



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: January 12, 2023

HCR23-009

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

COUNCIL DISTRICT(S): 2

ORIGINATING DEPARTMENT: Real Estate Division

CONTACT/PHONE NUMBER: Jennifer Kreutter (619) 578-7709

#### REQUESTED ACTION:

Take the initial steps to issue up to \$13,000,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds to facilitate the purchase and rehabilitation of a 46-unit affordable housing development at 2835 Clairemont Drive, San Diego, CA 92117. Centrally positioned in the Clairemont neighborhood, Cerro Pueblo will consist of 46 newly renovated units, which include the preservation of 45 units that will remain affordable for 55 years housing for individuals with low income, earning 30 percent to 60 percent of San Diego's Area Median Income, and one unrestricted manager's unit.

#### EXECUTIVE SUMMARY OF KEY FACTORS:

- The Cerro Pueblo development currently has a Housing Assistance Payment (HAP) contract directly with the U.S. Department of Housing and Urban Development (HUD) that is expected to expire within five years. As a result, the property is considered "at risk" of turning market rate per California Tax Credit Allocation Committee (CTCAC) regulations.
- If awarded bonds through the California Debt Limit Allocation Committee (CDLAC), the project will be subject to applicable tax credit and Bond regulatory agreements, which will restrict affordability of 45 units for an additional 55 years.
- The proposed renovation will include both interior unit improvements (such as new flooring, paint, kitchen cabinets, appliances, bathroom fixtures and tubs) and general building upgrades (such as new roofs, upgraded landscaping, parking lot resurfacing, elevator modernization and common area upgrades).
- Several bus stops are within 0.60 miles from the property, with the closes bus stop within 100 feet.
- The developer is RAHD Group LLC, a combination of real estate professionals with more than 60 years of combined experience that own more than 1,500 units, have developed over 8,000 units and have completed more than 130 affordable housing transactions.
- The total development cost is estimated at \$17,412,081 (\$378,524/unit).
- No Housing Commission loan funds are proposed for Cerro Pueblo.
- If the Housing Commission Board approves the staff-recommended actions, staff will apply for a necessary Bond allocation approval from CDLAC and tax credits approval from CTCAC.
- Staff recommends that the Housing Commission Board take the initial steps to issue up to \$13 million in tax-exempt Multifamily Housing Revenue Bonds and hold an IRS-required Tax Equity and Fiscal Responsibility Act hearing.



## REPORT

**DATE ISSUED:** January 6, 2023

**REPORT NO:** HCR23-009

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of January 12, 2023

**SUBJECT:** Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for Cerro Pueblo

**COUNCIL DISTRICT:** 2

*Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) hearings are scheduled to be heard by the San Diego Housing Commission (Housing Commission) Board of Commissioners on January 12, 2023, at 9 a.m. Any two members of the Housing Authority of the City of San Diego (Housing Authority) or San Diego City Council (City Council) may request that these hearings not take place and instead be heard by the Housing Authority and City Council by giving notice to the Housing Commission's President & Chief Executive Officer, or designee, within seven days of the date of this notice.*

### **REQUESTED ACTION**

Take the initial steps to issue up to \$13,000,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds to facilitate the purchase and rehabilitation of a 46-unit affordable housing development at 2835 Clairemont Drive, San Diego, CA 92117. Centrally positioned in the Clairemont neighborhood, Cerro Pueblo will consist of 46 newly renovated units, which include the preservation of 45 units that will remain affordable for 55 years housing for individuals with low income, earning 30 percent to 60 percent of San Diego's Area Median Income, and one unrestricted manager's unit.

### **STAFF RECOMMENDATION**

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

- 1) Approve the following steps to issue up to \$13,000,000 in Housing Authority of the City of San Diego (Housing Authority) tax-exempt Multifamily Housing Revenue Bonds to facilitate Cerro Pueblo Housing Partners, LP's rehabilitation and preservation of the Cerro Pueblo Apartments at 2835 Clairemont Drive, San Diego, CA 92117. Centrally positioned in the Clairemont neighborhood, Cerro Pueblo will consist of 46 newly renovated units, which includes 45 units that will remain affordable for 55 years for low-income individuals with low income, earning 30 percent to 60 percent of San Diego's Area Median Income (AMI), and one unrestricted manager's unit:

- a) Issue a bond inducement resolution (Declaration of Official Intent) for up to \$13,000,000 in tax-exempt Multifamily Housing Revenue Bonds supporting the rehabilitation of Cerro Pueblo by Cerro Pueblo Housing Partners, LP;
  - b) Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$13,000,000 for Cerro Pueblo; and
  - c) Approve the financing team of Orrick, Herrington & Sutcliffe LLP as the Bond Counsel and CSG Advisors as the Financial Advisor.
- 2) Authorize the Housing Commission’s President and Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.
- 3) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$13,000,000 to facilitate the purchase and rehabilitation of Cerro Pueblo.

