



EXECUTIVE SUMMARY

MEETING DATE: November 20, 2023

HCR23-128

SUBJECT: Authorization to Accept \$3,900,000 in State of California (State) Homekey Program Funds; to Amend the San Diego Housing Commission's Fiscal Year 2024 Budget in the Amount of \$3,900,000; to Expend \$3,900,000 in State Homekey Program Funds to Support the Proposed Acquisition and Development of Abbott Street Apartments; and to Amend and Restate or Terminate Previous Affordability Restrictions Recorded on the Property

COUNCIL DISTRICT: 2

ORIGINATING DEPARTMENT: Real Estate

CONTACT/PHONE NUMBER: Emily S. Jacobs (619) 578-7423

REQUESTED ACTION:

Authorize the San Diego Housing Commission (Housing Commission) to accept \$3,900,000 in State of California (State) Homekey Program Funds, to amend the Housing Commission's Fiscal Year 2024 budget in the amount of \$3,900,000 and grant authority to expend \$3,900,000 in State Homekey Program funds to support the proposed development of Abbott Street Apartments at 2147 Abbott Street, San Diego, CA 92107 in Council District 2, which will consist of 13 affordable rental housing units for people experiencing chronic homelessness with income up to 30 percent of San Diego's Area Median Income. Also authorize the Housing Commission to amend and restate or terminate previous affordability restrictions recorded on the property.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The Housing Commission and Wakeland Abbott LLC submitted a joint application to the State Department of Housing and Community Development (Department) for grant funds in the amount of \$3,900,000 (Homekey Grant) to partially finance Abbott Street Apartments. The Department accepted the application and awarded the request funds.
- The Abbott Street Apartments development consists of 13 affordable rental housing units for people experiencing chronic homelessness with income up to 30 percent of San Diego's Area Median Income (AMI), currently \$28,950 per year for a one-person household.
- Through a Memorandum of Agreement (MOA) with the County of San Diego Health and Human Services Agency, residents will receive supportive services to support housing stabilization, enhance quality of life, and make connections to community resources,
- The Housing Commission has committed 13 federal Project-Based Housing Vouchers to help pay rent for residents experiencing homelessness.
- The proposed development would eliminate and replace prior Housing Commission affordability restrictions and would consist of 13 affordable rental housing units for households experiencing chronic homelessness with income up to 30 percent of AMI and one office/service space.
- Wakeland Abbott LLC conducted extensive due diligence activities, and a third-party review of the resulting reports revealed no findings that would prevent the recommendation for the Housing Commission to collaborate with Wakeland Abbott LLC on this property.
- On May 12, 2023, the Housing Commission Board voted 4-0 to authorize the Housing Commission to submit the joint application to the Department for grant funds in an amount not to exceed \$5,000,000.
- The estimated total cost for Wakeland Abbott LLC's acquisition and rehabilitation of the property is \$6,830,000 (\$525,385/unit).



REPORT

DATE ISSUED: November 14, 2023

REPORT NO: HCR23-128

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of November 20, 2023

SUBJECT: Authorization to Accept \$3,900,000 in State of California (State) Homekey Program Funds; to Amend the San Diego Housing Commission's Fiscal Year 2024 Budget in the Amount of \$3,900,000; to Expend \$3,900,000 in State Homekey Program Funds to Support the Proposed Acquisition and Development of Abbott Street Apartments; and to Amend and Restate or Terminate Previous Affordability Restrictions Recorded on the Property

COUNCIL DISTRICT: 2

REQUESTED ACTION

Authorize the San Diego Housing Commission (Housing Commission) to accept \$3,900,000 in State of California (State) Homekey Program Funds, to amend the Housing Commission's Fiscal Year 2024 budget in the amount of \$3,900,000 and grant authority to expend \$3,900,000 in State Homekey Program funds to support the proposed development of Abbott Street Apartments at 2147 Abbott Street, San Diego, CA 92107 in Council District 2, which will consist of 13 affordable rental housing units for people experiencing chronic homelessness with income up to 30 percent of San Diego's Area Median Income. Also authorize the Housing Commission to amend and restate or terminate previous affordability restrictions recorded on the property.

STAFF RECOMMENDATION

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

- 1) Authorize the Housing Commission (Housing Commission) to amend its Fiscal Year 2024 budget in the amount of \$3,900,000 in State of California (State) Homekey Program funds to support the proposed development of Abbott Street Apartments at 2147 Abbott Street, San Diego, CA 92107 in Council District 2, which will consist of 13 affordable rental housing units for people experiencing chronic homelessness with income up to 30 percent of San Diego's Area Median Income.
- 2) Authorize the Housing Commission to accept and expend \$3,900,000 in State Homekey Program funds to support the proposed development of Abbott Street Apartments at 2147 Abbott Street, San Diego, CA 92107 in Council District 2, which will consist of 13 affordable rental housing units for people experiencing chronic homelessness with income up to 30 percent of San Diego's Area Median Income.

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- 3) Authorize the Housing Commission's President and Chief Executive Officer (President & CEO), or designee, to amend and restate the Housing Commission's existing restrictions and deed of trust on the Property, so that such restated or replacement restrictions comport to the transaction described in this report.
- 4) Authorize the Housing Commission's President and Chief Executive Officer (President & CEO), or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals. Housing Commission staff will notify the Housing Authority and the City Attorney's Office about any subsequent amendments or modifications to the documents, and other required documents, including amendments to any documents.

SUMMARY

The State Department of Housing and Community Development (Department) issued a Notice of Funding Availability (NOFA), dated March 29, 2023, for the Homekey Program, which continues a statewide effort to sustain and rapidly expand housing for persons experiencing homelessness or at risk of homelessness, and who are, thereby, disproportionately impacted by and at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases. The Department issued the NOFA for Homekey Program grant funds pursuant to Assembly Bill 140 (2021-2022 Regular Session), which provided the statutory basis for Round 3 of the Homekey Program by adding section 50675.1.3 to the California Health and Safety Code.

Through the Homekey Program, the Department is making \$736 million in grant funding available to local public entities, including cities, counties or other local public entities, including housing authorities or federally recognized tribal governments within California. Awarded funds may be used for acquisition or rehabilitation of hotels, apartments, or homes, including manufactured housing, to be converted into permanent or interim housing; conversion of nonresidential properties into residential units; new construction; master leasing of properties for non-congregate housing; purchase of affordability covenants and restrictions for units; relocation costs for individuals being displaced as a result of the Homekey Program project; and capitalized operating subsidies for units purchased, converted, constructed or altered.

The Housing Commission and Wakeland Abbott LLC submitted a joint application to the Department for grant funds in the amount of \$3,900,000 (Homekey Grant) to partially finance Abbott Street Apartments. The Department accepted the application and awarded the request funds.

The Abbott Street Apartments development consists of 13 affordable rental housing units for people experiencing chronic homelessness with income up to 30 percent of San Diego's Area Median Income (AMI), currently \$28,950 per year for a one-person household. It will be constructed and operated in accordance with all applicable laws, rules, regulations and conditions of the Homekey Program, the Standard Agreement, and Project-Based Vouchers (PBV) regulations the Housing Commission has committed to the development. The Department restricts the occupancy and rents of 13 dwelling units in the development as affordable to persons with incomes at or below 30 percent of AMI.

The joint application by the Housing Commission and Wakeland Abbott LLC supports the acquisition and rehabilitation of a currently vacant, multifamily housing property at 2147 Abbott Street, San Diego, CA 92107, in Council District 2. In 1997, the Housing Commission restricted the then 14 units at the

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property to persons with income at or below 80 percent of AMI. The Housing Commission subsequently allowed the property to be reconfigured to provide 10 transitional housing units for victims of domestic violence, with nine units restricted at or below 35 percent of AMI and one unit restricted at or below 50 percent of AMI. The foregoing restrictions further provided that if the property is no longer utilized as transitional housing, the restrictions would revert to 14 units at 80 percent of AMI. The proposed development would eliminate and replace the prior Housing Commission affordability restrictions and would consist of 13 affordable rental housing units for households experiencing chronic homelessness with income up to 30 percent of AMI and one office/service space. The Housing Commission has committed 13 PSH PBVs to help residents pay their rent. Residents would be identified through referrals from the Coordinated Entry System and would include individuals experiencing chronic homelessness. Residents would receive supportive services to support housing stabilization, enhance quality of life and make connections to community resources, including but not limited to, primary health needs, mental and behavioral health needs and other community-based programs to best meet a resident's individual needs.

The County of San Diego has committed \$1,465,000 in one-time capital funds from the County American Rescue Plan Act (ARPA) funds and \$1,661,485 in services funds from the County General Purpose Fund (GPR). Through a Memorandum of Agreement (MOA) with the County of San Diego Health and Human Services Agency, residents will receive supportive services to support housing stabilization, enhance quality of life, and make connections to community resources, including but not limited to, primary health needs, mental and behavioral health needs, and other community-based programs to best meet a resident's individual needs.

The City of San Diego plans to provide the project with a total of \$1,465,000 in HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) funds.

