risk management. Scott also oversees AGC's operations, ranging from Business Development to Compliance to Safety. Scott's unique perspective in construction positions AGC to remain competitive, as well as protected, in this ever-changing economic environment.

## Margo Whitchurch Chief Financial Officer

As CFO, Margo is responsible for all of AGC's financial activities, ranging from budgeting and financial reporting to analysis and forecasting. Margo is always pushing to develop streamlined accounting procedures and to ensure accuracy on all projects, which includes performing detailed project audits and conducting spirited and creative brainstorming meetings with the entire accounting team. As CFO, Margo is a key member of the leadership team, providing her valuable insight on important AGC decisions. Margo graduated from UC Irvine with a BA in Psychology.

# PRECONSTRUCTION

## Wyatt Barrett

Senior Estimator

---

Wyatt began his construction career at the age of four on his father's backhoe. From there, he grew up in the footsteps of a family full of tradesmen and cowboys. With a BS degree in Business Management from San Diego State University, he quickly followed that with a General Contractors license at the age of 24 and later obtained his broker's license. From his ground up building experiences, framing and concrete field work, he quickly adapted those experiences to project management and estimating with AGC over the course of 20 years. Wyatt has completed numerous projects for AGC, including La Mision, Fallbrook View, and Sally Wong. Wyatt values building strong relationships with a reliable group of subcontractors and looks forward to the next amazing project.

## Joe Balestreri

Estimator

---

Joe brings over 15 years of construction related experience with him to his job as Estimator and Project Manager with AGC. Starting at a young age working with his dad in the garage, Joe has always worked with his hands, which he utilized in various construction roles, allowing him to develop a comprehensive understanding of the entire building process. A licensed General Contractor, Joe graduated from Bowling Green State University with a BA in Fine Arts. Joe is a highly versatile manager who is always looking to tackle the next challenge.

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AGC's greatest asset is the dedicated and committed employees who have established our reputation for quality construction and customer satisfaction. AGC's team is built of industry professionals with decades of combined experience across the residential, multi-family, mixed-use, renovation and commercial markets. Our field staff form the backbone of every project we undertake, efficiently and effectively completing quality projects on time and on budget.

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# CONSTRUCTION TEAM

## Mike Silvett

### Senior Project Manager

Mike has been a project manager on numerous projects over his long tenure with AGC. Mike has an uncanny ability to connect with owners, construction managers, design professionals, subcontractors, and the entire AGC team, leading to repeated successes. Mike stays intimately involved in plan and specification review, value engineering, buy-out, contract administration, meeting agendas/minutes, scheduling, change orders, pay applications, and construction. Mike's list of successful AGC projects is long and includes both complex renovation projects such as Navy Village, San Diego Square, and Solana Mar, as well as difficult new construction projects such as Citronica 1 and 2, Talmadge and Beacon.

## Joon Kim

### Project Manager

Joon previously worked with several architectural firms and brings his design experience to the construction team, assisting with all phases of construction. Joon also is involved with pre-construction operations, including clash detection and 3D modeling. As a Project Manager, Joon has successfully completed difficult projects for AGC, including Bella Villaggio and Living Rooms at the Border. Joon graduated from Cornell University with a BA in Architecture and is a licensed Architect in California.

## Contact Information

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IV. INSURANCE, BOND  
& SAFETY

# BOND & INSURANCE

Construction Services Group



November 2, 2021

**Re: Allgire General Contractors, Inc.**

To Whom It May Concern:

SureTec Insurance Company considers Allgire General Contractors, Inc. to be among our preferred contractor clients. They have a reputation for integrity and quality of workmanship, along with timely completion of projects. We stand ready to provide surety support to Allgire General Contractors, Inc. on individual projects ranging up to \$35,000,000 and aggregate capacity of \$70 million.

SureTec Insurance Company is rated by A.M. Best as "A"( Excellent) and "XV" financial size. SureTec Insurance Company is admitted to conduct Surety business in all 50 states throughout the United States.

As is customary, final approval of any bond is predicated upon our underwriting evaluation at the time of the request. The evaluation includes, but is not limited to, current financial information, receipt and review of contract terms and conditions and bond forms that are acceptable to SureTec Insurance Company, adequate financing, as well as other underwriting conditions, which may exist at the time of the request. Any request for bonds is a matter between Allgire General Contractors, Inc. and ourselves and we assume no liability to any party if for any reason we do not execute said bonds which may arise solely from this letter of recommendation.

If you have any questions, please don't hesitate to call Dale Harshaw at (619) 871-2702.

Sincerely,  
SureTec Insurance Company

  
Tara Bacon  
Attorney-in-Fact

**ACKNOWLEDGMENT**

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


State of California  
County of San Diego )

On November 2, 2021 before me, Minna Huovila, Notary Public  
(insert name and title of the officer)

personally appeared Tara Bacon  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(Seal)



# JOINT LIMITED POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That SureTec Insurance Company, a Corporation duly organized and existing under the laws of the State of Texas and having its principal office in the County of Harris, Texas and Markel Insurance Company (the "Company"), a corporation duly organized and existing under the laws of the state of Illinois, and having its principal administrative office in Glen Allen, Virginia, does by these presents make, constitute and appoint:

**Lawrence F. McMahon, Janice Martin, Sarah Myers, Dale G. Harshaw,  
John R. Qualin, Geoffrey Shelton, Tara Bacon, Minna Huovila, Maria Hallmark**

Their true and lawful agent(s) and attorney(s) in fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on their own behalf, individually as a surety or jointly, as co-sureties, and as their act and deed any and all bonds and other undertaking in suretyship provided; however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

**Fifty Million and 00/100 Dollars (\$50,000,000.00)**

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolutions adopted by the Board of Directors of SureTec Insurance Company and Markel Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the SureTec Insurance Company and Markel Insurance Company, as the case may be, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

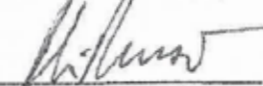
IN WITNESS WHEREOF, Markel Insurance Company and SureTec Insurance Company have caused their official seal to be hereunto affixed and these presents to be signed by their duly authorized officers on the 2nd day of June, 2021.

SureTec Insurance Company

By:   
Michael C. Keimig, President



Markel Insurance Company

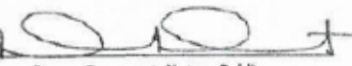
By:   
Robin Russo, Senior Vice President

Commonwealth of Virginia  
County of Henrico SS:

On this 2nd day of June, 2021 A. D., before me, a Notary Public of the Commonwealth of Virginia, in and for the County of Henrico, duly commissioned and qualified, came THE ABOVE OFFICERS OF THE COMPANIES, to me personally known to be the individuals and officers described in, who executed the preceding instrument, and they acknowledged the execution of same, and being by me duly sworn, disposed and said that they are the officers of the said companies aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and the said Corporate Seals and their signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of the said companies, and that Resolutions adopted by the Board of Directors of said Companies referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my official Seal of the County of Henrico, the day and year first above written.



By:   
Donna Donavant, Notary Public  
My commission expires 1/31/2023

We, the undersigned Officers of SureTec Insurance Company and Markel Insurance Company do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been rescinded.

IN WITNESS WHEREOF, we have hereunto set our hands, and affixed the Seals of said Companies, on the 2nd day of November, 2021.

SureTec Insurance Company  
By:   
M. Brent Beatty, Assistant Secretary

Markel Insurance Company  
By:   
Richard R. Grinnan, Vice President and Secretary

Any Instrument Issued in excess of the penalty stated above is totally void and without any validity. 510007  
For verification of the authority of this Power you may call (713)812-0800 on any business day between 8:30 AM and 5:00 PM CST.



ALGIGEN-01 TWANG

**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
7/9/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0C36861 San Diego-Alliant Insurance Services, Inc. 701 B St 6th Fl San Diego, CA 92101	CONTACT NAME: <b>Robin Hamilton</b>	
	PHONE (A/C, No, Ext): <b>(951) 225-2578</b>	FAX (A/C, No):
E-MAIL ADDRESS: <b>Robin.Hamilton@alliant.com</b>		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A : <b>Navigators Specialty Insurance Company</b>		<b>36056</b>
INSURER B : <b>West American Insurance Company</b>		<b>44393</b>
INSURER C : <b>Houston Casualty Company</b>		<b>42374</b>
INSURER D : <b>Everest Premier Insurance Company</b>		<b>16045</b>
INSURER E : <b>Great American E &amp; S Insurance Company</b>		<b>37532</b>
INSURER F :		

INSURED  
**Allgire General Contractors, Inc.**  
3278 Grey Hawk Court  
Carlsbad, CA 92010

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			SF21CGL018431C	7/1/2021	7/1/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPI/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			BAW2259935589	7/1/2021	7/1/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED. RETENTION \$			H21XC50085-09	7/1/2021	7/1/2022	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N <input type="checkbox"/> N/A If yes, describe under DESCRIPTION OF OPERATIONS below			7600009443211	7/1/2021	7/1/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
E	Prof Liab			PCM 211134711	7/1/2021	7/1/2022	Per Occurrence/Aggre 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Additional Insured, Primary and Non-Contributory and Waiver of Subrogation will only be provided if required by written contract. See forms attached.  
 Pollution Coverage: Limit \$1,000,000 each pollution condition/\$2,000,000 Aggregate with \$25,000 SIR  
 2nd Layer Excess: Carrier - Navigators Specialty Insurance Company  
 SF21EXCZ05JY0IC Term: 07/01/21-07/01/22 - Limit \$5,000,000 Aggregate \$5,000,000  
 (See Attached Descriptions)  
 SEE ATTACHED ACORD 101

CERTIFICATE HOLDER	CANCELLATION
Allgire General Contractors, Inc. 3278 Gray Hawk Court Carlsbad, CA 92010	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 



AGENCY CUSTOMER ID: **ALGIGEN-01**

**TWANG**

LOC #: 1

**ADDITIONAL REMARKS SCHEDULE**

Page 1 of 1

AGENCY <b>San Diego-Alliant Insurance Services, Inc.</b>		License # <b>0C36861</b>	NAMED INSURED <b>Allgire General Contractors, Inc.</b> 3278 Grey Hawk Court Carlsbad, CA 92010
POLICY NUMBER <b>SEE PAGE 1</b>			
CARRIER <b>SEE PAGE 1</b>	NAIC CODE <b>SEE P 1</b>	EFFECTIVE DATE: <b>SEE PAGE 1</b>	

**ADDITIONAL REMARKS**

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,**  
**FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance**

Description of Operations/Locations/Vehicles:  
 Third Layer Excess: Carrier - Endurance American Insurance Co.  
 ELD30001790701 Term: 07/01/21-07/01/22 - Limit \$10,000,000 Aggregate \$10,000,000  
 Installation Coverage: Carrier - Ohio Security Insurance Company: 24074, Policy No.  
 BKS2259935589 Term: 07/01/21-07/01/22 - Limit: \$100,000 Ded: \$1,000

**This certificate has been issued as Evidence of Insurance Coverage only and is not to be reproduced.**

# EMR HISTORY



Alliant Insurance Services, Inc.  
701 B Street 6<sup>th</sup> floor  
San Diego, CA 92101

P (619) 238-1828  
CA License No. 0C36861  
[alliant.com](http://alliant.com)

3/26/2021

RE: Allgire General Contractors, Inc. - EMR History

To Whom This May Concern,

This letter is written to serve as confirmation of Allgire General Contractors' Experience Modifier Rating history for the last 5 years. Please see below:

- 2020 = .81
- 2019 = .79
- 2018 = .76
- 2017 = .75
- 2016 = .72

If you have any questions or need further information, please feel free to contact me at your convenience.