## **SUMMARY**

**Table 1 – Development Details**

Address	2835 Clairemont Drive, San Diego, CA 92117
Council District	Council District 2
Community Plan Area	Clairemont Mesa Community Plan
Developer	RAHD Group LLC
Development Type	Acquisition & Rehabilitation
Construction Type	Type V, one 2-story building and two 1-story buildings
Parking Type	Surface (17 parking spaces)
Mass Transit	There are several bus stops within 0.60 miles. The closest (Stop ID 94094) is 100 feet away at Clairemont Drive and Hartford Court.
Housing Type	Individuals with low income
Accessibility	Wheelchair accessibility in 10 percent of the units, and 4 percent of the units accessible to residents with visual and/or hearing impairment.
Lot Size	1.64 Acres
Units	45 affordable units; 1 unrestricted manager’s unit
Density	27.44 units per acres
Unit Mix	46 one-bedroom units @ 520 square feet

Gross Building Area	37,326 square feet
Net Rentable Area	25,300 square feet
Project Based Housing Vouchers (PBV)	N/A
Affordable Units in Service by Council District	Council District 2 includes 1,760 affordable rental housing units currently in service, which represents 7 percent of the 24,899 affordable rental housing units in service citywide.

### The Development

Cerro Pueblo is a 46-unit, acquisition and rehabilitation project, located in the Clairemont Mesa Community Plan Area of San Diego. The Cerro Pueblo development currently has a Housing Assistance Payment (HAP) contract directly with U.S. Department of Housing and Urban Development (HUD) that is expected to expire within five years. As a result, the property is considered “at risk” of turning market rate per the California Tax Credit Allocation Committee’s (CTCAC) regulations. If awarded bonds through CDLAC, the project will be subject to applicable tax credit and Bond regulatory agreements, which will restrict affordability of 45 units for an additional 55 years. The 1.64-acre development’s proposed renovation will include both interior unit improvements and general building upgrades. Interior unit renovations will include new flooring, paint, kitchen cabinets, countertops, appliances, bathroom fixtures, tubs, sinks and vanities. Building upgrades will include new roofs, upgraded landscaping, parking lot resurfacing, laundry room upgrades, common area upgrades (including a recreation room with kitchen, seating, flat screen TV and restrooms), elevator modernization, site-wide lighting, paint and fire system upgrades.

Senior tenants will benefit from the proposed grab bars in the bathroom, wheelchair access to the main entrance and leading to the parking area, security access, services provided by the nonprofit partner Catholic Charities, and 17 parking spaces in the open, on-grade lot.

Cerro Pueblo consists of one two-story building and two one-story buildings. It is a type V wood-frame building with a concrete slab-on-grade foundation. The 46-unit affordable development will consist completely of one-bedroom units, along with associated common areas, parking and landscape improvements.

Situated east of interstate 5, Clairemont is a neighborhood centrally located in San Diego, California. Clairemont is included in the Clairemont Mesa Community Planning Area. The site is near several bus stops, a grocery store, a health clinic, the Western Hills Park and the Clairemont Branch library. A site map is at Attachment 1.

### Services

Catholic Charities Diocese of San Diego (CCDSD) has been providing various services in the San Diego community for over 100 years. The classes and activities provided by CCDSD foster residents'

physical and mental well-being. Examples of the on-site social services provided free of charge to the residents of Cerro Pueblo by CCDSD may include the below listed services; however, the actual services offered will be determined after a complete survey and evaluation of the resident population is performed:

Examples of assistance Service Coordinators provide:

- Access to healthcare and mental health services
- Household skills
- Housing retention
- In-home and long-term care planning
- Translation/interpretation
- Conflict resolution
- Accessing food and nutrition
- Accessing legal services
- Financial management and planning

Examples of programs for which benefit service specialists help residents apply:

- CalFresh
- Medicare Savings Program
- Medi-Cal

CCDSD also provides health and wellness classes, primarily in English and Spanish. Monthly schedules are shared with residents in advance.

Examples of activities include:

- Gentle Yoga
- Beading
- Language class

Prevailing Wages

The proposed development is not subject to payment of California State nor federal prevailing wages because the developer is not proposing to use either California State or federal financing that requires prevailing wages.

Appraisal

Citi Community Capital obtained a third-party appraisal of the subject property. Cressner & Associates performed the appraisal with an effective date of October 25, 2022. This third-party appraisal valued the property using three different scenarios, which created three different values. The first value of \$9,000,000 is a simple “as-is” evaluation. The second scenario, with a value of

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\$11,420,000, assumed current U.S. Department of Housing and Urban Development (HUD) contract rents, ground payment rent payment and 100 percent property tax exemption. The third valuation of \$16,710,000 assumed all previously identified factors with the addition of mark-to-market HUD rents.

#### Relocation

No resident of Cerro Pueblo will be permanently displaced due to this rehabilitation. Preliminary Relocation Plans confirm residents will be temporarily relocated during the rehabilitation of their unit for a period of approximately two weeks. During this time, all residents will have arrangements made for a nearby hotel at no cost or will be given a stipend in lieu of the hotel, if they prefer to make their own arrangements. Residents will also receive a meal stipend to ensure that they have no out-of-pocket costs. Prior to CDLAC application, a comprehensive final Relocation Plan will be finalized in accordance with CTCAC Regulation 10322(H)(28). The developer intends that the temporary relocation will comply with all local, state and federal relocation laws, including the Federal Uniform Relocation Act.

#### Accessibility

The California Tax Credit Allocation Committee (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 Cerro Pueblo units will be accessible in accordance with the Americans with Disabilities Act.