The development aligns with the goals of the Community Action Plan on Homelessness for the City of San Diego to increase access to permanent housing solutions for people experiencing homelessness and increase access to services for people with behavioral health needs.

PREVAILING WAGES

Per Section 506 of the NOFA, the use of Homekey funds is subject to California's prevailing wage law (Lab. Code, § 1720 et seq.) and Wakeland Abbott LLC submitted a certification of compliance with the Homekey application. Further, any contract executed requiring payment of prevailing wages for this project shall include applicable clauses and require contractors to sign and submit the prevailing wage documents prior to the start of work. The payment of prevailing wages has been included in the project budget. The developer proposes to use 13 PSH PBVs, administered by the Housing Commission, which will require the payment of federal Davis-Bacon and Related Acts prevailing wages. The higher of the federal or state prevailing wages will apply.

AFFORDABLE HOUSING IMPACT

The Housing Commission has provided a preliminary award recommendation of 13 PSH PBVs for Abbott Street Apartments for households experiencing chronic homelessness with income up to 30 percent of AMI. Residents will be identified through referrals from the Coordinated Entry System and would include individuals experiencing chronic homelessness. 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

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approved by the Housing Commission. The Housing Assistance Payment provides a rental subsidy for residents of Abbott Street Apartments' 13 voucher-assisted units.

FISCAL CONSIDERATIONS

Homekey Program funds awarded to the Housing Commission were not included in the Housing Commission's Fiscal Year 2024 Housing Authority-approved budget. Approval of this action will increase Fiscal Year 2024 funding sources and uses available by \$3,900,000 to support the proposed acquisition and rehabilitation of 13 affordable rental housing units for people experiencing chronic homelessness.

PREVIOUS HOUSING COMMISSION BOARD OF COMMISSIONERS ACTIONS

On May 12, 2023, the Housing Commission Board voted 4-0 to authorize the Housing Commission to submit a joint application with the County of San Diego to the State of California Department of Housing and Community Development (Department) Homekey Program for grant funds in an amount not to exceed \$5,000,000 in accordance with the March 29, 2023, NOFA for the Homekey Program. The Housing Commission was further authorized to join Wakeland Housing and Development Corporation in entering into, executing and delivering a Standard Agreement with the Department in a total amount not to exceed \$5,000,000 if the grant application was approved and if the Housing Authority subsequently approves the project. (Resolution No. HC-1986).

DUE DILIGENCE

Leading up to the May 12, 2023, Housing Commission Board action and in preparation for the joint application for Homekey funds, Wakeland Abbott LLC conducted extensive due diligence activities as outlined below, and a third-party review of the resulting reports revealed no findings that would prevent the recommendation for the Housing Commission to collaborate with Wakeland Abbott LLC on this property.

- Appraisal dated May 9, 2023. Kinetic Valuation Group, Inc. completed an appraisal of the property's fee simple interest. The market value fee simple interest as existing use is indicated as \$4,700,000 (\$361,538 per unit). This value is higher than the purchase price of \$4,500,000. In addition to the appraisal, the Housing Commission enlisted BTI appraisal to complete a peer review of the KVG appraisal, and the County of San Diego Department of General Services Real Estate Valuation completed an appraisal review. The BTI peer review found the KVG appraisal acceptable, and the County of San Diego review found that the appraisal complied with the Uniform Standards of Professional Appraisal Practice and that the appraiser's analysis of the selected market data were appropriate and produced reasonable results. A copy of the appraisal is attached.
- Physical Needs Assessment dated February 24, 2023, performed by PACS, Inc., to observe and document readily visible building components, existing improvements, materials, and building system defects, which might significantly affect the value of the subject property and determine if conditions exist which may have a significant impact on the continued operation of the facility during the evaluation period. A report has been prepared by PACS, Inc. that summarizes the remaining useful life of the building's components, the existing conditions of the property, the immediate and long-term repairs needed, and estimates for the cost of repairs. The planned rehabilitation of the property will address the items identified in the Physical Needs Assessment.

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- Hazardous Materials report dated May 22, 2023, performed by Leighton and Associates, Inc. and Vista Environmental Consulting to identify and sample accessible, suspect asbestos-containing materials (ACMs), asbestos-containing construction materials (ACCMs), representative building components for the presence of lead-based paints (LBPs)/lead-bearing substances (LBSs), Suspect lead-containing surface coatings (LCSCs), universal waste (UW) materials, polychlorinated biphenyls (PCBs) containing devices, mechanical equipment & machines which contain ozone depleting chemicals, devices with low-level radioactive sources, and other universal waste materials that may be present within the facility. The report indicated that ACMs, LBP/LBSs/LCSCs, and UW materials are present at the Property. The remediation of these hazardous materials has been included in the scope of work for the renovation and the cost to remediate has been included in the renovation budget.
- Phase I Environmental Site Assessment dated February 17, 2023, was performed by Leighton and Associates, Inc. to determine if any recognized environmental conditions (REC) were present as a result of current or historical land uses. The assessment included public environmental agency and historical record reviews, interviews, site observations, and report preparation. The assessment revealed no evidence of current, historical, or controlled REC's, and no need for additional environmental investigation.
- Market Study dated May 8, 2023, prepared by Kinetic Valuation Group, Inc. indicated that the Project addresses two major needs in the San Diego County region: the need for an increased supply of affordable housing and housing that is specifically designed to address homelessness. Additionally, the report indicated that there are no apparent weaknesses with the Project development scheme, rents, or market.
- Zoning Conformance Verification. As part of the Homekey application, the City of San Diego's Development Services Department verified that this project is in conformance with applicable codes.
- Title Report dated January 6, 2023, from Stewart Title Guaranty Company revealed no adverse findings.
- Third-Party Due Diligence Review dated February 17, 2023, conducted by LeSar Development Consultants, stated that all facts were consistent between the due diligence reports, relevant risks had been addressed, and that proposed rents were in line with the Project's Enterprise Community location pursuant to SDHC's Choice Communities Initiative.

PROJECT FINANCING

SOURCES	Cost	Per Unit
Local Match Funding - City of San Diego	\$1,465,000	\$112,692
Local Match Funding - County of San Diego	\$1,465,000	\$112,692
Homekey - Capital	\$3,900,000	\$300,000
Total Project Sources	\$6,830,000	\$525,385

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USES	Cost	Per Unit
Land/Acquisition	\$4,510,000	\$346,923
Design & Engineering	\$136,440	\$10,495
Legal/Financial/Other Consultants	\$25,000	\$1,923
Permits & Fees	\$35,000	\$2,692
Direct Building Construction	\$1,167,800	\$89,831
Financing Costs	\$163,046	\$12,542
Marketing/General & Administrative	\$124,000	\$9,538
Developer Fees	\$416,000	\$32,000
Hard Cost Contingency	\$154,514	\$11,886
Soft Cost Contingency	\$98,201	\$7,554
Total Project Uses	\$6,830,000	\$525,385

HOUSING COMMISSION STRATEGIC PLAN

This item relates to Strategic Priority Area No. 1 and No.4 in the Housing Commission Strategic Plan for Fiscal Year (FY) 2022-2024. No.1: Increasing and Preserving Housing Solutions. No.4: Advancing Homelessness Solutions – Supporting the City of San Diego Community Action Plan on Homelessness.

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

The Housing Commission and Wakeland Housing have developed a comprehensive Racial Disparity Analysis and Community Engagement plan in accordance with the Homekey Program application requirements.

KEY STAKEHOLDERS and PROJECTED IMPACTS

This funding opportunity would benefit individuals and families experiencing homelessness in the City of San Diego who are disproportionately impacted by and at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases.

ENVIRONMENTAL REVIEW

On May 2, 2023 the City of San Diego conducted an environmental review and determined the project is exempt from CEQA pursuant to CEQA Guidelines Section 15301 (d) (Existing Facilities), 15302 (c) (Replacement or Reconstruction), and 15304 (Minor Alterations to Land). This activity is exempt pursuant to CEQA Guidelines Section 15301 (d) (Existing Facilities), as there are no changes planned to the building footprint or property use and it will restore or rehabilitate the facility to meet current standards of public health and safety. The activity is also exempt pursuant to CEQA Guidelines Section 15302 (c) (Replacement or Reconstruction), which consists of the replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity, and CEQA Guidelines Section 15304 (Minor Alterations to Land) that consists of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees. None of the exceptions to the exemptions outlined in CEQA Guidelines Section 15300.2 would apply as no cumulative impacts were identified, no significant effects on the environment were

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identified, the project is not adjacent to a scenic highway, and no historical resources would be affected by the action.

Federal funds constitute a portion of the project's funding. A determination that the project is categorically excluded subject to Section 58.5 of the National Environmental Policy Act was approved by the City of San Diego on May 8, 2023.

Respectfully submitted,



Josh Hoffman

Vice President, Real Estate Development Services
Real Estate Division

Approved by,



Jeff Davis

Interim President & CEO
San Diego Housing Commission

Attachments:

- 1) Pro forma
- 2) Appraisal
- 3) Homekey Award Letter
- 4) Housing Commission Board Resolution HC-1986

Hard copies are available for review during business hours at the information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 Docket materials are also available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org.