Thank you,

*Manny Vargas*

Manny Vargas, CLCS  
Claims & Risk Solutions  
Workers' Compensation Claims Consultant  
Alliant Americas  
D (619) 226-9665  
E [manuel.vargas@alliant.com](mailto:manuel.vargas@alliant.com)



RE: 2021 Experience Rating Projection

Dear Scott,

The Experience Rating Modifier (ex-mod), which is expressed as a percentage, compares the loss or claims history of one company to all other companies in the same industry that are similar in size. The current calculation will include loss and payroll data from the 2017, 2018, and 2019 policy years.

Based on the information above, we are projecting 2021 experience modifier rating at 82%. This is a 1-pt increase from your prior rating of 81% in 2020.

The calculation did not include any losses and the prior rating did not have any losses that fell out either. The reason for the increase is due to the change in payroll used in the calculation. The 2016-policy fell out of the rating with \$2,316,658 in payroll while the 2019-policy is going in for the first time with \$2,097,222. This decrease of \$219,436 in payroll used in the calculation is what caused the 1-point increase in the ex-mod rating.

Despite the minor increase, this marks the seventh consecutive year that Allgire has achieved an experience rating under 100%! This remarkable streak is a result of remaining loss free, which truly demonstrates your dedication to safety.

Once the ex-mod publishes, we will revise for errors and keep you apprised of the rating. If you have any questions or need further information, please feel free to contact me at your convenience.

Sincerely,

**Manny Vargas, CLCS**  
**Claims & Risk Solutions**  
**Workers' Compensation Claims Consultant**

Alliant Americas

D (619) 226-9665

E [manuel.vargas@alliant.com](mailto:manuel.vargas@alliant.com)

[www.alliant.com](http://www.alliant.com)



Alliant Insurance Services, Inc.  
CA License No. 0C36861



# V. REFERENCES



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**Ginger Hitzke**  
President

**Hitzke Development Corporation**  
P.O. Box 1700  
Temecula, CA 92593  
Phone: 760-798-9809  
[www.hitzkedevlopment.com](http://www.hitzkedevlopment.com)

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**Chris Tatum**  
Principal

**Tatum Consulting & Management, LLC**  
26382 Via Conchita  
Mission Viejo, CA 92691  
Phone: 949-609-9445  
[www.tatumconsult.com](http://www.tatumconsult.com)

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**Peter Armstrong**  
Vice President, Real Estate Development

**Wakeland Housing and Development Corporation**  
1230 Columbia St., Suite 950  
San Diego, CA 92101  
Phone: 619-677-2300  
[www.wakelandhdc.com](http://www.wakelandhdc.com)

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

- 1. Name of CONTRACTOR: **Levant Senior Cottages LP**
- 2. Address and Zip Code: **1230 Columbia Street, #950, San Diego, CA 92101**
- 3. Telephone Number: **(619) 677-2325**
- 4. Name of Principal Contact for CONTRACTOR: **Peter Armstrong**
- 5. Federal Identification Number or Social Security Number of CONTRACTOR:  
**82-2813446**
- 6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:

A corporation (Attach Articles of Incorporation)

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

A partnership known as: **Levant Senior Cottages LP**  
(Name)

Check one

( ) General Partnership (Attach statement of General Partnership)

(X) Limited Partnership (Attach Certificate of Limited Partnership)

A business association or a joint venture known as:

\_\_\_\_\_  
(Attach joint venture or business association agreement)

A Federal, State or local government or instrumentality thereof.

Other (explain)

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

**Levant Senior Cottages LP – December 3, 2018**

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.

**Wakeland Levant LLC- Managing General Partner .08%**

1230 Columbia St., #950, San Diego, CA 92101, (619) 235-2296

**San Diego Kind Corporation – Administrative General Partner .02%**

PO Box 121151, San Diego, CA 92112, (619) 235-2315

**Wakeland Housing and Development Corporation-Limited Partner 99.99%**

1230 Columbia St., #950, San Diego, CA 92101, (619) 235-2296

d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.

e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

Name, Address and <u>Zip Code</u>	Position Title (if any) and percent of interest or description <u>of character and extent of interest</u>
--------------------------------------	---

(Attach extra sheet if necessary)

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail. **NO**

10. Is it anticipated that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.  
**Yes, upon construction closing the Initial Limited Partner, Wakeland Housing & Development Corporation will be replaced with an Investor Limited Partner.**
11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8 which gives such person or entity more than a computed 10% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR): **None**

Name, Address and  
Zip Code

Position Title (if any) and  
extent of interest

12. Names, addresses and telephone numbers (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 8 or Item 11 above:  
**See attached list of Wakeland Housing and Development Corporation's Board Members.**  
**See attached list of San Diego Kind Corporation's Board Members.**
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.
14. Provide the financial condition of the CONTRACTOR as of the date of the statement and for a period of twenty-four (24) months prior to the date of its statement as reflected in the attached financial statements, including, but not necessarily limited to, profit and loss statements and statements of financial position.  
**Please see Financial Statements attached.**

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

**Sources of capital will include capital funding from the SDHC, California Dept. of Housing and Community Development MHP Program, 4% tax credit equity and tax exempt/taxable bonds. Additionally, the project has an award of 70 project-based vouchers.**

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

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

**JP Morgan Chase**

**300 S. Grand Ave., Suite 300, Los Angeles, CA 90071**

**Approximate Amount: \$8,832,360**

**State Department of Housing and Community Development**

**2020 West El Camino Ave, Sacramento, CA 95833**

**Amount: \$19,080,000**

**San Diego Housing Commission**

**1122 Broadway, Suite 300, San Diego, CA 92101**

**Amount \$1,000,000**

**Boston Financial**

**101 Arch Street, Boston, Massachusetts 02110**

**Equity Amount: \$20,712,435**

**Wakeland Housing and Development Corporation**

**1230 Columbia Street, Suite 950, San Diego, CA 92101**

**Deferred Developer fee \$1,300,000**

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

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

Amount: \$ \_\_\_\_\_

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

Description

Market Value

Mortgages or Liens

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

**Wells Fargo Community Lending, Jessica Gonzalez**

401 B Street, #304 San Diego, CA 92101

(747) 260-4646

[Jessica.Gonzalez2@wellsfargo.com](mailto:Jessica.Gonzalez2@wellsfargo.com)

**California Community Reinvestment Corp., Mary Kaiser**

225 West Broadway, Suite 120

Glendale, CA 91204

(818) 550-9801

[Mary.Kaiser@e-ccrc.org](mailto:Mary.Kaiser@e-ccrc.org)

**Banner Bank, Waheed Karim**

742 Fletcher Pkwy

El Cajon, CA 92929

(619) 518-2610

[Waheed.Karim@bannerbank.com](mailto:Waheed.Karim@bannerbank.com)

**JP Morgan Chase- Eri Kameyama**

300 South Grand, Suite 300, Los Angeles, CA 90071

(213) 621-8310

[Eri.kameyama@chase.com](mailto:Eri.kameyama@chase.com)

18. Has the CONTRACTOR or any of the CONTRACTOR's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past 10 years?  
 Yes  No

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

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

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

20. List undertakings (including, but not limited to, bid bonds, performance bonds, payment bonds and/or improvement bonds) comparable to size of the



proposed project which have been completed by the CONTRACTOR including identification and brief description of each project, date of completion, and amount of bond, whether any legal action has been taken on the bond:

**Not Applicable.**

<u>Bond Type</u>	<u>Project Description</u>	<u>Date of Completion</u>	<u>Amount of Bond</u>	<u>Action on Bond</u>
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21. If the CONTRACTOR, or a parent corporation, a subsidiary, an affiliate, or a principal of the CONTRACTOR is to participate in the development as a construction contractor or builder, provide the following information:

**Not Applicable.**

- a. Name and addresses of such contractor or builder:
- 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 **Not Applicable.**

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: \$ \_\_\_\_\_

**Not Applicable.**

General description of such work:

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

- d. Construction contracts or developments now being performed by such contractor or builder: **Not Applicable**

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

<u>Awarding Agency</u>	<u>Amount</u>	<u>Date Opened</u>
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22. Provide a detailed and complete statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor: **Not Applicable.**
23. Does any member of the governing body of the San Diego Housing Commission ("COMMISSION"), Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of the COMMISSION, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor?  
 Yes  No

If yes, explain.

24. Statements and other evidence of the CONTRACTOR's qualifications and financial responsibility (other than the financial statement referred to in Item 8) are attached hereto and hereby made a part hereof as follows:  
**Not Applicable.**
25. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation?  
 Yes  No

If yes, explain: **Not Applicable.**

26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverages: List the amount of coverage (limits) currently existing in each category:  
**Cavnac & Associates, 450 B Street, Suite 1800, San Diego, CA 92101**  
**Contract: matt Slakoff (619) 744-0549**  
**See attached Certificate of Insurance.**
- a. General Liability, including Bodily Injury and Property Damage Insurance  
[Attach certificate of insurance showing the amount of coverage and coverage period(s)]

Check coverage(s) carried:

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

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

**See attached Certificate of Insurance**

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)]

**See attached Certificat of Insurance**

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

**Not Applicable**

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

**See attached Certificate of Insurance**

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

27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment,

upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the COMMISSION setting forth the provisions of this nondiscrimination clause.