#### Project Sustainability

Cerro Pueblo will be renovated in conformance with CTCAC minimum energy efficiency standards. The development's features will include Energy Star-rated efficient appliances and a solar component for the common area's electrical load. Water efficiency and conservation has been incorporated into the development's design, including low-flow fixtures and drought-resistant landscaping.

#### Development Team

During the tax credit compliance period, Cerro Pueblo will be owned by Cerro Pueblo Housing Partners, LP, a California limited partnership (a single-asset limited partnership), which will have Cerro Pueblo Housing LLC as the Managing General Partner and Cerro Pueblo Housing Management LLC as the Administrative General Partner. Additionally, DAL Development, LLC, Sinergia Housing, LLC and C&C Development Group LLC (The RAHD Group) hold an indirect interest in the borrower. The tax credit limited partner has yet to be selected (Attachment 2 – Organization Chart).

The developer, RAHD Group, LLC, is a combination of real estate professionals with more than 60 years of combined experience that own more than 1,500 units, have developed over 8,000 units and have completed over 130 affordable housing transactions.

**Table 2 - Development Team Summary**

<b>ROLE</b>	<b>FIRM/CONTACT</b>
Developer	RAHD Group, LLC
Owner/Borrower	Cerro Pueblo Housing Partners, LP
Managing General Partner	Cerro Pueblo Housing LLC
Administrative General Partner	Cerro Pueblo Housing Management LLC
Tax Credit Investor Limited Partner	To be determined
Architect	To be determined
General Contractor	To be determined
Property Management	Royal Property Management
Construction and Permanent Lender	Citi Bank
Tenant Services Providers	Catholic Charities

Property Management

Cerro Pueblo will be managed by Royal Property Management Group. Royal Property Management Group was established in 1995 and manages 2,861 units across 22 communities. Royal Property Management Group performs lease-ups on new construction as well as tax credit acquisition rehabilitation properties.

**FINANCING STRUCTURE**

Cerro Pueblo has an estimated total development cost of \$17,412,081 (\$378,524/unit).

Financing will include a combination of sources as described in Table 3. The developer's pro forma is included as Attachment 3 and summarized below. No Housing Commission cash loan funds are proposed for Cerro Pueblo.

**Table 3 – Estimated Sources and Uses of Financing**

<b>Financing Sources</b>	<b>Amount</b>	<b>Financing Uses</b>	<b>Amount</b>	<b>Per Unit</b>
Bond financed permanent loan	\$11,000,000	Acquisition & closing costs	\$ 8,845,000	\$192,283
Deferred developer's fee	160,795	Renovation cost	4,600,000	100,000
Four percent tax credit equity	6,251,286	Financing costs	365,000	7,935
		Other soft costs	1,316,331	28,615
		Replacement reserves	155,000	3,369
		Developer's fee	2,130,750	46,322
<b>Total Sources</b>	<b>\$17,412,081</b>	<b>Total Uses</b>	<b>\$17,412,081</b>	<b>\$378,524</b>

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#### Developer Fee

\$2,130,750 - gross developer fee

- 160,795 - minus deferred developer's fee

\$ 1,969,955 - net cash developer's 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 bond issuances. Attachment 1 to that report stated: "Developer Fee [for] 4% tax credits, in project costs: 15% eligible basis...." The proposed developer's fee complies with the HAR 17-011 "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, which were used to evaluate the proposed development. The key performance indicators listed in Table 4 are commonly used by real estate industry professionals and affordable housing developers.

**Table 4 – Key Performance Indicators**

Development Cost Per Unit	$\$17,412,081 \div 46 \text{ (Units)} =$	\$378,524
Housing Commission Subsidy Per Unit	--	\$0
Acquisition Cost Per Unit	$\$8,845,000 \div 46 \text{ (Units)} =$	\$192,283
Gross Building Square Foot Hard Cost	$\$4,600,000 \div 37,326 \text{ sq. ft.} =$	\$123
Net Rentable Square Foot Hard Cost	$\$4,600,000 \div 25,300 \text{ sq. ft.} =$	\$182

#### 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 / rehabilitation, target population, and construction type and are provided as a comparison to the subject development.

**Table 5 – Comparable Development Projects**

Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
<b>Cerro Pueblo</b>	<b>2023</b>	<b>46</b>	<b>\$17,412,081 (w/o prevailing wage)</b>	<b>\$378,524</b>	<b>\$0</b>	<b>\$123</b>
New Palace	2017	80	\$21,804,349 (with prev. wage)	\$272,555	\$38,750	\$230
Zephyr	2019	85	\$27,225,500 (with prev. wage)	\$320,300	\$35,294	\$180

**TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS**

The Housing Commission utilizes the Housing Authority's tax-exempt borrowing status to pass on lower interest rate financing (and make 4 percent low-income housing tax credits available) to developers of affordable rental housing. The Housing Authority's ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first submit an application to CDLAC for a bond allocation. Prior to submitting applications to CDLAC, developments are brought before the Housing Commission. Housing Commission bond inducement resolutions must be obtained prior to application submittal, and Housing Authority TEFRA resolutions must be secured by the time of project closing. These actions do not obligate the Housing Authority to issue bonds.

The Housing Commission Board of Commissioners 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).