2147 Abbott St. - Ocean Beach - Homekey**FORECAST ASSUMPTIONS****DEVELOPMENT SCHEDULE**

Units for Rent	13
Manager's Units	0
Total Number of Units	13

SOURCES AND USES OF FUNDS

USES:	<u>per unit</u>	<u>Construction</u>	<u>Permanent</u>
Land/Acquisition	\$346,923	\$4,510,000	\$4,510,000
Design & Engineering	\$10,495	136,440	136,440
Legal/Financial/Other Consultants	\$1,923	25,000	25,000
Permits & Fees	\$2,692	35,000	35,000
Bridge Loan Interest	\$0	0	0
Direct Building Construction	\$89,831	1,167,800	1,167,800
Financing Costs	\$12,542	163,046	163,046
Marketing/General & Administrative	\$9,538	124,000	124,000
Developer Fees	\$32,000	416,000	416,000
Hard Cost Contingency	\$11,886	154,514	154,514
Soft Cost Contingency	\$7,554	98,201	98,201
Total Project Uses	<u>\$525,385</u>	<u>\$6,830,000</u>	<u>\$6,830,000</u>

SOURCES:

Tax Credit Equity	0	\$0	\$0
Perm. Loan	0	0	0
Construction Loan	0	0	0
Seller Carryback Note	0	0	0
City of San Diego - Local Match Funding	112,692	1,465,000	1,465,000
County of San Diego - Local Match Funding	112,692	1,465,000	1,465,000
Homekey - Capital	300,000	3,900,000	3,900,000
Homekey - Capitalized Operating Reserve	0	0	0
Development Gap	0	0	0
Total Project Sources	<u>\$525,385</u>	<u>\$6,830,000</u>	<u>\$6,830,000</u>

RESIDENTIAL UNIT MIX/AFFORDABILITY ANALYSIS

	Mgrs. Units						Total Units	% of TC
	<u>BR2/BA1</u>	<u>0BR/1BA</u>	<u>1BR/1BA</u>	<u>2BR/1BA</u>	<u>3BR/2BA</u>	<u>4BR/2BA</u>		
Income								
30.00%	0	1	12	0	0	0	13	100.0%
45.00%	0	0	0	0	0	0	0	0.0%
50.00%	0	0	0	0	0	0	0	0.0%
60.00%	0	0	0	0	0	0	0	0.0%
70.00%	0	0	0	0	0	0	0	0.0%
* MGR	0	0	0	0	0	0	0	0.0%
								30.00%
Total Units	0	1	12	0	0	0	13	units
%	0.0%	7.7%	92.3%	0.0%	0.0%	0.0%		

2147 Abbott St. - Ocean Beach - Homekey	100%
DEVELOPMENT COST BUDGET	

DESCRIPTION	Predev	Permanent Budget	Construction BUDGET
Land Acquisition & ESCROW	75,000	4,500,000	4,500,000
Legal, Escrow, Title	5,000	10,000	10,000
Predevelopment Holding	0	0	0
LAND ACQUISITION & CLOSING	80,000	4,510,000	4,510,000
Architect/Mechanical/Structural/Electrical/Engineering/LA/CA	35,000	50,000	50,000
Civil Engineer (w. their reimbursables)	0	0	0
Utility Consultant	0	0	0
Other Consultants (Termite tent, plumbing, Casp)	39,500	39,500	39,500
Soils Engineering	0	0	0
Surveying	15,000	18,000	18,000
Environmental Consultants (Phase 1, L&A, Monitor)	8,000	28,940	28,940
Contingency	4.00% 3,900	5,458	5,458
DESIGN & ENGINEERING	101,400	141,898	141,898
Legal-Project Development	0	20,000	20,000
Perm lender	0	0	0
Legal-Tax Credit & organizational	0	5,000	5,000
Legal - Construction Lender	0	0	0
Accounting & Auditing	0	0	0
Contingency	4.00% 0	1,000	1,000
LEGAL/FINANCIAL/OTHER	0	26,000	26,000
Permits & Fees (City & Utilities)	31,500	35,000	35,000
Developer Performance Bonds	0	0	0
Prevailing Wage Monitoring Consultant	0	0	0
Construction Manager	0	0	0
Contingency	4.00% 1,460	1,400	1,400
PERMITS/BONDS/FEES	32,960	36,400	36,400
Off-Site Imp's/Infrastructure	0	0	0
On-Site Imp's/Infrastructure	0	45,000	45,000
Contingency	13.23% 0	5,954	5,954
SITE IMP'S/INFRASTRUCTURE	0	50,954	50,954
Building Costs	0	950,000	950,000
General Conditions	0	83,250	83,250
Contractor Bond & Insurance	0	39,800	39,800
Contractor's Fee	0	49,750	49,750
Contingency	13.23% 0	148,560	148,560
DIRECT CONSTRUCTION	0	1,271,360	1,271,360
Total Directs			
Construction Interest	0	0	0
Predev Loan interest + Fees	0	11,293	11,293
Appraisal/Environ.and Review & Construction Consultant	0	0	0
Construction Loan Origination Fee	0	0	0
Escrow/Title Fees-Construction Loan	0	10,756	10,756
Perm Loan Fee	0	0	0
Permanent Loan Conversion Fees + Legal	0	0	0
Permanent Loan Appraisal, Environ. Review, ALTA, etc.	0	0	0
Relocation consultants	0	0	0
Relocation	0	0	0
Escrow/Title Fees-Permanent Loan	0	0	0
Construction Period Insurance	0	35,000	35,000
Earthquake Insurance		0	
Transition Reserve - HCD Pooled Transition Reserve Fund		44,348	44,348
Operating Reserve	48 mos. 0	58,248	58,248
Property taxes	0	0	0
Property Taxes & Organizational Fees	3,400	3,400	3,400
Contingency	50,000	85,383	85,383
FINANCING COSTS	53,400	248,429	248,429
Furnishings & Signage	0	90,000	90,000
Lease-Up/Advertising Expenses	0	20,000	20,000
Security	0	0	0
Market Study/Appraisal	14,000	14,000	14,000
Tax Credit Syndicator/Consultant	0	0	0
Contingency	4.00% 560	4,960	4,960
MARKETING/GEN & ADMIN	14,560	128,960	128,960
DEVELOPER FEES	0	416,000	416,000
TOTAL PROJECT COSTS	282,320	6,830,000	6,830,000

RENTAL INCOME ASSUMPTIONS**RENTAL INCOME ANALYSIS:**

Family Size	Unit Type	Number of Units	Monthly Rent	Utility Allowance	Net Monthly Rent	Net Annual Rent
% of Median						
30.00%	0BR/1BA	1	683	0	683	8,196
30.00%	1BR/1BA	12	732	0	732	105,408
30.00%	2BR/1BA	0	878	0	878	0
30.00%	3BR/2BA	0	1,015	0	1,015	0
30.00%	4BR/2BA	0	1,132	0	1,132	0
45.00%	0BR/1BA	0	1,024	0	1,024	0
45.00%	1BR/1BA	0	1,098	0	1,098	0
45.00%	2BR/1BA	0	1,317	0	1,317	0
45.00%	3BR/2BA	0	1,522	0	1,522	0
45.00%	4BR/2BA	0	1,698	0	1,698	0
50.00%	0BR/1BA	0	1,138	0	1,138	0
50.00%	1BR/1BA	0	1,220	0	1,220	0
50.00%	2BR/1BA	0	1,463	0	1,463	0
50.00%	3BR/2BA	0	1,691	0	1,691	0
50.00%	4BR/2BA	0	1,887	0	1,887	0
60.00%	0BR/1BA	0	1,366	0	1,366	0
60.00%	1BR/1BA	0	1,464	0	1,464	0
60.00%	2BR/1BA	0	1,756	0	1,756	0
60.00%	3BR/2BA	0	2,030	0	2,030	0
60.00%	4BR/2BA	0	2,265	0	2,265	0
Mgr.	2BR/1BA	0	0	0	0	0
TOTAL PROJECT		13			728	113,604

TC Units 9,467

Utility Allowances (SDHC):*Assumes Utilities Paid By Management*

	Studio	One	Two	Three
Heating (Electric)	\$0	\$0	\$0	\$0
Cooking (Electric)	\$0	\$0	\$0	\$0
Other Electric	\$0	\$0	\$0	\$0
Electric Water Heati	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$0	\$0	\$0	\$0

Section 8 Vouchers Increment

Unit Type	Number	Income Tier	TCAC Rent (net)	Contract Rent	Incremental S8 Income	Monthly S8 Increment	Annual S8 Increment
0BR/1BA	1	30% AMI	683	1,718	1,035	1,035	12,420
1BR/1BA	12	30% AMI	732	1,910	1,178	14,136	169,632
Total	13					15,171	182,052

HCD Pooled Transition Reserve Calculation

Number	Income Tier	HA Contract Rent	Maximum Annual Subsidy
1	30% AMI	1,718	20,616
12	30% AMI	1,910	275,040
			295,656
		x 15%	44,348