28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the COMMISSION, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the COMMISSION, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
  
29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the COMMISSION, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.
  
30. List all citations, orders to cease and desist, stop work orders, complaints, judgments, fines, and penalties received by or imposed upon CONTRACTOR for safety violations from any and all government entities including but not limited to, the City of San Diego, County of San Diego, the State of California, the United States of America and any and all divisions and departments of said government entities for a period of five (5) years prior to the date of this statement. If none, please so state: **None**.

Government Entity  
Making Complaint

Date

Resolution

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

32. Please list all licenses obtained by the CONTRACTOR through the State of California and/or the United States of America which are required and/or will be utilized by the CONTRACTOR and/or are convenient to the performance of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT, or RENDITION OF SERVICES. State the name of the governmental agency granting the license, type of license, date of grant, and the status of the license, together with a statement as to whether the License has ever been revoked: **None**.

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

33. Describe in detail any and all other facts, factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the COMMISSION. **None**.

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

**The Wakeland Housing and Development, the Developer, has considerable experience and capacity in all stages of affordable housing development and management for projects that help build stronger communities and spur revitalization of blighted neighborhoods.**

**Wakeland’s Land Acquisition and Development staff have extensive experience managing the development of affordable housing projects with federal and state funding sources. Wakeland Project Manager will work closely with public and private sector partners to secure financing, oversee the planning and design process, administer the selection and execution of construction and other contractors and ensure compliance with various project requirements. The Wakeland Project manager will be supported by the Director of Development and the Vice President of Real Estate to execute these functions.**

**Wakeland's Accounting Department will help the Project Manager and project team to administer funding for the project according to industry best practices and the fiscal/procurement requirements. The Chief Financial Officer, Controller, Staff Accountant within the Account Department will be responsible for the financial reporting in compliance with the rules and regulations.**

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

<u>Date</u>	<u>Entity Involved (i.e., CITY COMMISSION, etc.)</u>	<u>Status (Current, delinquent repaid, etc.)</u>	<u>Dollar Amount</u>
<b>None.</b>			

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

If yes, explain:

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

If yes, explain:

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

Name: **Ms. Ann Kern**

Address: **1122 Broadway, Suite 300, San Diego, CA 92101**

Phone: **(619)578-7582**

Project Name and Description: **Village Green, 94 affordable units and**

**Talmadge, 60 affordable units.**

Name: **Ms. Margery Pierce**

---

Address: **321 N. Nevada Street, Oceanside, CA 92054**

---

Phone: **(760) 435-3377**

---

Project Name and Description: **Country Club Apartments, 91 affordable units.**

---

Name: **Stacy Kurz**

---

Address: **276 Fourth Ave, Chula Vista, CA 91910**

---

Phone: **(619)585-5698**

---

Project Name and Description: **Los Vecinos, 42**

---

39. Give a brief statement respecting equipment, experience, financial capacity and other resources available to the Contractor for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment and the general experience of the Contractor.  
**Levant Senior Cottages LP will hire Allgire General Contractors to build the project. See attached Resume.**
40. Give the name and experience of the proposed Construction Superintendent.  
**To be determined.**

**CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR**


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

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

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

Executed this 1 day of April, 2022, at San Diego, California.

CONTRACTOR

By:   
Signature  
Peter Armstrong

Title: Authorized Agent



**CERTIFICATION**

The CONTRACTOR, Levant Senior Cottages LP, 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: Peter Armstrong By: \_\_\_\_\_  
Peter Armstrong  
Title: Authorized Agent Title: \_\_\_\_\_  
Dated: April 1, 2022 Dated: \_\_\_\_\_

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

ATTEST:

State of California

County of San Diego

Subscribed and sworn to before me this 1<sup>st</sup> day of April, 2022.



SEAL

Helen Y. Subka  
Signature of Notary

Helen Y. Subka  
Name of Notary



**Secretary of State  
Certificate of Limited Partnership  
(LP)**

LP-1

201833800007

**FILED**  
Secretary of State  
State of California

DEC 03 2018

*ZPR*

**IMPORTANT — Read Instructions before completing this form.**

**Filing Fee** - \$70.00

**Copy Fees** - First page \$1.00; each attachment page \$0.50;  
Certification Fee - \$5.00

*Note:* LPs may have to pay minimum \$800 tax to the California Franchise Tax Board each year. For more information, go to <https://www.ftb.ca.gov>.

*1 pc*

Above Space For Office Use Only

**1. Limited Partnership Name** (See Instructions – Must contain an LP ending such as LP or L.P. "LP" will be added, if not included.)

Levant Senior Cottages LP

**2. Business Addresses**

a. Initial Street Address of LP's Designated Office in California - Do not enter a P.O. Box	City (no abbreviations)	State	Zip Code
1230 Columbia Street, Suite 950	San Diego	CA	92101
b. Initial Mailing Address of LP, if different than item 2a	City (no abbreviations)	State	Zip Code

**3. Service of Process** (Must provide either Individual OR Corporation.)

**INDIVIDUAL** – Complete Items 3a and 3b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is not a corporation)	Middle Name	Last Name	Suffix
Kenneth	L.	Sauder	
b. Street Address (if agent is not a corporation) - Do not enter a P.O. Box	City (no abbreviations)	State	Zip Code
1230 Columbia Street, Suite 950	San Diego	CA	92101

**CORPORATION** – Complete Item 3c. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) – Do not complete Item 3a or 3b

**4. General Partners** (List the name and address of each general partner. Attach additional pages, if necessary.)

a. General Partner's Name			
Wakeland Levant LLC			
General Partner's Address	City (no abbreviations)	State	Zip Code
1230 Columbia Street, Suite 950	San Diego	CA	92101
b. General Partner's Name			
San Diego Kind Corporation			
General Partner's Address	City (no abbreviations)	State	Zip Code
800 The Mark Lane, #201	San Diego	CA	92101

The information contained herein, including in any attachments, is true and correct.

please see attached

General Partner Signature

Type or Print Name

please see attached

General Partner Signature

Type or Print Name

SIGNATURE PAGE TO LP-1  
OF  
LEVANT SENIOR COTTAGES LP

**SIGNATURE:**

I certify under penalty of perjury that the contents of this document are true. I declare I am the person who executed this instrument which execution is my act and deed.



---

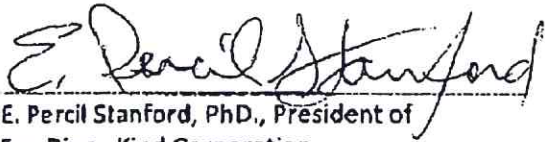
Rebecca Louie, COO of  
Wakeland Housing and Development  
Corporation, the Sole Member and Manager  
of Wakeland Levant LLC, the Managing General  
Partner of Levant Senior Cottages LP

201833800007

SIGNATURE PAGE TO LP-1  
OF  
LEVANT SENIOR COTTAGES LP

SIGNATURE:

I certify under penalty of perjury that the contents of this document are true. I declare I am the person who executed this instrument which execution is my act and deed.

A handwritten signature in cursive script that reads "E. Percil Stanford". The signature is written in black ink and is positioned above a horizontal line.

E. Percil Stanford, PhD., President of  
San Diego Kind Corporation,  
the Administrative General Partner of  
Levant Senior Cottages LP

201833800007

**WAKELAND HOUSING AND DEVELOPMENT  
BOARD OF DIRECTORS**

Barry Schultz

**Board Chair**

Partner

Devaney Pate Morris & Cameron  
402 W. Broadway, Suite #1300  
San Diego, CA 92101  
(619) 354-5028

Lina Ericsson

**Board Secretary**

Senior Vice President and  
Associate General Counsel  
Realty Income Corporation  
11995 El Camino Real  
San Diego, CA 92130  
Ph. # (858) 284-5231

Steve Kuptz

**Board Treasurer**

Trinity Mortgage Fund, LLC  
1565 Coast Blvd.  
Del Mar, CA 92014  
Ph. # (619) 980-8977

Jimmy Ayala

**Board Member, Audit Committee Chair**

Division President  
Tri Pointe Homes  
13400 Sabre Springs Parkway, Suite 200  
San Diego, CA 92128  
Ph.# (858) 794-2579

Jeff Brazel

**Board Member, Finance Committee  
Chair**

JVB Real Estate Advisors  
PO Box 502135  
San Diego, CA 92150  
Ph. # (619) 507-8800

Lisa Marie Harris

**Board Member**

Finance Director/Treasurer  
San Diego County Water Authority  
4677 Overland Avenue  
San Diego, CA 92123  
Ph. # (619) 446-8396 cell  
Ph.# (858) 552-6671 office

Jonathan Hunter

**Board Member, Governance Committee Chair**

JC Hunter Consulting  
5715 Baltimore Drive, #83  
La Mesa, CA 91942  
Ph. # (619) 251-3393

James Lawson

**Board Member**

President  
Presidio PAG, Inc.  
427 C Street, Suite 210  
San Diego, CA 92101  
Ph. # (619) 535-1865

Launa Wilson

**Board Member**

2745 Brockton Avenue  
Riverside, CA 92501  
Ph: # (951) 850-0599

Lee Winslett

**Board Member**

Senior Vice President  
Wells Fargo Community Lending  
401 B Street, Suite 304-A  
San Diego, CA 92101  
Ph. # (619) 699-3037  
Fax # (877) 786-4003

SAN DIEGO KIND CORPORATION  
BOARD OF DIRECTORS AND OFFICERS  
2022

<u>BOARD OF DIRECTORS</u>	<u>TITLE</u>	<u>DIRECTOR</u>	<u>OFFICER</u>
<u>E PERCIL STANFORD, PHD</u>	<u>PRESIDENT</u>	<u>X</u>	<u>X</u>
<u>JESS HARO</u>	<u>VICE PRESIDENT</u>	<u>X</u>	<u>X</u>
<u>FRAN E KILBURG</u>	<u>TREASURER/SECRETARY/CFO</u>	<u>X</u>	<u>X</u>
<u>CHANELL KACHI</u>	<u>BOARD MEMBER</u>	<u>X</u>	