The developer plans to submit a bond allocation application to CDLAC on May 23, 2023, for an August 23, 2023, bond allocation meeting (dates are subject to change at CDLAC's discretion). However, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the proposed development.

The developer will be seeking a CDLAC bond allocation of approximately \$13,000,000 in tax-exempt Multifamily Housing Revenue Bonds. The developer proposes to have the Housing Authority issue the bonds through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego's (City) ordinance on bond disclosure. The developer proposes that the bonds will be used to provide construction and permanent financing for the project. Housing Commission staff will later return to both the Housing Commission and Housing Authority for

approval of the final bonds and transaction documents. A general description of the Multifamily Housing Revenue Bond Program and actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 4.

Staff recommends assigning Orrick, Herrington & Sutcliffe LLP as Bond Counsel and CSG Advisors as Bond Financial Advisor to work on the development. The proposed bond financing team members have been selected in accordance with the existing policy for the issuance of bonds. Financial Advisors and Bond Counsels are selected in accordance with the Housing Commission's Bond Program Policy.

## **AFFORDABLE HOUSING IMPACT**

### **Affordability**

The Cerro Pueblo development currently has a HAP contract directly with HUD that is expected to expire within five years. As a result, the property is considered "at risk" of turning market rate per CTCAC's regulations. If awarded bonds through CDLAC, the project will be subject to applicable tax credit and Bond regulatory agreements, which will restrict affordability of 45 units for an additional 55 years. The rent and occupancy restrictions required by CTCAC will be applicable.

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

<b>Unit Type</b>	<b>AMI</b>	<b>Units</b>	<b>CTCAC Gross Rents</b>
One bedroom	30% (Currently \$31,250/year for a two-person household)	5	\$732
One bedroom	50% (Currently \$52,050/year for a two-person household)	9	\$1,220
One bedroom	60% (Currently \$62,460/year for a two-person household)	31	\$1,464
<b>Subtotal One-Bedroom Units</b>	--	<b>45</b>	--
Manager's one bedroom unit	--	<b>1</b>	
<b>Total Units</b>	--	<b>46</b>	--

## **FISCAL CONSIDERATIONS**

The funding sources and uses approved by this proposed action are included in the Fiscal Year (FY) 2023 Housing Commission Budget.

### **Funding sources approved by this action will be as follows**

Bond Issuer Fee – \$13,000,000 X 0.0025 = \$32,500

Total Funding Sources – up to \$32,500

### **Funding uses approved by this action**

Administrative costs - \$32,500

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Total Funding Uses - up to \$32,500

Housing Commission approval of the bond inducement and TEFRA resolutions does not commit the Housing Authority to issue the bonds. The bonds would not constitute a debt of the City. If bonds are ultimately issued for the development, the bonds will not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources of the development. Neither the faith and credit nor the taxing power of the City or the Housing Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission annual administrative fee, as well as Housing Commission Bond Council and Financial Advisor fees.

#### Estimated Development Schedule

The estimated development timeline is as follows.

<b>Milestones</b>	<b>Estimated Dates</b>
<ul style="list-style-type: none"><li>• CDLAC bond &amp; CTCAC tax credit applications</li><li>• CDLAC &amp; CTCAC allocation meetings</li><li>• Housing Commission final bond authorization</li><li>• Housing Authority final bond authorization</li><li>• Estimated Bond issuance and escrow/loan closing</li><li>• Estimated start of construction work</li><li>• Estimated completion of construction work</li></ul>	<ul style="list-style-type: none"><li>• May 23, 2023</li><li>• August 23, 2023</li><li>• November 2023</li><li>• December 2023</li><li>• January 2024</li><li>• January 2024</li><li>• December 2024</li></ul>

#### **EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE**

RAHD's mission is to preserve and enhance affordable housing. In furtherance of that mission, their core values include making their living communities safe, comfortable and inclusive for all their residents. Their specialty and focus involves capitalizing and renovating low-income housing communities by creating partnerships with community-based organizations, working with peoples of diverse backgrounds and providing opportunities to BIPOC professionals and contractors. They have stated that they are constantly evaluating the ways that they are working towards diversity, equity and inclusion within their personal, professional and community domains, including being part of the political, philanthropic and societal efforts aimed at creating greater equity in their workplace and the community.

#### **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**

Cerro Pueblo is scheduled to be presented to the Clairemont Mesa Planning Group on February 21, 2023, prior to the CDLAC Allocation Meeting for Multifamily Housing Revenue Bonds.

**KEY STAKEHOLDERS and PROJECTED IMPACTS**

Stakeholders include RAHD Group LLLC as the developer, the Clairemont Mesa Community Plan Area and the current and future occupants. The development is anticipated to have a positive impact on the community as it will contribute to the quality of the surrounding neighborhood, contribute to a better quality of life for the tenants, and rehabilitate 45 affordable rental homes for low-income individuals.