2147 Abbott St. - Ocean Beach - Homekey										
PROJECT CASH FLOW										
			YEAR	1	2	3	4	5	6	7
RENTAL REVENUES: 2.5%/ann. increase										
Gross Potential Rent (Affordable Units)				113,604	116,444	119,355	122,339	125,397	128,532	131,745
Gross Potential Rent (Section 8 Increment)				182,052	186,603	191,268	196,050	200,951	205,975	211,124
Laundry/Other \$5.00				780	800	820	841	862	884	906
Resident Services				0	0	0	0	0	0	0
Reimbursement of Operating Reserve				0	0	0	0	0	0	0
Vacancy Allowance 5.00%				(14,822)	(15,192)	(15,572)	(15,962)	(16,361)	(16,770)	(17,189)
Net Rental Income				281,614	288,655	295,871	303,268	310,849	318,621	326,586
Reimbursement of Operating Reserve							0			
PROPERTY OPERATING COSTS: 3.5%/ann. increase										
Administrative Expenses:										
Office Supplies & Equipment \$50 /mo.				600	621	643	666	689	713	738
Payroll Services \$50 /mo.				600	621	643	666	689	713	738
Van Services \$0 /mo.				0	0	0	0	0	0	0
Telephone/Answering Service/Internet \$150 /mo.				1,800	1,863	1,928	1,995	2,065	2,137	2,212
Auto Expense \$25 /mo.				300	311	322	333	345	357	369
Training & Travel \$50 /mo.				600	621	643	666	689	713	738
Misc. Administrative Expense \$183 /mo.				2,200	2,277	2,357	2,439	2,524	2,612	2,703
Resident Services \$0 /mo				0	0	0	0	0	0	0
SDHC Monitoring Fee \$0 /unit				0	0	0	0	0	0	0
County Monitoring Fee \$4,000 /year				4,000	4,040	4,181	4,328	4,479	4,636	4,798
Marketing Expense:										
Advertising				0	0	0	0	0	0	0
Professional Fees:										
Property Management Fees 7.55% \$ 55.00 u/mo				8,580	8,880	9,191	9,513	9,846	10,191	10,548
Accounting \$5 /mo.				60	62	64	66	68	70	72
Legal Fees \$100 /mo.				1,200	1,242	1,285	1,330	1,377	1,425	1,475
Auditing Expense \$600 /mo.				7,200	7,452	7,713	7,983	8,262	8,551	8,850
Utilities:										
Electricity (units + common areas) \$700 /mo				8,400	8,694	8,998	9,313	9,639	9,976	10,325
Gas (water heating, community room, and laundry) \$700 /mo				8,400	8,694	8,998	9,313	9,639	9,976	10,325
Water and Sewer \$70 /u/mo				10,920	11,302	11,698	12,107	12,531	12,970	13,424
Payroll/Payroll Taxes:										
Salaries-Manager \$3,500 /mo.				42,000	43,470	44,991	46,566	48,196	49,883	51,629
Salaries-Assistant Manager \$0 /mo.				0	0	0	0	0	0	0
Salaries-Administrative \$0 /mo.				0	0	0	0	0	0	0
Salaries-Maintenance Supervisor \$0 /mo.				0	0	0	0	0	0	0
Salaries-Maintenance Personnel \$2,000 /mo.				24,000	24,840	25,709	26,609	27,540	28,504	29,502
Employee Apartments \$0 /mo.				0	0	0	0	0	0	0
Payroll Taxes 8.000%				5,280	5,465	5,656	5,854	6,059	6,271	6,490
Workers Compensation 12.000%				7,920	8,197	8,484	8,781	9,088	9,406	9,735
Health Insurance/Other Benefits 7.000% /mo.				4,620	4,782	4,949	5,122	5,301	5,487	5,679
Contract Services:										
Exterminating \$10 /unit/mo				1,560	1,615	1,672	1,731	1,792	1,855	1,920
Trash Removal \$15 /u/mo				2,340	2,422	2,507	2,595	2,686	2,780	2,877
Elevator Maintenance \$0 /mo.				0	0	0	0	0	0	0
Building/Grounds Maintenance \$300 mo				3,600	3,726	3,856	3,991	4,131	4,276	4,426
Janitorial \$0 /u/mo				0	0	0	0	0	0	0
Repair \$200 /mo				2,400	2,484	2,571	2,661	2,754	2,850	2,950
HVAC Filters \$0 u/mo.				0	0	0	0	0	0	0
Cleaning & Decorating:				0						
Painting Supplies \$50 /mo				600	621	643	666	689	713	738
Grounds Supplies \$50 /mo				600	621	643	666	689	713	738
Repairs & Maintenance:										
Repairs & Maintenance General \$300 /mo				3,600	3,726	3,856	3,991	4,131	4,276	4,426
PHR Assessments										
\$0 /unit				0	0	0	0	0	0	0
\$0 /u.				0	0	0	0	0	0	0
TOTAL VARIABLE COSTS \$11,798 /unit				153,380	158,649	164,201	169,951	175,898	182,054	188,426
Taxes & Insurance:										
Real Property Tax Assessment \$10 /unit/mo				1,560	1,615	1,672	1,731	1,792	1,855	1,920
HOA Fee \$0 u/mo.				0	0	0	0	0	0	0
Misc Taxes/Licenses/Permits \$20 /mo.				240	248	257	266	275	285	295
Insurance \$1,505 /unit				19,565	20,250	20,959	21,693	22,452	23,238	24,051
Fidelity Bond Insurance \$0 /mo.				0	0	0	0	0	0	0
Ground Lease Payment				0	0	0	0	0	0	0
TOTAL FIXED COSTS TCAC Expenses				21,365	22,113	22,888	23,690	24,519	25,378	26,266
Operating Reserve 173,185 2.00%				0	0	0	0	0	0	0
TOTAL OPERATING COSTS 13,322 \$13,442 /unit				174,745	180,762	187,089	193,641	200,417	207,432	214,692
NET OPERATING INCOME:				106,869	107,893	108,782	109,627	110,432	111,189	111,894
CASH FLOW FROM OPERATIONS:										
Net Operating Income				106,869	107,893	108,782	109,627	110,432	111,189	111,894
MHP Debt Service 0.42%				0	0	0	0	0	0	0
Replacement Reserve \$500 per unit				6,500	6,500	6,500	6,500	6,500	6,500	6,500
Solar Inverter Reserve \$0 per mo.				0	0	0	0	0	0	0
CASH FLOW AVAILABLE FOR DEBT SERVICE				100,369	101,393	102,282	103,127	103,932	104,689	105,394
Debt Service - First Trust Deed 0				0	0	0	0	0	0	0
Cash Flow After Debt Service				100,369	101,393	102,282	103,127	103,932	104,689	105,394
General Partner Asset Mgt Fee 3.00%				(15,000)	(15,450)	(15,914)	(16,391)	(16,883)	(17,389)	(17,911)
Limited Partner Asset Mgmt. Fee 3.00%				0	0	0	0	0	0	0
Other				0	0	0	0	0	0	0
Other 100.00%				0	0	0	0	0	0	0
CASH FLOW AVAILABLE FOR SELLER CARRYBACK/DISTRIBUTION				85,369	85,943	86,368	86,736	87,049	87,300	87,483