**Levant Senior Cottages LP**

Balance Sheet

December 2021

	<b>YTD Actual 12/31/2021</b>	<b>Year End 12/31/2020</b>	<b>Difference</b>
<b>Assets</b>			
Construction in Progress	\$1,183,096	\$380,399	\$802,697
<b>Total Assets</b>	<b>1,183,096</b>	<b>380,399</b>	<b>802,697</b>
<b>Liabilities &amp; Net Assets</b>			
<b>Liabilities</b>			
Due to Wakeland	1,183,096	380,399	802,697
<b>Total Liabilities</b>	<b>1,183,096</b>	<b>380,399</b>	<b>802,697</b>
<b>Net Assets</b>			
Unrestricted Net Assets	0	0	0
<b>Total Liabilities and Net Assets</b>	<b>\$1,183,096</b>	<b>\$380,399</b>	<b>\$802,697</b>

**Levant Senior Cottages LP**

Balance Sheet

February 2022

	<b>YTD Actual 2/28/2022</b>	<b>Year End 12/31/2021</b>	<b>Difference</b>
<b>Assets</b>			
Construction in Progress	\$1,300,076	\$1,183,096	\$116,979
<b>Total Assets</b>	<b>1,300,076</b>	<b>1,183,096</b>	<b>116,979</b>
<b>Liabilities &amp; Net Assets</b>			
<b>Liabilities</b>			
Due to Wakeland	1,300,076	1,183,096	116,979
<b>Total Liabilities</b>	<b>1,300,076</b>	<b>1,183,096</b>	<b>116,979</b>
<b>Net Assets</b>			
Unrestricted Net Assets	0	0	0
<b>Total Liabilities and Net Assets</b>	<b>\$1,300,076</b>	<b>\$1,183,096</b>	<b>\$116,979</b>



**Levant Senior Cottages LP**

Income Statement

February 2022

**YTD Actual**

2/28/2022

**Revenue**

\$0

**Total Revenue**

0

**Expense**

**Total Expense**

0

**Increase (Decrease) in Net Assets**

0.00

**Net Assets Beginning of Period**

0

**Net Assets End of Period**

\$0

**Levant Senior Cottages LP**  
 Trial Balance  
 February 2022

<b>Account</b>	<b>Description</b>	<b>12/31/2021</b>	<b>Debit</b>	<b>Credit</b>	<b>Net Change</b>	<b>2/28/2022</b>
1150-000-00	Architect	\$341,552.70	\$65,370.09	\$0.00	\$65,370.09	\$406,922.79
1158-000-00	Engineer	\$198,594.07	\$24,506.36	\$0.00	\$24,506.36	\$223,100.43
1160-000-00	Solar Design Costs	\$0.00	\$7,500.00	\$0.00	\$7,500.00	\$7,500.00
1162-000-00	Soils	\$9,290.50	\$698.50	\$0.00	\$698.50	\$9,989.00
1163-000-00	Environmental Testing/Inspection	\$8,690.00	\$667.00	\$0.00	\$667.00	\$9,357.00
1166-000-00	Utility Costs	\$0.00	\$950.00	\$0.00	\$950.00	\$950.00
1200-000-00	Legal - Developer (Predev/Const)	\$62,514.28	\$714.00	\$1,458.00	(\$744.00)	\$61,770.28
1216-000-00	LEGAL/FINANCIAL-CONST. MGT. CONSULTANT	\$4,760.00	\$0.00	\$0.00	\$0.00	\$4,760.00
1217-000-00	Accounting - Predev./Construction	\$5,500.00	\$0.00	\$0.00	\$0.00	\$5,500.00
1220-000-00	Misc. (including reimbursables) - Predev/Const	\$22,042.77	\$35.05	\$0.00	\$35.05	\$22,077.82
1239-000-00	Bond Fees	\$13,000.00	\$0.00	\$0.00	\$0.00	\$13,000.00
1245-000-00	Gov't Permits & Plan Checks	\$180,285.93	\$2,000.00	\$0.00	\$2,000.00	\$182,285.93
1313-000-00	Construction Manager	\$30,925.00	\$5,158.50	\$508.50	\$4,650.00	\$35,575.00
1334-000-00	Predev Loan Interest	\$49,853.36	\$11,346.32	\$0.00	\$11,346.32	\$61,199.68
1342-000-00	Bank Appraisal	\$8,200.00	\$0.00	\$0.00	\$0.00	\$8,200.00
1346-000-00	Marketing Study	\$9,500.00	\$0.00	\$0.00	\$0.00	\$9,500.00
1347-000-00	Syndicator	\$15,000.00	\$0.00	\$0.00	\$0.00	\$15,000.00
1376-000-00	Insurance - Predevelopment	\$15.00	\$0.00	\$0.00	\$0.00	\$15.00
1387-000-00	Performance Deposit	\$100,000.00	\$0.00	\$0.00	\$0.00	\$100,000.00
1394-000-00	Property Taxes	\$96,326.71	\$0.00	\$0.00	\$0.00	\$96,326.71
1396-000-00	Taxes	\$2,400.00	\$0.00	\$0.00	\$0.00	\$2,400.00
1412-000-00	CTCAC Fee	\$23,446.00	\$0.00	\$0.00	\$0.00	\$23,446.00
1413-000-00	CDLAC Fees	\$1,200.00	\$0.00	\$0.00	\$0.00	\$1,200.00
3213-000-00	Due To/From Wakeland	(\$1,183,096.32)	\$1,966.50	\$118,945.82	(\$116,979.32)	(\$1,300,075.64)
		<b>0.00</b>	<b>120,912.32</b>	<b>120,912.32</b>	<b>0.00</b>	<b>0.00</b>

**Levant Senior Cottages LP**

Income Statement

December 2021

**YTD Actual**

12/31/2021

**Revenue**

\$0

**Total Revenue**

0

**Expense**

**Total Expense**

0

**Increase (Decrease) in Net Assets**

0.00

**Net Assets Beginning of Period**

0

**Net Assets End of Period**

\$0

**Levant Senior Cottages LP**  
 Trial Balance  
 December 2021

<b>Account</b>	<b>Description</b>	<b>12/31/2020</b>	<b>Debit</b>	<b>Credit</b>	<b>Net Change</b>	<b>12/31/2021</b>
1150-000-00	Architect	132,394.51	209,158.19	0.00	209,158.19	341,552.70
1158-000-00	Engineer	45,348.00	171,851.50	18,605.43	153,246.07	198,594.07
1162-000-00	Soils	0.00	9,290.50	0.00	9,290.50	9,290.50
1163-000-00	Environmental Testing/Inspection	8,690.00	0.00	0.00	0.00	8,690.00
1200-000-00	Legal - Developer (Predev/Const)	53,059.28	15,590.00	6,135.00	9,455.00	62,514.28
1216-000-00	LEGAL/FINANCIAL-CONST. MGT. CONSULTANT	4,760.00	0.00	0.00	0.00	4,760.00
1217-000-00	Accounting - Predev./Construction	3,500.00	2,000.00	0.00	2,000.00	5,500.00
1220-000-00	Misc. (including reimbursables) - Predev/Const	21,401.72	1,031.05	390.00	641.05	22,042.77
1239-000-00	Bond Fees	13,000.00	0.00	0.00	0.00	13,000.00
1245-000-00	Gov't Permits & Plan Checks	7,429.33	172,856.60	0.00	172,856.60	180,285.93
1313-000-00	Construction Manager	10,100.00	20,825.00	0.00	20,825.00	30,925.00
1334-000-00	Predev Loan Interest	14,447.36	35,407.92	1.92	35,406.00	49,853.36
1342-000-00	Bank Appraisal	8,200.00	0.00	0.00	0.00	8,200.00
1346-000-00	Marketing Study	5,500.00	4,000.00	0.00	4,000.00	9,500.00
1347-000-00	Syndicator	12,000.00	3,000.00	0.00	3,000.00	15,000.00
1376-000-00	Insurance - Predevelopment	15.00	0.00	0.00	0.00	15.00
1387-000-00	Performance Deposit	0.00	100,000.00	0.00	100,000.00	100,000.00
1394-000-00	Property Taxes	38,954.04	75,791.30	18,418.63	57,372.67	96,326.71
1396-000-00	Taxes	1,600.00	800.00	0.00	800.00	2,400.00
1412-000-00	CTCAC Fee	0.00	23,446.00	0.00	23,446.00	23,446.00
1413-000-00	CDLAC Fees	0.00	1,200.00	0.00	1,200.00	1,200.00
3213-000-00	Due To/From Wakeland	(380,399.24)	43,550.98	846,248.06	(802,697.08)	(1,183,096.32)
		<b>0.00</b>	<b>889,799.04</b>	<b>889,799.04</b>	<b>0.00</b>	<b>0.00</b>



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/27/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Cavnagac 451 A Street, Suite 1800 San Diego CA 92101	<b>CONTACT NAME:</b> Certificate Department <b>PHONE (A/C, No, Ext):</b> 619-234-6848 <b>E-MAIL ADDRESS:</b> certificates@cavnagac.com		<b>FAX (A/C, No):</b> 619-234-8601													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Philadelphia Indemnity Ins. Co</td> <td>18058</td> </tr> <tr> <td>INSURER B : Oak River Insurance Company</td> <td>34630</td> </tr> <tr> <td>INSURER C : Scottsdale Insurance Company</td> <td>41297</td> </tr> <tr> <td>INSURER D : QBE Specialty Ins. Co.</td> <td>11515</td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>			INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Philadelphia Indemnity Ins. Co	18058	INSURER B : Oak River Insurance Company	34630	INSURER C : Scottsdale Insurance Company	41297	INSURER D : QBE Specialty Ins. Co.	11515	INSURER E :		INSURER F :
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INSURER E :																
INSURER F :																
<b>INSURED</b> Wakeland Housing & Development 1230 Columbia Street #950 San Diego, CA 92101	WAKEHOU-01															

**COVERAGES**

CERTIFICATE NUMBER: 1982376761

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			PHPK2295800	6/30/2021	6/30/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2295800	6/30/2021	6/30/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000 <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE			PHUB775500	6/30/2021	6/30/2022	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WAWC216183	9/27/2021	9/27/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Umbrella Liability (2nd Layer)			XLS0119779	6/30/2021	6/30/2022	Ea. Occ./Aggregate 3,000,000
D	Umbrella Liability (3rd layer)			MQSX0000752800	6/30/2021	6/30/2022	Ea. Occ./Aggregate 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Excess/Umbrella policy follows form over underlying policies: General Liability & Employers Liability (additional insured and waiver of subrogation apply when afforded on underlying policies). Premises operations is covered under policy number PHPK2150799.