**ENVIRONMENTAL REVIEW**

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

Respectfully submitted,



Jennifer Kreutter  
Vice President, Multifamily Housing Finance  
Real Estate Division

Approved by,



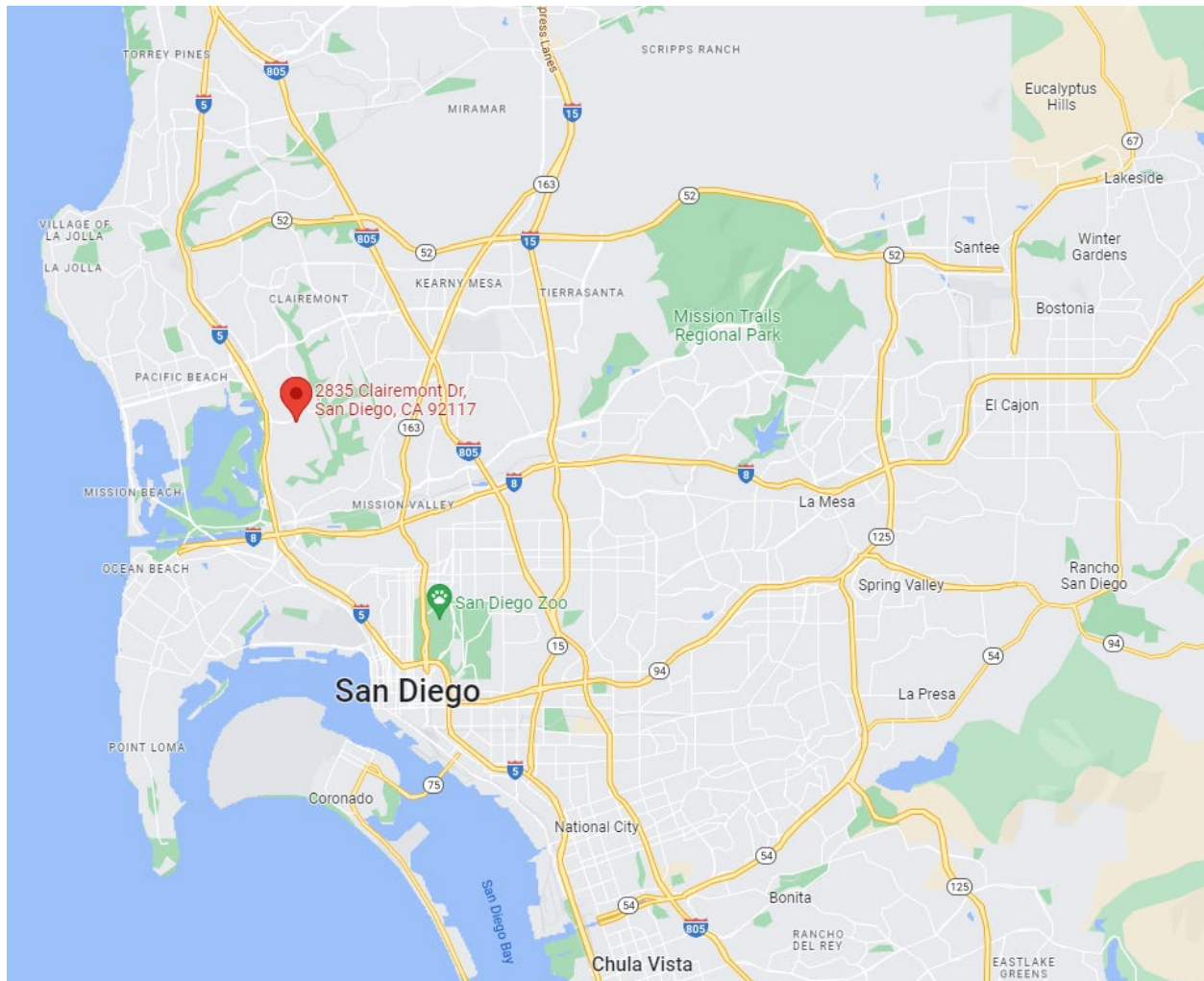
Jeff Davis  
Interim President & Chief Executive Officer  
San Diego Housing Commission

Attachments:

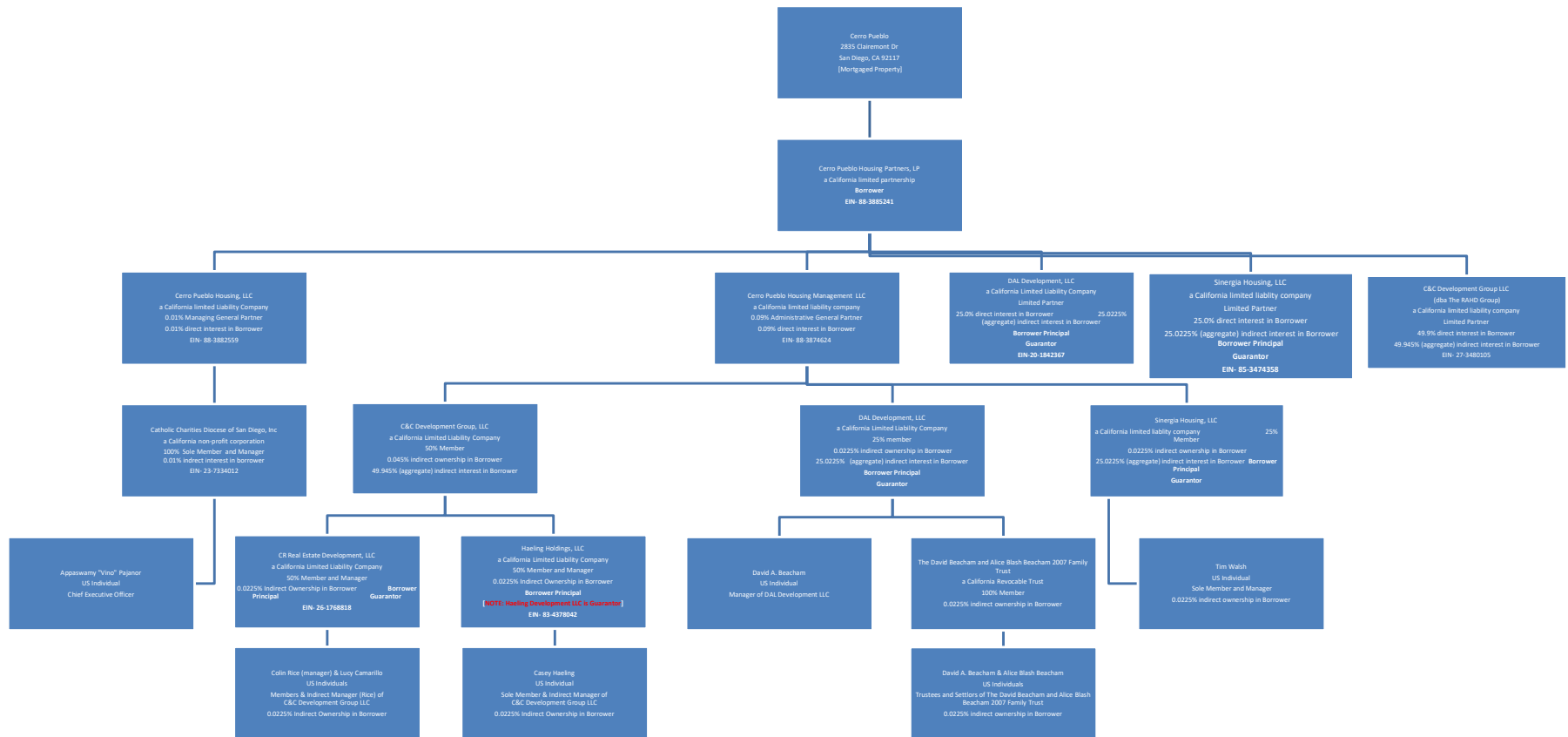
- 1) Site Map
- 2) Organization Chart
- 3) Developer’s Project Pro forma
- 4) Multifamily Housing Revenue Bond Program
- 5) Developer’s Disclosure Statements

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 – SITE MAP



## CERRO PUEBLO ORG CHART



## Cerro Pueblo - 12.5.22

Sources				Per unit	Debt Service
Debt					Month \$ 62,721
Perm Loan #1, 6%-IR, 1.21-DCR, 35 - year amort	11,000,000			239,130	Annual \$ 752,650
Perm Loan #2	-			-	Eligible Basis
Perm Loan #3	-			-	16,185,750
Deferred Developer Fee	160,795			-	DCR
Equity				3,496	1.2050x
Tax Credit Equity @\$0.85 (99.99% of Available Credit)	6,251,286				Non-Deferred Developer Fee
Income During Lease-Up	-			135,898	1,969,955
Additional Equity	-			-	
				-	
<b>Total Sources</b>	<b>17,412,081</b>			<b>378,524</b>	
Uses				Per unit	
Property Acquisition	8,845,000			192,283	
Renovation Costs (including architect, engineer, GC cont. and other renovation costs)	4,600,000			100,000	
Indirect Costs:					
Third Party Reports	75,000			1,630	
Financial Placement	2%	365,000		7,935	
Capitalized Interest		15,000		326	
Accounting Fees		15,000		326	
Legal & Organizational Fees		200,000		4,348	
Relocation Allowance		300,000		6,522	
Initial Deposits to Reserves	50%	591,881		12,867	
Replacement Reserve		155,000		3,370	
Tax Credit Reservation Fees		19,450		423	
Other Fees & Costs		100,000		2,174	
Developer Fee	15%	50%	2,130,750	46,321	
<b>Total Uses</b>	<b>17,412,081</b>			<b>378,524</b>	
TRUE					
Cash Flow					
Gross Rental Income	1,374,300				
Parking & Commercial Income	-				
Other Income, including interest income from reserves	5,000				
Vacancy @ 3%	(41,229)				
Effective Gross Income	1,338,071				CAP Rate
OPEX, including \$300 per unit reserves	(431,112)				10.3%
<b>Net Operating Income</b>	906,959				
Total Debt Service (excluding cash flow-based loans)	(752,650)				
<b>Net Cash Flow (before partnership-level expenses)</b>	154,309				

## **ATTACHMENT 4**

### **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.

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

1. Name of CONTRACTOR: Cerro Pueblo Housing Partners, LP
2. Address and Zip Code: Colin@RAHDGroup.com
3. Telephone Number: 619-750-8580
4. Name of Principal Contact for CONTRACTOR: Colin Rice
5. Federal Identification Number or Social Security Number of CONTRACTOR: 88-3885241
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: Cerro Pueblo Housing Partners, LP  
(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:  
September 23, 2022
8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
  - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
  - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