2147 Abbott St. - Ocean Beach - Homekey

PROJECT CASH FLOW

		8	9	10	11	12	13	14	15
RENTAL REVENUES:									
	2.5%/ann. increase								
Gross Potential Rent (Affordable Units)		135,039	138,415	141,875	145,422	149,058	152,784	156,604	160,519
Gross Potential Rent (Section 8 Increment)		216,402	221,812	227,357	233,041	238,867	244,839	250,960	257,234
Laundry/Other		929	952	976	1,000	1,025	1,051	1,077	1,104
Resident Services		0	0	0	0	0	0	0	0
Reimbursement of Operating Reserve		0	0	0	0	0	0	0	0
Vacancy Allowance		(17,619)	(18,059)	(18,510)	(18,973)	(19,448)	(19,934)	(20,432)	(20,943)
Net Rental Income		334,751	343,120	351,698	360,490	369,502	378,740	388,209	397,914
Reimbursement of Operating Reserve									
PROPERTY OPERATING COSTS:									
	3.5%/ann. increase								
Administrative Expenses:									
Office Supplies & Equipment		764	791	819	848	878	909	941	974
Payroll Services		764	791	819	848	878	909	941	974
Van Services		0	0	0	0	0	0	0	0
Telephone/Answering Service/Internet		2,289	2,369	2,452	2,538	2,627	2,719	2,814	2,912
Auto Expense		382	395	409	423	438	453	469	485
Training & Travel		764	791	819	848	878	909	941	974
Misc. Administrative Expense		2,798	2,896	2,997	3,102	3,211	3,323	3,439	3,559
Resident Services		0	0	0	0	0	0	0	0
SDHC Monitoring Fee		0	0	0	0	0	0	0	0
County Monitoring Fee		4,966	5,140	5,320	5,506	5,699	5,898	6,105	6,318
Marketing Expense:									
Advertising		0	0	0	0	0	0	0	0
Professional Fees:									
Property Management Fees	7.55%	10,917	11,299	11,694	12,103	12,527	12,965	13,419	13,889
Accounting		75	78	81	84	87	90	93	96
Legal Fees		1,527	1,580	1,635	1,692	1,751	1,812	1,875	1,941
Auditing Expense		9,160	9,481	9,813	10,156	10,511	10,879	11,260	11,654
Utilities:									
Electricity (units + common areas)		10,686	11,060	11,447	11,848	12,263	12,692	13,136	13,596
Gas (water heating, community room, and laundry)		10,686	11,060	11,447	11,848	12,263	12,692	13,136	13,596
Water and Sewer		13,894	14,380	14,883	15,404	15,943	16,501	17,079	17,677
Payroll/Payroll Taxes:									
Salaries-Manager		53,436	55,306	57,242	59,245	61,319	63,465	65,686	67,985
Salaries-Assistant Manager		0	0	0	0	0	0	0	0
Salaries-Administrative		0	0	0	0	0	0	0	0
Salaries-Maintenance Supervisor		0	0	0	0	0	0	0	0
Salaries-Maintenance Personnel		30,535	31,604	32,710	33,855	35,040	36,266	37,535	38,849
Employee Apartments		0	0	0	0	0	0	0	0
Payroll Taxes		6,718	6,953	7,196	7,448	7,709	7,978	8,258	8,547
Workers Compensation		10,076	10,429	10,794	11,172	11,563	11,968	12,387	12,821
Health Insurance/Other Benefits		5,878	6,084	6,297	6,517	6,745	6,981	7,225	7,478
Contract Services:									
Exterminating		1,987	2,057	2,129	2,204	2,281	2,361	2,444	2,530
Trash Removal		2,978	3,082	3,190	3,302	3,418	3,538	3,662	3,790
Elevator Maintenance		0	0	0	0	0	0	0	0
Building/Grounds Maintenance		4,581	4,741	4,907	5,079	5,257	5,441	5,631	5,828
Janitorial		0	0	0	0	0	0	0	0
Repair		3,053	3,160	3,271	3,385	3,503	3,626	3,753	3,884
HVAC Filters		0	0	0	0	0	0	0	0
Cleaning & Decorating:									
Painting Supplies		764	791	819	848	878	909	941	974
Grounds Supplies		764	791	819	848	878	909	941	974
Repairs & Maintenance:									
Repairs & Maintenance General		4,581	4,741	4,907	5,079	5,257	5,441	5,631	5,828
PHR Assessments									
		0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
TOTAL VARIABLE COSTS		195,023	201,850	208,916	216,230	223,802	231,635	239,741	248,133
Taxes & Insurance:									
Real Property Tax Assessment		1,987	2,057	2,129	2,204	2,281	2,361	2,444	2,530
HOA Fee		0	0	0	0	0	0	0	0
Misc Taxes/Licenses/Permits		305	316	327	338	350	362	375	388
Insurance		24,893	25,764	26,666	27,599	28,565	29,565	30,600	31,671
Fidelity Bond Insurance		0	0	0	0	0	0	0	0
Ground Lease Payment		0	0	0	0	0	0	0	0
TOTAL FIXED COSTS									
	TCAC Expenses	27,185	28,137	29,122	30,141	31,196	32,288	33,419	34,589
Operating Reserve	173,185	0	0	0					
TOTAL OPERATING COSTS	13,322	222,208	229,987	238,038	246,371	254,998	263,923	273,160	282,722
NET OPERATING INCOME:		112,543	113,133	113,660	114,119	114,504	114,817	115,049	115,192
CASH FLOW FROM OPERATIONS:									
Net Operating Income		112,543	113,133	113,660	114,119	114,504	114,817	115,049	115,192
MHP Debt Service		0	0	0	0	0	0	0	0
Replacement Reserve		6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Solar Inverter Reserve		0	0	0	0	0	0	0	0
CASH FLOW AVAILABLE FOR DEBT SERVICE		106,043	106,633	107,160	107,619	108,004	108,317	108,549	108,692
Debt Service - First Trust Deed		0	0	0	0	0	0	0	0
Cash Flow After Debt Service		106,043	106,633	107,160	107,619	108,004	108,317	108,549	108,692
General Partner Asset Mgt Fee		(18,448)	(19,002)	(19,572)	(20,159)	(20,764)	(21,386)	(22,028)	(22,689)
Limited Partner Asset Mgmt. Fee		0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0
CASH FLOW AVAILABLE FOR SELLER CARRYBACK/DISTF		87,595	87,632	87,588	87,460	87,241	86,931	86,521	86,003

2147 Abbott St. - Ocean Beach - Homekey									
PROJECT CASH FLOW									
		16	17	18	19	20	21	22	23
RENTAL REVENUES:		2.5%/ann. increase							
Gross Potential Rent (Affordable Units)		164,532	168,645	172,861	177,183	181,613	186,153	190,807	195,577
Gross Potential Rent (Section 8 Increment)		263,665	270,257	277,013	283,938	291,036	298,312	305,770	313,414
Laundry/Other		1,132	1,160	1,189	1,219	1,249	1,280	1,312	1,345
Resident Services		0	0	0	0	0	0	0	0
Reimbursement of Operating Reserve									
Vacancy Allowance		(21,466)	(22,003)	(22,553)	(23,117)	(23,695)	(24,287)	(24,894)	(25,517)
Net Rental Income		407,863	418,059	428,510	439,223	450,203	461,458	472,995	484,819
Reimbursement of Operating Reserve									
PROPERTY OPERATING COSTS:		3.5%/ann. increase							
Administrative Expenses:									
Office Supplies & Equipment		1,008	1,043	1,080	1,118	1,157	1,197	1,239	1,282
Payroll Services		1,008	1,043	1,080	1,118	1,157	1,197	1,239	1,282
Van Services		0	0	0	0	0	0	0	0
Telephone/Answering Service/Internet		3,014	3,119	3,228	3,341	3,458	3,579	3,704	3,834
Auto Expense		502	520	538	557	576	596	617	639
Training & Travel		1,008	1,043	1,080	1,118	1,157	1,197	1,239	1,282
Misc. Administrative Expense		3,684	3,813	3,946	4,084	4,227	4,375	4,528	4,686
Resident Services		0	0	0	0	0	0	0	0
SDHC Monitoring Fee		0	0	0	0	0	0	0	0
County Monitoring Fee		6,540	6,768	7,005	7,250	7,504	7,767	8,039	8,320
Marketing Expense:									
Advertising		0	0	0	0	0	0	0	0
Professional Fees:									
Property Management Fees		14,375	14,878	15,399	15,938	16,496	17,073	17,671	18,289
Accounting		99	102	106	110	114	118	122	126
Legal Fees		2,009	2,079	2,152	2,227	2,305	2,386	2,470	2,556
Auditing Expense		12,062	12,484	12,921	13,373	13,841	14,325	14,826	15,345
Utilities:									
Electricity (units + common areas)		14,072	14,565	15,075	15,603	16,149	16,714	17,299	17,904
Gas (water heating, community room, and laundry)		14,072	14,565	15,075	15,603	16,149	16,714	17,299	17,904
Water and Sewer		18,296	18,936	19,599	20,285	20,995	21,730	22,491	23,278
Payroll/Payroll Taxes:									
Salaries-Manager		70,364	72,827	75,376	78,014	80,744	83,570	86,495	89,522
Salaries-Assistant Manager		0	0	0	0	0	0	0	0
Salaries-Administrative		0	0	0	0	0	0	0	0
Salaries-Maintenance Supervisor		0	0	0	0	0	0	0	0
Salaries-Maintenance Personnel		40,209	41,616	43,073	44,581	46,141	47,756	49,427	51,157
Employee Apartments		0	0	0	0	0	0	0	0
Payroll Taxes		8,846	9,155	9,476	9,808	10,151	10,506	10,874	11,254
Workers Compensation		13,270	13,734	14,215	14,713	15,228	15,761	16,313	16,884
Health Insurance/Other Benefits		7,740	8,011	8,291	8,581	8,881	9,192	9,514	9,847
Contract Services:									
Exterminating		2,619	2,711	2,806	2,904	3,006	3,111	3,220	3,333
Trash Removal		3,923	4,060	4,202	4,349	4,501	4,659	4,822	4,991
Elevator Maintenance		0	0	0	0	0	0	0	0
Building/Grounds Maintenance		6,032	6,243	6,462	6,688	6,922	7,164	7,415	7,675
Janitorial		0	0	0	0	0	0	0	0
Repair		4,020	4,161	4,307	4,458	4,614	4,775	4,942	5,115
HVAC Filters		0	0	0	0	0	0	0	0
Cleaning & Decorating:									
Painting Supplies		1,008	1,043	1,080	1,118	1,157	1,197	1,239	1,282
Grounds Supplies		1,008	1,043	1,080	1,118	1,157	1,197	1,239	1,282
Repairs & Maintenance:									
Repairs & Maintenance General		6,032	6,243	6,462	6,688	6,922	7,164	7,415	7,675
PHR Assessments									
		0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
TOTAL VARIABLE COSTS		256,819	265,806	275,114	284,745	294,709	305,020	315,698	326,744
Taxes & Insurance:									
Real Property Tax Assessment		2,619	2,711	2,806	2,904	3,006	3,111	3,220	3,333
HOA Fee		0	0	0	0	0	0	0	0
Misc Taxes/Licenses/Permits		402	416	431	446	462	478	495	512
Insurance		32,779	33,926	35,113	36,342	37,614	38,930	40,293	41,703
Fidelity Bond Insurance		0	0	0	0	0	0	0	0
Ground Lease Payment		0	0	0	0	0	0	0	0
TOTAL FIXED COSTS		35,800	37,053	38,350	39,692	41,082	42,519	44,008	45,548
Operating Reserve		173,185							
TOTAL OPERATING COSTS		13,322	292,619	302,859	313,464	324,437	335,791	347,539	372,292
NET OPERATING INCOME:		115,244	115,200	115,046	114,786	114,412	113,919	113,289	112,527
CASH FLOW FROM OPERATIONS:									
Net Operating Income		115,244	115,200	115,046	114,786	114,412	113,919	113,289	112,527
MHP Debt Service		0	0	0	0	0	0	0	0
Replacement Reserve		6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Solar Inverter Reserve									
CASH FLOW AVAILABLE FOR DEBT SERVICE		108,744	108,700	108,546	108,286	107,912	107,419	106,789	106,027
Debt Service - First Trust Deed		0	0	0	0	0	0	0	0
Cash Flow After Debt Service		108,744	108,700	108,546	108,286	107,912	107,419	106,789	106,027
General Partner Asset Mgt Fee		(23,370)	(24,071)	(24,793)	(25,536)	(26,303)	(27,092)	(27,904)	(28,742)
Limited Partner Asset Mgmt. Fee		0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0
CASH FLOW AVAILABLE FOR SELLER CARRYBACK/DIST		85,374	84,630	83,753	82,749	81,609	80,327	78,885	77,285