**CERTIFICATE HOLDER****CANCELLATION**

Levant Senior Cottages, LP  
 6950 Levant Street  
 San Diego CA 92111

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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# INTRODUCTION BRIEF



# TABLE OF CONTENTS

- I. INTRODUCTION
- II. PROJECT EXPERIENCE
- III. AGC TEAM
- IV. INSURANCE, BOND & SAFETY
- V. REFERENCES



# I. INTRODUCTION



# AGC STORY

With over 32 years of leading industry experience, Allgire General Contractors is dedicated to being the best multi-family contractor. AGC has established excellence in both new construction and renovation of existing projects, while committing to provide quality in everything we build at fair and competitive prices. Our team continually seeks to improve our practices by providing innovative solutions to meet our clients' ever-changing needs.

AGC, led by second generation contractor, Grant Allgire, has built a reputation for quality construction and customer satisfaction since 1988. Specializing in multi-family, mixed-use, renovation, and commercial projects, AGC's breadth of capabilities ensures that we are able to meet each of our client's unique needs every time; whether it is a 20-unit mixed-use project or a 300-unit multi-family project. Based in San Diego, our dedicated and committed team, who have spent their careers helping to establish AGC's reputation, are the greatest asset that AGC has acquired over the years. Our team consists of industry professionals with decades of experience and AGC has always emphasized the value that a team member can bring to the organization. AGC strives to empower its team to achieve greatness.

The center of our process is Quality. We make sure that your expectations are the baseline for what we deliver, and what you get in that delivery is an exceptional product. From concept to management to the paint on the walls, AGC exceeds expectations.



## What We Do

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AGC is “Building Your Future” one project at a time. We know what it takes to succeed from concept to completion and we translate that experience into results. Whether you need conceptual budgeting, design assist, pre-construction services, or a builder who can deliver, AGC is your solution.

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**We are more than a general contractor, we are a solution to your needs, and a partner to your business**

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## How We Do It

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The center of our process is Quality. Whether it is your Project Manager, or Superintendent, a specialty subcontractor, or the building itself, Quality is our focus.

We provide General Contracting services focused on the quality you deserve. The success we consistently achieve is a product of our vast experience.

## What You Need

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While we know that a reliable contractor is a prerequisite, we also recognize that the needs of our clients go much further than hammers and nails. We provide the services that you need for your project.

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**Whether it is a  
concept that you  
need help analyzing  
or a project you want  
built, AGC fulfills those  
requirements**

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## What We Have

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- Hundreds of years of combined experience
- Financial stability and security
- Strong bonding capacity
- A Safety Program that has consistently proven effective
- QSP Certified Professionals
- Value engineering based on expertise, not trial and error
- Budgeting for any project, any time
- An Estimating Department that utilizes the latest in digital On Screen Takeoff technology
- A pre-qualified subcontractor base that consistently provides competitive pricing
- A licensed construction lawyer on staff
- Registered AIA Architects on staff
- An AIA Architect who oversees BIM implementation
- Full 3D imaging capabilities
- Direct access to experienced, on-staff, construction consultants
- Proven Live Environment renovation experience
- Quality Control that is setting a standard in our industry



# PROJECT INTEGRATION

## Preconstruction Services:

- Constructability Review
- Value Engineering support
- Budgets/ Estimates:
  - Design Development Budget and Conceptual Budgets as needed
  - Construction Documents, current market pricing leading up to and including contract negotiations

## PRECONSTRUCTION

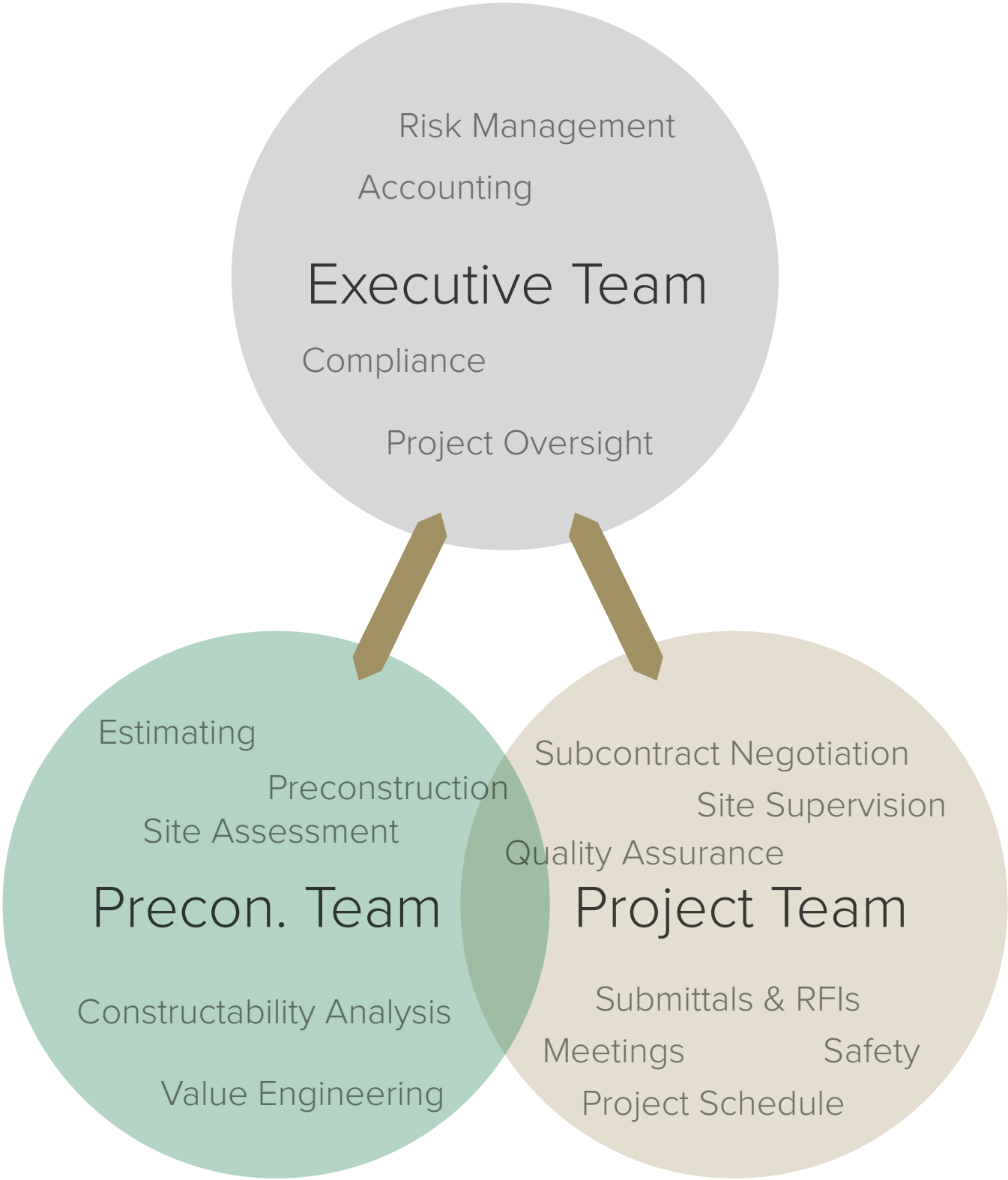
### INTEGRATION

- Project Manager assists in estimating the job
- &
- Estimator coordinates purchasing with the Project Manager / Superintendent

## CONSTRUCTION

### Construction Services:

- Project Management and Coordination
- Project / Corporate Safety
- Purchasing
- Cost Tracking / Forecasting
- ASI, RFI, COR and submittal processing
- Document Control
- Sub-Contractor Management
- Quality Control / Assurance
- Productivity Assurance
- System Startup
- System Turnover Management / Controls



# PROCORE

Procore, which AGC implemented in 2015, is an integral part of our day-to-day operations. The cloud based platform keeps the office and field processes synchronized, coordinated and accessible at all times to all parties involved.

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## PROCORE

A mobile and collaborative all-in-one platform built to streamline construction project management

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### VIEW AND UPLOAD DOCUMENTS FROM THE FIELD

On the road or at the job site, Procore's mobile app gives users constant access to project drawings, RFIs, submittals, directories and shared documents.



ORGANIZED SUBMITTAL PROCESS

Always know the current status of submittals and who needs to take action through a sophisticated distribution workflow. Your team is always in the loop on a submittal status.

**COMMUNICATION**

KEEP EVERYONE ON THE CURRENT SET

All team members are working off of the most recent version and building Real Time As-Builts by annotating and adding notes on the drawings that are linked to RFIs and other documents.

**TRANSPARENCY**

LIVE PROJECT PHOTOS

Progress photos of your project are captured from mobile devices daily and are easily available to all team members. Photos can be linked to daily logs or project drawings by location.

**RELIABILITY**



**EFFICIENCY**

TIMELY RFI MANAGEMENT

Timely and accountable RFI process to ensure all parties involved are on track. RFIs are linked to the related drawings automatically.

**ACCOUNTABILITY**

COMPREHENSIVE DAILY LOG

Team effort to keep track of every detail, including labor, communication, equipment, materials, and job site events every day, supplemented by a weather log automatically logging and archiving daily weather reports and the labor tracking tool that helps manage productivity.

**SPEED**

STREAMLINED CHANGE MANAGEMENT

Integrated platform to ensure that potential cost impacts don't slip through the cracks. ProcCore's streamlined process helps you understand the next step for every single item.

# Allgire Gives Back to Community

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AGC has been building affordable housing for more than 30 years, becoming one of the top contractors and a strong, positive force in the community. With the retirement of founders Rick and Mary Ann Allgire, the company's passionate employees are honoring them and continuing their legacy through the Allgire Foundation, an organization the employees created to give back to the community where they live, build and play. Through their decades of building affordable housing, AGC has observed that residents moving into affordable housing often lack some of the basics needed for a new home: plates, silverware, pots & pans, cleaning supplies, basic hygiene supplies, and so many other needs. The Allgire Foundation is helping fill that void by providing community care packages to residents of these communities. The Foundation will also focus on providing scholarships to people living and working in affordable housing to help create new opportunities for the future.