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

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

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail.
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.  
Will Change with expectation to include Tax-Credit Investor.
11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8 which gives such person or entity more than a computed 10% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR):

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

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

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

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

Name and Address	Relationship to CONTRACTOR
Name: N/A	
Address:	
Name:	
Address:	
Name:	
Address:	

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

N/A New Entity

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:

LIHTC – 6,250,000

SDHC Bonds – 11,000,000

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

- a. In banks/savings and loans:

Name: UBS

Address: 600 West Broadway Ste. 2800

Amount: Average of all accounts held at UBS is \$600,000

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

Name: N/A

Address:

Amount: \$

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

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

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

Name and Address	Contact Name
Name: Citibank	Mike Hemmens
Address: 300 South Grand Avenue, Suite 3110	805-557-0933
Los Angeles, CA 90071	
Name: UBS	Doug Kincart
Address: 600 West Broadway Ste. 2800	619-557-2443
San Diego, CA, 92101	
Name: First Republic Bank	Peter Nguyen
Address: 1200 Prospect Street Suite 125	858-729-1103
La Jolla, CA 92037	

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

☐ Yes ☒ No

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

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

☐ Yes ☒ No

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

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

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
Cathedral Catholic	225 existing HUD and senior units downtown San Diego, purchased for \$50M with tax exempt bonds with low-income housing tax credits	Planned 12/2023	Tax-Exempt bonds of \$65M	N/A
Wesley Terrace	161 existing HUD and senior units San Diego, purchased for \$12M with tax exempt bonds with low-income housing tax credits	Placed in service in 12/2020	Tax-Exempt bonds of \$20M	N/A
Luther Tower	200 existing senior Units downtown San Diego, purchased for \$9M with tax exempt bonds with low-income housing tax credits	Placed in service in 12/2018	Tax-Exempt bonds of \$18.7M	N/A
Escondido Gardens	92 existing HUD and senior units in Escondido, purchased for \$9M with tax exempt bonds with low-income housing tax credits	Placed in service in 12/2019	Tax-Exempt bonds of \$12.5M	N/A

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

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

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

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

☐ Yes ☒ No

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

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

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. (Attach extra sheet if necessary)

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

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

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

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

Awarding Agency	Amount	Date Opened
N/A		

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

N/A

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

☐ Yes

☒ No

If yes, explain:

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

N/A

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

☐ Yes

☒ No

If yes, explain:

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

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

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)] N/A

Check coverage(s) carried:

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

- c. Workers Compensation [Attach certificate of insurance showing the amount of coverage and coverage period(s)]
- d. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)]
- e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]
- f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

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

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

Government Complaint	Entity	Making	Date	Resolution
N/A				

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

☐ Yes ☒ No

If yes, please explain, in detail,

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

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

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

N/A

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

N/A

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

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
N/A			

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

☐ Yes ☒ No

If yes, 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 that would be familiar with your previous construction project:

1. Name: Greg Estep  
Address: 5343 Monroe Ave, San Diego CA, 92115  
Phone: 619.501.2399  
Project Name and Description: Wesley Terrace
2. Name: Juan Vargas  
Address: 333 F Street. Suite A, Chula Vista CA, 91910  
Phone: 619.422.5963  
Project Name and Description: Garden Villas
3. Name: Vino Pajanor  
Address: 3888 Paducah Drive, San Diego CA, 92117  
Phone: 619.323.2841 x1011  
Project Name and Description: Cathedral Plaza

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

**RAHD Group consists of 60+ years of real estate experience through which the partners and staff have had a hand in over \$1B of debt/equity financing, 130 affordable housing transactions totaling over 8,000 units, and ownership of over 1300+ units.**

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

Name	Experience
To Be Determined	

## CERTIFICATION

The CONTRACTOR, Cerro Pueblo Housing Partners, 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: 

By: \_\_\_\_\_

Title: Manager

Title: \_\_\_\_\_

Dated: 12/7/22

Dated: \_\_\_\_\_

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

## JURAT

State of California

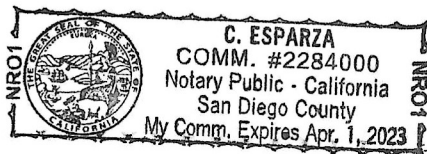
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 7 day of December 20 22

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

  
Signature of Notary

SEAL



## CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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

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

Executed this 7<sup>th</sup> day of December, 20 22, at San Diego, California.

CONTRACTOR

By:  \_\_\_\_\_

Signature

Member of AGP of LP Cerro Pueblo Housing Partners, LP

Title

SAN DIEGO HOUSING COMMISSION

RESOLUTION NUMBER HC-\_\_\_\_\_

DATE OF FINAL PASSAGE \_\_\_\_\_

A RESOLUTION OF THE SAN DIEGO HOUSING COMMISSION  
SETTING FORTH OFFICIAL INTENT FOR THE HOUSING  
AUTHORITY OF THE CITY OF SAN DIEGO TO ISSUE  
MULTIFAMILY HOUSING REVENUE BONDS OR NOTES TO  
FINANCE CERRO PUEBLO APARTMENTS AND  
AUTHORIZING RELATED ACTIONS