2147 Abbott St. - Ocean Beach - Homekey
PROJECT CASH FLOW

		32	33	34	35	36	37	38	39
RENTAL REVENUES:	2.5%/ann. increase								
Gross Potential Rent (Affordable Units)		244,248	250,354	256,613	263,028	269,604	276,344	283,253	290,334
Gross Potential Rent (Section 8 Increment)		391,412	401,197	411,227	421,508	432,046	442,847	453,918	465,266
Laundry/Other		1,679	1,721	1,764	1,808	1,853	1,899	1,946	1,995
Resident Services		0	0	0	0	0	0	0	0
Reimbursement of Operating Reserve									
Vacancy Allowance		(31,867)	(32,664)	(33,480)	(34,317)	(35,175)	(36,055)	(36,956)	(37,880)
Net Rental Income		605,472	620,608	636,124	652,027	668,328	685,035	702,161	719,715
Reimbursement of Operating Reserve									
PROPERTY OPERATING COSTS:	3.5%/ann. increase								
Administrative Expenses:									
Office Supplies & Equipment		1,746	1,807	1,870	1,935	2,003	2,073	2,146	2,221
Payroll Services		1,746	1,807	1,870	1,935	2,003	2,073	2,146	2,221
Van Services		0	0	0	0	0	0	0	0
Telephone/Answering Service/Internet		5,226	5,409	5,598	5,794	5,997	6,207	6,424	6,649
Auto Expense		871	901	933	966	1,000	1,035	1,071	1,108
Training & Travel		1,746	1,807	1,870	1,935	2,003	2,073	2,146	2,221
Misc. Administrative Expense		6,388	6,612	6,843	7,083	7,331	7,588	7,854	8,129
Resident Services		0	0	0	0	0	0	0	0
SDHC Monitoring Fee		0	0	0	0	0	0	0	0
County Monitoring Fee		11,339	11,736	12,147	12,572	13,012	13,468	13,939	14,427
Marketing Expense:									
Advertising		0	0	0	0	0	0	0	0
Professional Fees:									
Property Management Fees	7.55%	24,927	25,799	26,702	27,637	28,604	29,605	30,641	31,713
Accounting		172	178	184	190	197	204	211	218
Legal Fees		3,484	3,606	3,732	3,863	3,998	4,138	4,283	4,433
Auditing Expense		20,912	21,644	22,402	23,186	23,998	24,838	25,707	26,607
Utilities:									
Electricity (units + common areas)		24,401	25,255	26,139	27,054	28,001	28,981	29,995	31,045
Gas (water heating, community room, and laundry)		24,401	25,255	26,139	27,054	28,001	28,981	29,995	31,045
Water and Sewer		31,727	32,837	33,986	35,176	36,407	37,681	39,000	40,365
Payroll/Payroll Taxes:									
Salaries-Manager		122,008	126,278	130,698	135,272	140,007	144,907	149,979	155,228
Salaries-Assistant Manager		0	0	0	0	0	0	0	0
Salaries-Administrative		0	0	0	0	0	0	0	0
Salaries-Maintenance Supervisor		0	0	0	0	0	0	0	0
Salaries-Maintenance Personnel		69,722	72,162	74,688	77,302	80,008	82,808	85,706	88,706
Employee Apartments		0	0	0	0	0	0	0	0
Payroll Taxes		15,338	15,875	16,431	17,006	17,601	18,217	18,855	19,515
Workers Compensation		23,011	23,816	24,650	25,513	26,406	27,330	28,287	29,277
Health Insurance/Other Benefits		13,422	13,892	14,378	14,881	15,402	15,941	16,499	17,076
Contract Services:									
Exterminating		4,543	4,702	4,867	5,037	5,213	5,395	5,584	5,779
Trash Removal		6,802	7,040	7,286	7,541	7,805	8,078	8,361	8,654
Elevator Maintenance		0	0	0	0	0	0	0	0
Building/Grounds Maintenance		10,461	10,827	11,206	11,598	12,004	12,424	12,859	13,309
Janitorial		0	0	0	0	0	0	0	0
Repair		6,971	7,215	7,468	7,729	8,000	8,280	8,570	8,870
HVAC Filters		0	0	0	0	0	0	0	0
Cleaning & Decorating:									
Painting Supplies		1,746	1,807	1,870	1,935	2,003	2,073	2,146	2,221
Grounds Supplies		1,746	1,807	1,870	1,935	2,003	2,073	2,146	2,221
Repairs & Maintenance:									
Repairs & Maintenance General		10,461	10,827	11,206	11,598	12,004	12,424	12,859	13,309
PHR Assessments									
		0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
TOTAL VARIABLE COSTS		445,318	460,902	477,033	493,727	511,011	528,895	547,409	566,567
Taxes & Insurance:									
Real Property Tax Assessment		4,543	4,702	4,867	5,037	5,213	5,395	5,584	5,779
HOA Fee		0	0	0	0	0	0	0	0
Misc Taxes/Licenses/Permits		699	723	748	774	801	829	858	888
Insurance		56,838	58,827	60,886	63,017	65,223	67,506	69,869	72,314
Fidelity Bond Insurance		0	0	0	0	0	0	0	0
Ground Lease Payment		0	0	0	0	0	0	0	0
TOTAL FIXED COSTS	TCAC Expenses	62,080	64,252	66,501	68,828	71,237	73,730	76,311	78,981
Operating Reserve	173,185								
TOTAL OPERATING COSTS	13,322	507,398	525,154	543,534	562,555	582,248	602,625	623,720	645,548
NET OPERATING INCOME:		98,074	95,454	92,590	89,472	86,080	82,410	78,441	74,167
CASH FLOW FROM OPERATIONS:									
Net Operating Income		98,074	95,454	92,590	89,472	86,080	82,410	78,441	74,167
MHP Debt Service		0	0	0	0	0	0	0	0
Replacement Reserve		6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Solar Inverter Reserve									
CASH FLOW AVAILABLE FOR DEBT SERVICE		91,574	88,954	86,090	82,972	79,580	75,910	71,941	67,667
Debt Service - First Trust Deed		0	0	0	0	0	0	0	0
Cash Flow After Debt Service		91,574	88,954	86,090	82,972	79,580	75,910	71,941	67,667
General Partner Asset Mgt Fee		(37,501)	(38,626)	(39,785)	(40,979)	(42,208)	(43,474)	(44,778)	(46,122)
Limited Partner Asset Mgmt. Fee		0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0
Other									
CASH FLOW AVAILABLE FOR SELLER CARRYBACK/DIST		54,073	50,328	46,305	41,993	37,372	32,436	27,163	21,546