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**The Allgire Foundation is dedicated to empowering people who are impacted by the lack of affordable housing and changing their lives through advocacy, education and support programs that provide tangible help**

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## Supporting our community in this time of need

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As we are facing unprecedented challenges because of the Coronavirus that are changing daily, the Allgire Foundation has shifted some of its efforts to contribute and help residents of affordable communities that may be in need during this pandemic. This is especially true for seniors who cannot venture out of their homes to stores. As of right now, we are focused on providing needed food supplies and will shift our focus to other essentials as we find these limited items.

Please know that we are taking extra safety precautions putting packages together and during deliveries.





## II. PROJECT EXPERIENCE

# AGC'S PROJECT EXPERIENCE

Year	Units	Project Name	Value	Status	Location	TCAC	Green/LEED	Wage Type	Project Type	New/Rehab	Developer/Architect
2021	3	Leo Ground Floor	\$ 439,540	4/21/2021	San Diego, CA				Multi-Family	New	15th & G, LLC/Stephen Dalton Architects
2021	53	Ivy Senior	\$ 15,432,932	10/31/2021	San Diego, CA	x		PW/Section 3	Senior	New	Wakeland Housing & Development Corp/BNIM
2021	74	Trinity Place	\$ 19,758,777	8/30/2021	San Diego, CA	x		PW/Section 3	Multi-Family	New	Wakeland Housing & Development Corp/Studio E
2020	28	Leo Apartments	\$ 8,933,857	Completed	San Diego, CA				Multi-Family	New	15th & G, LLC/Stephen Dalton Architects
2020	47	West Park	\$ 4,826,803	Completed	San Diego, CA	x		PW/Section 3	Senior	Rehab (Live Environment)	Housing Development Partners/Basis Architecture
2019	10	Living Rooms at Border	\$ 7,493,646	Completed	San Ysidro, CA		x		Multi-Family	New/Rehab (Historic Church)	Casa Familiar/Studio E
2019	225	Montera	\$ 2,510,526	Completed	San Diego, CA				Asst. Living	Rehab (Common Areas)	MBK Senior Living/NOAA Architects
2019	44	Beacon Apartments	\$ 10,475,800	Completed	San Diego, CA	x	x	PW/Section 3	Multi-Family	New	Wakeland Housing & Development Corp/M.W. Steele Group
2018	80	New Palace Hotel	\$ 7,106,690	Completed	San Diego, CA	x		PW/Section 3	Senior	Rehab (Live Environment)	Housing Development Partners/Studio E
2018	91	Nook East Village	\$ 8,546,475	Completed	San Diego, CA			Section 3	Multi-Family	New	Trestle Development/Joseph Wong Design Architects
2018	124	Solana Mar Renovation	\$ 19,127,578	Completed	Solana Beach, CA				Multi-Family	Rehab	Solana Mar, LLC/Howard Anderson Architecture
2018	148	Bella Villaggio	\$ 23,745,423	Completed	Palm Desert, CA				Asst. Living	New	WESTLiving/CB Two Architects
2017	80	Del Oro on Broadway	\$ 19,032,766	Completed	Chula Vista, CA				Multi-Family	New	Broadway, LLC/Studio E
2017	33	Solutions Escondido	\$ 7,019,278	Completed	Escondido, CA	x	x	PW/Section 3	Multi-Family	New	Solutions Escondido Boulevard 33, LP/Foundation for Form
2017	60	Talmadge Gateway	\$ 11,133,085	Completed	San Diego, CA	x	x	PW/Section 3	Senior	New	Wakeland Housing & Development Corp/Studio E
2016	73	Hotel Churchill	\$ 15,779,386	Completed	San Diego, CA		x	PW/Section 3	Multi-Family	Rehab	Housing Development Partners/Studio E
2016	66	Promenade at Creekside	\$ 17,819,428	Completed	San Marcos, CA	x	x	Section 3	Multi-Family	New	Promenade Housing Partners LP/Rodriguez Associates Architecture
2015	156	San Diego Square	\$ 12,087,354	Completed	San Diego, CA	x		Section 3	Multi-Family	Rehab (Live Environment)	Housing Development Partners/Basis Architecture
2015	229	Grande North	\$ 6,266,404	Completed	San Diego, CA				Multi-Family	Rehab (Live Environment)	Grande North Homeowners' Association/Burgess Engineering
2014	76	Navy Village	\$ 15,762,930	Completed	San Pedro, CA	x	x	PW/Section 3	Multi-Family	Rehab	Volunteers of America/Bryant Palmer Soto
2014	80	Citronica Two	\$ 11,622,798	Completed	Lemon Grove, CA	x	x		Senior	New	Hitzke Development/Foundation for Form
2013	22	You Are Here	\$ 2,969,205	Completed	San Diego, CA				Multi-Family	New	You Are Here, LLC/Foundation for Form
2013	54	Knox Glen	\$ 2,285,017	Completed	San Diego, CA	x		Section 3	Multi-Family	Rehab (Live Environment)	Housing Development Partners/Basis Architecture
2012	16	Mason Building	\$ 2,595,196	Completed	San Diego, CA	x		PW/Section 3	Multi-Family	Rehab	Housing Development Partners/Richard Bundy & David Thompson
2012	56	Citronica One	\$ 8,967,671	Completed	Lemon Grove, CA	x	x		Multi-Family	New	Hitzke Development/Foundation for Form
2012	49	Chambers Senior	\$ 7,822,548	Completed	El Cajon, CA	x	x	Section 3	Senior	New	Affirmed Housing Group/Studio E
2011	52	Orange Gardens	\$ 5,259,048	Completed	Poway, CA	x	x	PW/Section 3	Multi-Family	Rehab/New	Affirmed Housing Group/Rodriguez Associates
2011	50	Riverwalk	\$ 7,169,764	Completed	Nestor, CA	x	x		Multi-Family	New	Affirmed Housing Group/Studio E
2010	60	Juniper Sr. Village	\$ 7,665,563	Completed	Escondido, CA	x		PW/Section 3	Senior	New	National Core/Davis Group
2010	60	Hacienda Hills	\$ 2,595,364	Completed	Palm Desert, CA	x			Multi-Family	New	Hitzke Development/Foundation for Form
2010	103	Autumn Terrace	\$ 14,072,222	Completed	San Marcos, CA	x	x	PW/Section 3	Multi-Family	New	Hitzke Development/Foundation for Form
2009	168	Palomar	\$ 4,780,317	Completed	Chula Vista, CA	x		Section 3	Senior	Rehab (Live Environment)	Volunteers of America/Davis Group
2009	275	Studio 15	\$ 24,245,179	Completed	San Diego, CA	x	x	PW/Section 3	Multi-Family	New	Affirmed Housing Group/Carrier Johnson
2009	36	Citron Court	\$ 6,536,075	Completed	Lemon Grove, CA	x		PW/Section 3	Multi-Family	New	Hitzke Development/Foundation for Form
2008	80	La Mision Village	\$ 19,912,954	Completed	Oceanside, CA	x		PW/Section 3	Multi-Family	New	National Core/Davis Group
2008	36	Cape Cod	\$ 588,512	Completed	Oceanside, CA				Senior	Rehab (Live Environment)	National Core/N/A
2007	56	Cassia Heights	\$ 9,783,528	Completed	Carlsbad, CA	x		PW/Section 3	Multi-Family	New	Affirmed Housing Group/Davis Group
2006	50	Creekside Trails	\$ 7,310,270	Completed	San Diego, CA	x			Multi-Family	New	Affirmed Housing Group/Studio E
2005	64	Monte Vista	\$ 6,376,498	Completed	Murrieta, CA	x			Multi-Family	New	Affirmed Housing Group/Davis Group
2005	180	La Costa Greens	\$ 17,863,785	Completed	Carlsbad, CA	x			Multi-Family	New	Community Housing Works/Mercy Housing/Rodriguez & Simon
2004	80	Fallbrook View	\$ 10,610,312	Completed	Fallbrook, CA	x			Multi-Family	New	Community Housing Works/Mercy Housing/Rodriguez & Simon
2003	106	Tesoro Grove	\$ 9,239,299	Completed	Nestor, CA	x			Multi-Family	New	Affirmed Housing Group/Studio E
2003	184	Crescent Heights	\$ 14,784,963	Completed	Murrieta, CA				Multi-Family	New	The MJW Property Group/John Watson
2001	48	Ventaliso	\$ 4,252,254	Completed	San Marcos, CA	x			Multi-Family	New	Affirmed Housing Group/Davis Group
2000	92	Poinsettia Station	\$ 6,121,300	Completed	Carlsbad, CA	x			Multi-Family	New	Bridge Housing Corporation/Studio E
2000	76	Mission Village	\$ 3,681,204	Completed	Temecula, CA	x			Multi-Family	New/Rehab	Affirmed Housing Group/Davis Group
1998	80	Mariposa	\$ 1,841,000	Completed	San Marcos, CA	x			Multi-Family	Rehab	Affirmed Housing Group/Davis Group
1996	190	Terraces	\$ 8,408,000	Completed	Escondido, CA	x			Multi-Family	New	Affirmed Housing Group/Davis Group
1994	36	Las Brisas	\$ 1,100,000	Completed	Solana Beach, CA				Multi-Family	Rehab (Live Environment)	La Brisas Homeowners' Association/N/A
<b>TOTAL</b>	<b>4139</b>	<b>TOTAL</b>	<b>\$ 463,758,524</b>								

# Trinity Place

San Diego, CA

- TYPE OF PROJECT -  
New Construction  
Affordable Housing  
Senior Housing



Client: Wakeland Housing and Development  
Architect: Studio E Architects

## Overview:

This 4-story affordable housing project consists of 74 studio apartments that will provide permanent housing for homeless senior individuals in San Diego. Trinity Place will offer residents on and off-site supportive services that address their needs and help them lead more stable and independent lives. This project has 4 stories of wood-framing over a podium deck with a solar photo-voltaic system and indoor and outdoor residential amenities, including exterior deck, dog park, and fitness room.



# Ivy Senior Apartments

San Diego, CA

CURRENTLY UNDER CONSTRUCTION

- TYPE OF PROJECT -  
New Construction  
Affordable Housing  
Senior Housing



Client: Wakeland Housing & Development  
Architect: BNIM

## Overview:

This 3-story affordable housing project consists of 53 studio apartments that will provide permanent housing for the senior community in San Diego. Ivy Senior Living will offer residents on-site supportive services that address their needs and help them lead more stable and comfortable lives. This project has 3 stories of wood-framing with solar panels & thermal solar system, lobby with parcel lockers and computer stations, community room with a full kitchen and a landscaped courtyard. This project is on schedule to complete in Fall of 2021.