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, as amended (Act), the Housing Authority of the City of San Diego (Authority) is authorized to issue revenue bonds or notes for the purpose of financing the acquisition, rehabilitation, and equipping of multifamily affordable rental housing and for the provision of capital improvements in connection with and determined necessary to the multifamily affordable rental housing; and

WHEREAS, Cerro Pueblo Housing Partners, LP, a California limited partnership, or another limited partnership to be formed by RAHD Group, LLC (Borrower) has requested that the Authority issue and sell multifamily housing revenue bonds or notes (Bonds) pursuant to the Act for the purpose of making a loan to the Borrower to finance the acquisition and rehabilitation of a multifamily affordable rental housing development located at 2835 Clairemont Drive, San Diego, California, as more fully identified in Exhibit A hereto (Project); and

WHEREAS, as a part of financing the Project, the Authority desires to reimburse the Borrower, but only from Bond proceeds, for expenditures (Reimbursement Expenditures) made in connection with the Project within the period from the date 60 days prior to the date of adoption of this Resolution to the date of issuance of the Bonds; and

WHEREAS, sections 1.103-8(a)(5) and sections 1.150-2 of the United States Treasury

Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, by its resolution HAR20-043 adopted on March 9, 2021, the Authority has delegated to the San Diego Housing Commission (the “Housing Commission”) authority and responsibility for declaring on behalf of the Authority its intention to authorize the issuance of Bonds for the purpose of financing costs of the Project (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and conditions as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed \$13,000,000 as set forth in Exhibit A; and

WHEREAS, section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (CDLAC) for such allocation, and CDLAC has certain policies that are to be satisfied in connection with any such allocation.

NOW, THEREFORE, BE IT RESOLVED, by the San Diego Housing Commission, as follows:

Section 1.     Findings and Determinations.

(a)     The above recitals, and each of them, are true and correct. The Housing Commission hereby determines that it is necessary and desirable to provide financing to the Borrower for the Project (including reimbursement of the Reimbursement Expenditures) by the Authority's issuance and sale of Bonds pursuant to the Act in an aggregate principal amount not to exceed \$13,000,000, as set forth in Exhibit A, subject to authorization of the issuance of the Bonds by resolution of the Authority at a meeting to be held for such purpose. The expected date of issue of the Bonds is within eighteen (18) months of the later of the date the first Reimbursement Expenditure was made and the first date the Project is placed in service and, in no event, later than three years after the date of the first Reimbursement Expenditure.

(b)     Proceeds of the Bonds to be used to reimburse for Project costs are not expected to be used directly or indirectly to pay debt service with respect to any obligation or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Authority, the Housing Commission or any entity related in any manner to the Authority, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

(c)     As of the date hereof, the Housing Commission has a reasonable expectation that the Authority will issue the Bonds to reimburse Project costs. This Resolution is consistent with the budgetary and financial circumstances of the Authority, as of the date hereof. The Bonds will be repaid solely from proceeds of the Bonds and amounts paid by the Borrower. No other moneys are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Authority (or any related party) pursuant to its budget or financial policies to repay the Bonds.

Section 2.     Declaration of Official Intent. This Resolution is being adopted by the Housing Commission for purposes of establishing compliance with the requirements of sections 1.103-8(a)(5) and 1.150-2 of the Treasury Regulations. In such regard, the Housing Commission, for and on behalf of the Authority hereby declares the official intent to use proceeds of the Bonds to reimburse the Reimbursement Expenditures. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, and nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority, the Housing Commission, the City of San Diego (City) or any officer or agent of the City will grant any such approval, consent or permit that may be required in connection with the acquisition, rehabilitation, equipping and operation of the Project, or that any of the Authority, the Housing Commission or the City will make any expenditure, incur any indebtedness, or proceed with the financing of the Project.

Section 3.     Applications to CDLAC. The staff of the Housing Commission are hereby authorized and directed to apply to CDLAC for an allocation from the state ceiling of private activity bonds to be issued by the Authority for the Project in an amount not to exceed \$13,000,000, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, additional applications to CDLAC (if necessary), and any such actions heretofore taken by such staff are hereby ratified, approved and confirmed.

Section 4.     Approval of Bond Counsel and Financial Advisor. The financing team of Orrick, Herrington & Sutcliffe LLP, as bond counsel (Bond Counsel) and CSG Advisors, as financial advisor, is approved for this Project.

Section 5.     Authority of President & Chief Executive Officer of Housing Commission.

The President & Chief Executive Officer of the Housing Commission, or designee, is hereby authorized to execute all necessary documents, in a form approved by the Housing Commission's General Counsel and/or Bond Counsel, and to perform such acts as are necessary to implement the approvals provided for in this Resolution.

Section 6.     Effective Date.   This Resolution shall take effect immediately upon its adoption.

## EXHIBIT A

### DESCRIPTION OF PROJECT

Name:	Cerro Pueblo Apartments
Location:	2835 Clairemont Drive, San Diego, CA 92117
Number of Units:	46 (including 1 manager unit)
Maximum Bond Amount:	\$13,000,000

The foregoing Resolution is passed and adopted by the San Diego Housing Commission on \_\_\_\_\_, 2023.

By: \_\_\_\_\_  
Jeff Davis, Interim President & Chief  
Executive Officer of the San Diego Housing  
Commission