2147 Abbott St. - Ocean Beach - Homekey
PROJECT CASH FLOW

	40	41	42	43	44	45	46	47
RENTAL REVENUES: 2.5%/ann. increase								
Gross Potential Rent (Affordable Units)	297,592	305,032	312,658	320,474	328,486	336,698	345,115	353,743
Gross Potential Rent (Section 8 Increment)	476,898	488,820	501,041	513,567	526,406	539,566	553,055	566,881
Laundry/Other	2,045	2,096	2,148	2,202	2,257	2,313	2,371	2,430
Resident Services	0	0	0	0	0	0	0	0
Reimbursement of Operating Reserve								
Vacancy Allowance	(38,827)	(39,797)	(40,792)	(41,812)	(42,857)	(43,929)	(45,027)	(46,153)
Net Rental Income	737,708	756,151	775,055	794,431	814,292	834,648	855,514	876,901
Reimbursement of Operating Reserve								
PROPERTY OPERATING COSTS: 3.5%/ann. increase								
Administrative Expenses:								
Office Supplies & Equipment	2,299	2,379	2,462	2,548	2,637	2,729	2,825	2,924
Payroll Services	2,299	2,379	2,462	2,548	2,637	2,729	2,825	2,924
Van Services	0	0	0	0	0	0	0	0
Telephone/Answering Service/Internet	6,882	7,123	7,372	7,630	7,897	8,173	8,459	8,755
Auto Expense	1,147	1,187	1,229	1,272	1,317	1,363	1,411	1,460
Training & Travel	2,299	2,379	2,462	2,548	2,637	2,729	2,825	2,924
Misc. Administrative Expense	8,414	8,708	9,013	9,328	9,654	9,992	10,342	10,704
Resident Services	0	0	0	0	0	0	0	0
SDHC Monitoring Fee	0	0	0	0	0	0	0	0
County Monitoring Fee	14,932	15,455	15,995	16,555	17,135	17,734	18,355	18,998
Marketing Expense:								
Advertising	0	0	0	0	0	0	0	0
Professional Fees:								
Property Management Fees 7.55%	32,823	33,972	35,161	36,392	37,666	38,984	40,348	41,760
Accounting	226	234	242	250	259	268	277	287
Legal Fees	4,588	4,749	4,915	5,087	5,265	5,449	5,640	5,837
Auditing Expense	27,538	28,502	29,500	30,533	31,602	32,708	33,853	35,038
Utilities:								
Electricity (units + common areas)	32,132	33,257	34,421	35,626	36,873	38,164	39,500	40,883
Gas (water heating, community room, and laundry)	32,132	33,257	34,421	35,626	36,873	38,164	39,500	40,883
Water and Sewer	41,778	43,240	44,753	46,319	47,940	49,618	51,355	53,152
Payroll/Payroll Taxes:								
Salaries-Manager	160,661	166,284	172,104	178,128	184,362	190,815	197,494	204,406
Salaries-Assistant Manager	0	0	0	0	0	0	0	0
Salaries-Administrative	0	0	0	0	0	0	0	0
Salaries-Maintenance Supervisor	0	0	0	0	0	0	0	0
Salaries-Maintenance Personnel	91,811	95,024	98,350	101,792	105,355	109,042	112,858	116,808
Employee Apartments	0	0	0	0	0	0	0	0
Payroll Taxes	20,198	20,905	21,636	22,394	23,177	23,989	24,828	25,697
Workers Compensation	30,302	31,363	32,461	33,597	34,773	35,990	37,250	38,554
Health Insurance/Other Benefits	17,674	18,293	18,933	19,596	20,282	20,992	21,727	22,487
Contract Services:								
Exterminating	5,981	6,190	6,407	6,631	6,863	7,103	7,352	7,609
Trash Removal	8,957	9,270	9,594	9,930	10,278	10,638	11,010	11,395
Elevator Maintenance	0	0	0	0	0	0	0	0
Building/Grounds Maintenance	13,775	14,257	14,756	15,272	15,807	16,360	16,933	17,526
Janitorial	0	0	0	0	0	0	0	0
Repair	9,180	9,501	9,834	10,178	10,534	10,903	11,285	11,680
HVAC Filters	0	0	0	0	0	0	0	0
Cleaning & Decorating:								
Painting Supplies	2,299	2,379	2,462	2,548	2,637	2,729	2,825	2,924
Grounds Supplies	2,299	2,379	2,462	2,548	2,637	2,729	2,825	2,924
Repairs & Maintenance:								
Repairs & Maintenance General	13,775	14,257	14,756	15,272	15,807	16,360	16,933	17,526
PHR Assessments								
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
TOTAL VARIABLE COSTS	586,401	606,922	628,164	650,148	672,904	696,454	720,835	746,065
Taxes & Insurance:								
Real Property Tax Assessment	5,981	6,190	6,407	6,631	6,863	7,103	7,352	7,609
HOA Fee	0	0	0	0	0	0	0	0
Misc Taxes/Licenses/Permits	919	951	984	1,018	1,054	1,091	1,129	1,169
Insurance	74,845	77,465	80,176	82,982	85,886	88,892	92,003	95,223
Fidelity Bond Insurance	0	0	0	0	0	0	0	0
Ground Lease Payment	0	0	0	0	0	0	0	0
TOTAL FIXED COSTS TCAC Expenses	81,745	84,606	87,567	90,631	93,803	97,086	100,484	104,001
Operating Reserve 173,185								
TOTAL OPERATING COSTS 13,322	668,146	691,528	715,731	740,779	766,707	793,540	821,319	850,066
NET OPERATING INCOME:	69,562	64,623	59,324	53,652	47,585	41,108	34,195	26,835
CASH FLOW FROM OPERATIONS:								
Net Operating Income	69,562	64,623	59,324	53,652	47,585	41,108	34,195	26,835
MHP Debt Service	0	0	0	0	0	0	0	0
Replacement Reserve	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Solar Inverter Reserve								
CASH FLOW AVAILABLE FOR DEBT SERVICE	63,062	58,123	52,824	47,152	41,085	34,608	27,695	20,335
Debt Service - First Trust Deed	0	0	0	0	0	0	0	0
Cash Flow After Debt Service	63,062	58,123	52,824	47,152	41,085	34,608	27,695	20,335
General Partner Asset Mgt Fee	(47,505)	(48,931)	(50,398)	(51,910)	(53,468)	(55,072)	(56,724)	(58,426)
Limited Partner Asset Mgmt. Fee	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Other								
CASH FLOW AVAILABLE FOR SELLER CARRYBACK/DIST	15,557	9,192	2,426	(4,758)	(12,383)	(20,464)	(29,029)	(38,090)