# The Beacon

San Diego, CA

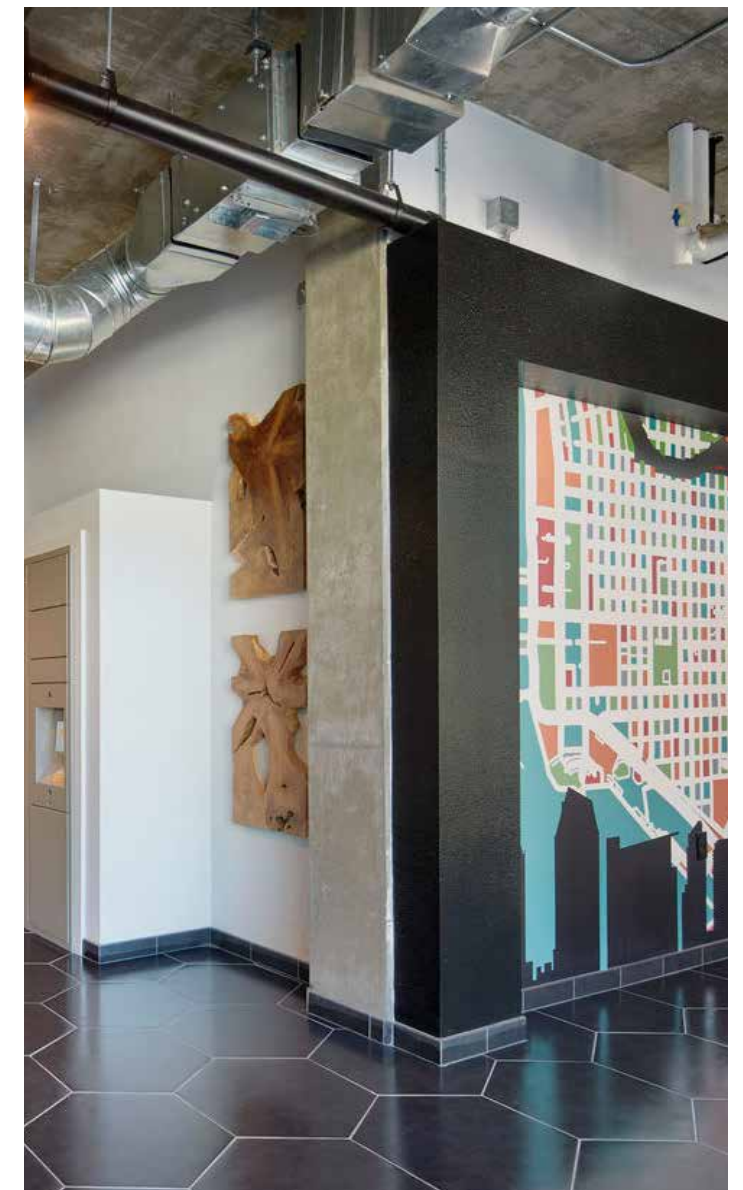
- TYPE OF PROJECT -  
New Construction  
Affordable Housing



Client: Wakeland Housing and Development  
Architect: MW Steele Architects

### Overview:

This 5-story affordable housing project consists of 44 studio apartments that provide permanent housing for homeless individuals in Downtown San Diego. The Beacon offers residents on- and off-site supportive services that address their needs and help them lead more stable and independent lives. This project has 5 stories of wood-framing over podium deck on a tight infill site that includes extensive residential amenities and a challenging bio-retention system.



# Talmadge Gateway

San Diego, CA

- TYPE OF PROJECT -  
New Construction  
Affordable Housing  
Senior Housing



Client: Wakeland Housing and Development  
Architect: Studio E Architects

## Overview:

60 unit affordable senior apartment infill project. Includes podium deck, bio-retention system, extensive residential amenities, tuck-under parking and 1,500 SF of commercial space.



# Living Rooms at the Border

San Ysidro, CA

- TYPE OF PROJECT -  
New Construction  
Affordable Housing



Client: Casa Familiar, Inc.  
Architect: Studio E Architects

## Overview:

Living Rooms at the Border is a 13,469 square-foot mixed-use project in the heart of San Ysidro, in the City of San Diego. Designed by Teddy Cruz, UCSD Professor and Director of Urban Research, over the last 17 years, the unique labor of love project includes 10 units of affordable housing and the restoration of the historic Our Lady of Mount Carmel Church, built in 1927, into a theatre and community space.





# Bella Villaggio

Palm Desert, CA

- TYPE OF PROJECT -  
New Construction  
Senior Housing  
Memory Care



Client: WESTliving  
Architect: CB Two Architects

## Overview:

Two-story, 148 unit senior assisted living facility, including 138,000 square feet over 6.78 acre site. Included challenging infrastructure, large bio-retention system, unique architectural features, and extensive common area amenities.





III. AGC TEAM

# EXECUTIVE TEAM

## Grant Allgire President

Grant's passion for construction started at an early age. Grant continued his passion for construction at the University of Denver, Daniels College of Business, where he graduated with a degree in Construction Management. As part of Grant's calculated and deliberate journey to becoming President of AGC, Grant put in the hard work in all aspects of AGC, from the field to the office. Grant's foundation and desire to lead AGC into the future is based on AGC's success over the last 30+ years and he has now developed his own leadership style, which is based on commitment, vision, and extensive hands-on experience.

## Patrick Early Senior Vice President

Patrick's varied and innovative construction experience positions him to provide detailed and complete estimating. Patrick graduated from Purdue University with a major in Building Construction Management and a minor in Organization Leadership and Supervision. Patrick has worked on numerous projects in the hospitality, commercial and residential industries in various states ranging from small tenant improvement projects to \$40,000,000 projects. Patrick is the lead cost estimator and scheduling expert on all of AGC's Consulting cases where he assists attorneys and clients with resolving litigation cases.

## Scott Silber Executive Vice President

Scott utilizes his nearly 25 years of construction law experience, including over 15 years as a practicing construction law attorney, to minimize and transfer risks for AGC and its clients. As Executive Vice President, Scott oversees contract negotiation, insurance compliance, financial analysis, and overall risk management. Scott also oversees AGC's operations, ranging from Business Development to Compliance to Safety. Scott's unique perspective in construction positions AGC to remain competitive, as well as protected, in this ever-changing economic environment.

## Margo Whitchurch Chief Financial Officer

As CFO, Margo is responsible for all of AGC's financial activities, ranging from budgeting and financial reporting to analysis and forecasting. Margo is always pushing to develop streamlined accounting procedures and to ensure accuracy on all projects, which includes performing detailed project audits and conducting spirited and creative brainstorming meetings with the entire accounting team. As CFO, Margo is a key member of the leadership team, providing her valuable insight on important AGC decisions. Margo graduated from UC Irvine with a BA in Psychology.

# PRECONSTRUCTION

## Wyatt Barrett

Senior Estimator

---

Wyatt began his construction career at the age of four on his father's backhoe. From there, he grew up in the footsteps of a family full of tradesmen and cowboys. With a BS degree in Business Management from San Diego State University, he quickly followed that with a General Contractors license at the age of 24 and later obtained his broker's license. From his ground up building experiences, framing and concrete field work, he quickly adapted those experiences to project management and estimating with AGC over the course of 20 years. Wyatt has completed numerous projects for AGC, including La Mision, Fallbrook View, and Sally Wong. Wyatt values building strong relationships with a reliable group of subcontractors and looks forward to the next amazing project.

## Joe Balestreri

Estimator

---

Joe brings over 15 years of construction related experience with him to his job as Estimator and Project Manager with AGC. Starting at a young age working with his dad in the garage, Joe has always worked with his hands, which he utilized in various construction roles, allowing him to develop a comprehensive understanding of the entire building process. A licensed General Contractor, Joe graduated from Bowling Green State University with a BA in Fine Arts. Joe is a highly versatile manager who is always looking to tackle the next challenge.

---

AGC's greatest asset is the dedicated and committed employees who have established our reputation for quality construction and customer satisfaction. AGC's team is built of industry professionals with decades of combined experience across the residential, multi-family, mixed-use, renovation and commercial markets. Our field staff form the backbone of every project we undertake, efficiently and effectively completing quality projects on time and on budget.

---

# CONSTRUCTION TEAM

## Mike Silvett

### Senior Project Manager

Mike has been a project manager on numerous projects over his long tenure with AGC. Mike has an uncanny ability to connect with owners, construction managers, design professionals, subcontractors, and the entire AGC team, leading to repeated successes. Mike stays intimately involved in plan and specification review, value engineering, buy-out, contract administration, meeting agendas/minutes, scheduling, change orders, pay applications, and construction. Mike's list of successful AGC projects is long and includes both complex renovation projects such as Navy Village, San Diego Square, and Solana Mar, as well as difficult new construction projects such as Citronica 1 and 2, Talmadge and Beacon.

## Joon Kim

### Project Manager

Joon previously worked with several architectural firms and brings his design experience to the construction team, assisting with all phases of construction. Joon also is involved with pre-construction operations, including clash detection and 3D modeling. As a Project Manager, Joon has successfully completed difficult projects for AGC, including Bella Villaggio and Living Rooms at the Border. Joon graduated from Cornell University with a BA in Architecture and is a licensed Architect in California.

## Contact Information

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Patrick Early | [pearly@allgire.com](mailto:pearly@allgire.com)  
Margo Whitchurch | [mwhitchurch@allgire.com](mailto:mwhitchurch@allgire.com)

Wyatt Barrett | [wbarrett@allgire.com](mailto:wbarrett@allgire.com)  
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Mike Silvett | [mike@allgire.com](mailto:mike@allgire.com)  
Joon Kim | [jkim@allgire.com](mailto:jkim@allgire.com)



# BOND & INSURANCE

Construction Services Group



November 2, 2021

**Re: Allgire General Contractors, Inc.**

To Whom It May Concern:

SureTec Insurance Company considers Allgire General Contractors, Inc. to be among our preferred contractor clients. They have a reputation for integrity and quality of workmanship, along with timely completion of projects. We stand ready to provide surety support to Allgire General Contractors, Inc. on individual projects ranging up to \$35,000,000 and aggregate capacity of \$70 million.

SureTec Insurance Company is rated by A.M. Best as "A"( Excellent) and "XV" financial size. SureTec Insurance Company is admitted to conduct Surety business in all 50 states throughout the United States.

As is customary, final approval of any bond is predicated upon our underwriting evaluation at the time of the request. The evaluation includes, but is not limited to, current financial information, receipt and review of contract terms and conditions and bond forms that are acceptable to SureTec Insurance Company, adequate financing, as well as other underwriting conditions, which may exist at the time of the request. Any request for bonds is a matter between Allgire General Contractors, Inc. and ourselves and we assume no liability to any party if for any reason we do not execute said bonds which may arise solely from this letter of recommendation.

If you have any questions, please don't hesitate to call Dale Harshaw at (619) 871-2702.

Sincerely,  
SureTec Insurance Company

  
Tara Bacon  
Attorney-in-Fact

**ACKNOWLEDGMENT**

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


State of California  
County of San Diego )

On November 2, 2021 before me, Minna Huovila, Notary Public  
(insert name and title of the officer)

personally appeared Tara Bacon  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(Seal)





# JOINT LIMITED POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That SureTec Insurance Company, a Corporation duly organized and existing under the laws of the State of Texas and having its principal office in the County of Harris, Texas and Markel Insurance Company (the "Company"), a corporation duly organized and existing under the laws of the state of Illinois, and having its principal administrative office in Glen Allen, Virginia, does by these presents make, constitute and appoint:

**Lawrence F. McMahon, Janice Martin, Sarah Myers, Dale G. Harshaw,  
John R. Qualin, Geoffrey Shelton, Tara Bacon, Minna Huovila, Maria Hallmark**

Their true and lawful agent(s) and attorney(s) in fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on their own behalf, individually as a surety or jointly, as co-sureties, and as their act and deed any and all bonds and other undertaking in suretyship provided; however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

**Fifty Million and 00/100 Dollars (\$50,000,000.00)**

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolutions adopted by the Board of Directors of SureTec Insurance Company and Markel Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the SureTec Insurance Company and Markel Insurance Company, as the case may be, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

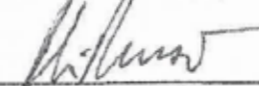
IN WITNESS WHEREOF, Markel Insurance Company and SureTec Insurance Company have caused their official seal to be hereunto affixed and these presents to be signed by their duly authorized officers on the 2nd day of June, 2021.

SureTec Insurance Company

By:   
Michael C. Keimig, President



Markel Insurance Company

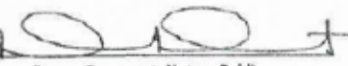
By:   
Robin Russo, Senior Vice President

Commonwealth of Virginia  
County of Henrico SS:

On this 2nd day of June, 2021 A. D., before me, a Notary Public of the Commonwealth of Virginia, in and for the County of Henrico, duly commissioned and qualified, came THE ABOVE OFFICERS OF THE COMPANIES, to me personally known to be the individuals and officers described in, who executed the preceding instrument, and they acknowledged the execution of same, and being by me duly sworn, disposed and said that they are the officers of the said companies aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and the said Corporate Seals and their signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of the said companies, and that Resolutions adopted by the Board of Directors of said Companies referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my official Seal of the County of Henrico, the day and year first above written.



By:   
Donna Donavant, Notary Public  
My commission expires 1/31/2023

We, the undersigned Officers of SureTec Insurance Company and Markel Insurance Company do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been rescinded.

IN WITNESS WHEREOF, we have hereunto set our hands, and affixed the Seals of said Companies, on the 2nd day of November, 2021.

SureTec Insurance Company  
By:   
M. Brent Beatty, Assistant Secretary

Markel Insurance Company  
By:   
Richard R. Grinnan, Vice President and Secretary

Any Instrument Issued in excess of the penalty stated above is totally void and without any validity. 510007  
For verification of the authority of this Power you may call (713)812-0800 on any business day between 8:30 AM and 5:00 PM CST.



ALGIGEN-01

TWANG

**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
7/9/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0C36861 San Diego-Alliant Insurance Services, Inc. 701 B St 6th Fl San Diego, CA 92101	CONTACT NAME: <b>Robin Hamilton</b> PHONE (A/C, No, Ext): <b>(951) 225-2578</b> FAX (A/C, No): E-MAIL ADDRESS: <b>Robin.Hamilton@alliant.com</b>
INSURED	INSURER(S) AFFORDING COVERAGE NAIC #
Allgire General Contractors, Inc. 3278 Grey Hawk Court Carlsbad, CA 92010	INSURER A : <b>Navigators Specialty Insurance Company</b> <b>36056</b>
	INSURER B : <b>West American Insurance Company</b> <b>44393</b>
	INSURER C : <b>Houston Casualty Company</b> <b>42374</b>
	INSURER D : <b>Everest Premier Insurance Company</b> <b>16045</b>
	INSURER E : <b>Great American E &amp; S Insurance Company</b> <b>37532</b>
	INSURER F :

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			SF21CGL018431C	7/1/2021	7/1/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPI/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			BAW2259935589	7/1/2021	7/1/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED. RETENTION \$			H21XC50085-09	7/1/2021	7/1/2022	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N <input type="checkbox"/> N/A If yes, describe under DESCRIPTION OF OPERATIONS below			76000009443211	7/1/2021	7/1/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
E	Prof Liab			PCM 211134711	7/1/2021	7/1/2022	Per Occurrence/Aggre 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Additional Insured, Primary and Non-Contributory and Waiver of Subrogation will only be provided if required by written contract. See forms attached.  
 Pollution Coverage: Limit \$1,000,000 each pollution condition/\$2,000,000 Aggregate with \$25,000 SIR  
 2nd Layer Excess: Carrier - Navigators Specialty Insurance Company  
 SF21EXCZ05JY0IC Term: 07/01/21-07/01/22 - Limit \$5,000,000 Aggregate \$5,000,000  
 (See Attached Descriptions)  
 SEE ATTACHED ACORD 101

CERTIFICATE HOLDER  Allgire General Contractors, Inc. 3278 Gray Hawk Court Carlsbad, CA 92010	CANCELLATION  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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AGENCY CUSTOMER ID: **ALGIGEN-01**

**TWANG**

LOC #: 1

**ADDITIONAL REMARKS SCHEDULE**

Page 1 of 1

AGENCY <b>San Diego-Alliant Insurance Services, Inc.</b>		License # <b>0C36861</b>	NAMED INSURED <b>Allgire General Contractors, Inc.</b> 3278 Grey Hawk Court Carlsbad, CA 92010
POLICY NUMBER <b>SEE PAGE 1</b>			
CARRIER <b>SEE PAGE 1</b>	NAIC CODE <b>SEE P 1</b>	EFFECTIVE DATE: <b>SEE PAGE 1</b>	

**ADDITIONAL REMARKS**

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,**  
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

Description of Operations/Locations/Vehicles:  
Third Layer Excess: Carrier - Endurance American Insurance Co.  
ELD30001790701 Term: 07/01/21-07/01/22 - Limit \$10,000,000 Aggregate \$10,000,000  
Installation Coverage: Carrier - Ohio Security Insurance Company: 24074, Policy No.  
BKS2259935589 Term: 07/01/21-07/01/22 - Limit: \$100,000 Ded: \$1,000

This certificate has been issued as Evidence of Insurance Coverage only and is not to be reproduced.

# EMR HISTORY



Alliant Insurance Services, Inc.  
701 B Street 6<sup>th</sup> floor  
San Diego, CA 92101

P (619) 238-1828  
CA License No. 0C36861  
[alliant.com](http://alliant.com)

3/26/2021

RE: Allgire General Contractors, Inc. - EMR History

To Whom This May Concern,

This letter is written to serve as confirmation of Allgire General Contractors' Experience Modifier Rating history for the last 5 years. Please see below:

- 2020 = .81
- 2019 = .79
- 2018 = .76
- 2017 = .75
- 2016 = .72

If you have any questions or need further information, please feel free to contact me at your convenience.

Thank you,

*Manny Vargas*

Manny Vargas, CLCS  
Claims & Risk Solutions  
Workers' Compensation Claims Consultant  
Alliant Americas  
D (619) 226-9665  
E [manuel.vargas@alliant.com](mailto:manuel.vargas@alliant.com)



RE: 2021 Experience Rating Projection

Dear Scott,

The Experience Rating Modifier (ex-mod), which is expressed as a percentage, compares the loss or claims history of one company to all other companies in the same industry that are similar in size. The current calculation will include loss and payroll data from the 2017, 2018, and 2019 policy years.

Based on the information above, we are projecting 2021 experience modifier rating at 82%. This is a 1-pt increase from your prior rating of 81% in 2020.

The calculation did not include any losses and the prior rating did not have any losses that fell out either. The reason for the increase is due to the change in payroll used in the calculation. The 2016-policy fell out of the rating with \$2,316,658 in payroll while the 2019-policy is going in for the first time with \$2,097,222. This decrease of \$219,436 in payroll used in the calculation is what caused the 1-point increase in the ex-mod rating.

Despite the minor increase, this marks the seventh consecutive year that Allgire has achieved an experience rating under 100%! This remarkable streak is a result of remaining loss free, which truly demonstrates your dedication to safety.

Once the ex-mod publishes, we will revise for errors and keep you apprised of the rating. If you have any questions or need further information, please feel free to contact me at your convenience.

Sincerely,

**Manny Vargas, CLCS**  
**Claims & Risk Solutions**  
**Workers' Compensation Claims Consultant**  
Alliant Americas  
D (619) 226-9665  
E [manuel.vargas@alliant.com](mailto:manuel.vargas@alliant.com)  
[www.alliant.com](http://www.alliant.com)



Alliant Insurance Services, Inc.  
CA License No. 0C36861

# V. REFERENCES



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**Ginger Hitzke**  
President

**Hitzke Development Corporation**  
P.O. Box 1700  
Temecula, CA 92593  
Phone: 760-798-9809  
[www.hitzkedevlopment.com](http://www.hitzkedevlopment.com)

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**Chris Tatum**  
Principal

**Tatum Consulting & Management, LLC**  
26382 Via Conchita  
Mission Viejo, CA 92691  
Phone: 949-609-9445  
[www.tatumconsult.com](http://www.tatumconsult.com)

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**Peter Armstrong**  
Vice President, Real Estate Development

**Wakeland Housing and Development Corporation**  
1230 Columbia St., Suite 950  
San Diego, CA 92101  
Phone: 619-677-2300  
[www.wakelandhdc.com](http://www.wakelandhdc.com)

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