2147 Abbott St. - Ocean Beach - Homekey
PROJECT CASH FLOW

		48	49	50	51	52	53	54	55
RENTAL REVENUES:	2.5%/ann. increase								
Gross Potential Rent (Affordable Units)		362,587	371,652	380,943	390,467	400,229	410,235	420,491	431,003
Gross Potential Rent (Section 8 Increment)		581,053	595,579	610,468	625,730	641,373	657,407	673,842	690,688
Laundry/Other		2,491	2,553	2,617	2,682	2,749	2,818	2,888	2,960
Resident Services		0	0	0	0	0	0	0	0
Reimbursement of Operating Reserve									
Vacancy Allowance		(47,307)	(48,489)	(49,701)	(50,944)	(52,218)	(53,523)	(54,861)	(56,233)
Net Rental Income		898,824	921,295	944,327	967,935	992,133	1,016,937	1,042,360	1,068,418
Reimbursement of Operating Reserve									
PROPERTY OPERATING COSTS:	3.5%/ann. increase								
Administrative Expenses:									
Office Supplies & Equipment		3,026	3,132	3,242	3,355	3,472	3,594	3,720	3,850
Payroll Services		3,026	3,132	3,242	3,355	3,472	3,594	3,720	3,850
Van Services		0	0	0	0	0	0	0	0
Telephone/Answering Service/Internet		9,061	9,378	9,706	10,046	10,398	10,762	11,139	11,529
Auto Expense		1,511	1,564	1,619	1,676	1,735	1,796	1,859	1,924
Training & Travel		3,026	3,132	3,242	3,355	3,472	3,594	3,720	3,850
Misc. Administrative Expense		11,079	11,467	11,868	12,283	12,713	13,158	13,619	14,096
Resident Services		0	0	0	0	0	0	0	0
SDHC Monitoring Fee		0	0	0	0	0	0	0	0
County Monitoring Fee		19,662	20,351	21,063	21,800	22,563	23,353	24,170	25,016
Marketing Expense:									
Advertising		0	0	0	0	0	0	0	0
Professional Fees:									
Property Management Fees	7.55%	43,222	44,735	46,301	47,922	49,599	51,335	53,132	54,992
Accounting		297	307	318	329	341	353	365	378
Legal Fees		6,041	6,252	6,471	6,697	6,931	7,174	7,425	7,685
Auditing Expense		36,264	37,533	38,847	40,207	41,614	43,070	44,577	46,137
Utilities:									
Electricity (units + common areas)		42,314	43,795	45,328	46,914	48,556	50,255	52,014	53,834
Gas (water heating, community room, and laundry)		42,314	43,795	45,328	46,914	48,556	50,255	52,014	53,834
Water and Sewer		55,012	56,937	58,930	60,993	63,128	65,337	67,624	69,991
Payroll/Payroll Taxes:									
Salaries-Manager		211,560	218,965	226,629	234,561	242,771	251,268	260,062	269,164
Salaries-Assistant Manager		0	0	0	0	0	0	0	0
Salaries-Administrative		0	0	0	0	0	0	0	0
Salaries-Maintenance Supervisor		0	0	0	0	0	0	0	0
Salaries-Maintenance Personnel		120,896	125,127	129,506	134,039	138,730	143,586	148,612	153,813
Employee Apartments		0	0	0	0	0	0	0	0
Payroll Taxes		26,596	27,527	28,491	29,488	30,520	31,588	32,694	33,838
Workers Compensation		39,903	41,300	42,746	44,242	45,790	47,393	49,052	50,769
Health Insurance/Other Benefits		23,274	24,089	24,932	25,805	26,708	27,643	28,611	29,612
Contract Services:									
Exterminating		7,875	8,151	8,436	8,731	9,037	9,353	9,680	10,019
Trash Removal		11,794	12,207	12,634	13,076	13,534	14,008	14,498	15,005
Elevator Maintenance		0	0	0	0	0	0	0	0
Building/Grounds Maintenance		18,139	18,774	19,431	20,111	20,815	21,544	22,298	23,078
Janitorial		0	0	0	0	0	0	0	0
Repair		12,089	12,512	12,950	13,403	13,872	14,358	14,861	15,381
HVAC Filters		0	0	0	0	0	0	0	0
Cleaning & Decorating:									
Painting Supplies		3,026	3,132	3,242	3,355	3,472	3,594	3,720	3,850
Grounds Supplies		3,026	3,132	3,242	3,355	3,472	3,594	3,720	3,850
Repairs & Maintenance:									
Repairs & Maintenance General		18,139	18,774	19,431	20,111	20,815	21,544	22,298	23,078
PHR Assessments									
		0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
TOTAL VARIABLE COSTS		772,173	799,200	827,175	856,123	886,086	917,103	949,204	982,423
Taxes & Insurance:									
Real Property Tax Assessment		7,875	8,151	8,436	8,731	9,037	9,353	9,680	10,019
HOA Fee		0	0	0	0	0	0	0	0
Misc Taxes/Licenses/Permits		1,210	1,252	1,296	1,341	1,388	1,437	1,487	1,539
Insurance		98,556	102,005	105,575	109,270	113,094	117,052	121,149	125,389
Fidelity Bond Insurance		0	0	0	0	0	0	0	0
Ground Lease Payment		0	0	0	0	0	0	0	0
TOTAL FIXED COSTS	TCAC Expenses	107,641	111,408	115,307	119,342	123,519	127,842	132,316	136,947
Operating Reserve	173,185								
TOTAL OPERATING COSTS	13,322	879,814	910,608	942,482	975,465	1,009,605	1,044,945	1,081,520	1,119,370
NET OPERATING INCOME:		19,010	10,687	1,845	(7,530)	(17,472)	(28,008)	(39,160)	(50,952)
CASH FLOW FROM OPERATIONS:									
Net Operating Income		19,010	10,687	1,845	(7,530)	(17,472)	(28,008)	(39,160)	(50,952)
MHP Debt Service		0	0	0	0	0	0	0	0
Replacement Reserve		6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Solar Inverter Reserve									
CASH FLOW AVAILABLE FOR DEBT SERVICE		12,510	4,187	(4,655)	(14,030)	(23,972)	(34,508)	(45,660)	(57,452)
Debt Service - First Trust Deed		0	0	0	0	0	0	0	0
Cash Flow After Debt Service		12,510	4,187	(4,655)	(14,030)	(23,972)	(34,508)	(45,660)	(57,452)
General Partner Asset Mgt Fee		(60,178)	(61,984)	(63,843)	(65,759)	(67,731)	(69,763)	(71,856)	(74,012)
Limited Partner Asset Mgmt. Fee		0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0
Other									
CASH FLOW AVAILABLE FOR SELLER CARRYBACK/DIST		(47,668)	(57,797)	(68,498)	(79,789)	(91,704)	(104,271)	(117,516)	(131,464)

Appraisal Of

2147 Abbott Street Apartments

**2147 Abbott Street
San Diego, CA 92107
Assessor Parcel Number: 448-124-15-00**

Effective Date: February 1, 2023

Report Date: May 9, 2023

Wakeland Housing & Development Corporation

Lisa Huff

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

KINETIC VALUATION GROUP, INC.

**Southern California
PO Box 68
Corona Del Mar, California
(818) 914-1892**

**Midwest Omaha
3901 S 147th Street, Suite 144
Omaha, Nebraska
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May 9, 2023

Lisa Huff
Wakeland Housing & Development Corporation
1230 Columbia Street, Suite 950
San Diego, CA 92101

Re: Appraisal of 2147 Abbott Street Apartments
2147 Abbott Street
San Diego, CA 92107
Assessor Parcel Number: 448-124-15-00

Dear Ms. Huff:

We are pleased to present the findings with respect to the value of the above-referenced property, 2147 Abbott Street Apartments (Subject). The intended users include the client Wakeland Housing and Development Corporation and their assigns. Additional intended users include California Tax Credit Allocation Committee (TCAC), California Debt Limit Allocation Committee (CDLAC), Homekey Program which is administered by the Department of Housing and Community Development (HCD), and any other funding agencies, partnerships formed, and/or lenders. The intended use is for application purposes and investment analysis decisions.

The Subject consists of a vacant apartment complex that presently is improved with one studio unit, 11 one bedroom units, and two, one bedroom units that have been combined for office use. There is a regulatory agreement restricting the development to 14 units consisting of one studio unit and 13 one bedroom units restricted to households at 80 percent AMI allowable rents. The regulatory agreement expires in 2052.

The highest and best use as improved is the Subject operating in accordance with existing regulatory agreement regulations. The repairs to bring the property to operational status are anticipated to be completed within a reasonable time period upon property transfer, and the costs are deducted from the indication of value. No discounting for time is necessary.

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Valuation Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we have reported our findings herein in an appraisal report as defined by USPAP.

The value conclusions were based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of this report. Events or transactions that may have occurred subsequent to the effective date of our opinion have not been considered. We are not responsible to update or revise this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date.

MIDWEST OMAHA | 402.202.0771 | 3901 S. 147TH STREET - SUITE 144 | OMAHA, NE 68144
SOUTHERN CALIFORNIA | 818.914.1892 | PO BOX 68 | CORONA DEL MAR, CA 92625

Special & Extraordinary Limiting Conditions

Per TCAC regulations, the valuation assumes the hypothetical condition that the site is vacant. A hypothetical condition is that which is contrary to what exists but is supposed for the purpose of analysis. The use of the hypothetical conditions may affect assignment results.

The property reportedly has been vacant for approximately two years, and repairs are needed to place the units into rentable condition. It is anticipated good quality construction materials will be utilized and performed in good workmanlike manner. The valuation assumes the hypothetical condition construction work has been completed, and reliance is placed upon costs data provided by the client. A deduction for the estimated costs associated is incorporated. Should changes to information provided occur, it may impact value presented and require re-evaluation.

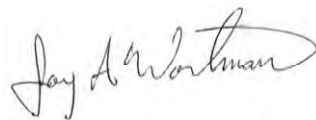
The following are our opinions of value as of February 1, 2023:

Value Conclusion	
Hypothetical Market Value of Land As If Vacant	\$1,200,000
Market Value Fee Simple Interest of the fee simple estate subject to short-term leases of 2147 Abbott Street Apartments	\$4,700,000

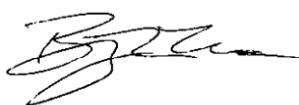
We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,

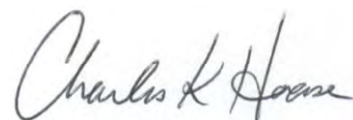
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ADDENDA

EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

Property Appraised:

The Subject property is located at 2147 Abbott Street, in San Diego, California. It has been assigned Assessor parcel number 448-124-15-00. The Subject consists of a vacant apartment complex presently containing one studio unit, 11 one-bedroom units, and two one bedroom units that have been combined for office use. There is a regulatory agreement in place specifying 13 one bedroom units and one studio unit restricting leasing to households at 80 percent AMI income and 80 percent allowable rents through 2052. The client plans the development for supportive housing for homeless and at risk of homeless individuals pursuant to the Homekey program after acquisition and completion of identified repairs to bring the property to operational status.

Legal Interest Appraised:

The property interest appraised is fee simple subject to any and all encumbrances, if applicable for each value estimate.

Site Area:

The site contains 0.22 acres or 9,583 square feet.

Zoning:

The Subject is zoned RM-2-4 (Residential - Multiple Unit). This zone permits multifamily developments with a maximum density of one dwelling unit per 1,750 square feet of lot area. The Subject is 9,583 square feet, which allows for six units. The property was constructed prior to current zoning regulations. Should the site become vacant, the site is eligible for density bonuses because the project is composed of 100% affordable units and would qualify for no maximum controls on density, per San Diego Municipal Code Section. Therefore the Subject represents a legal conforming use. Additionally, the regulatory agreement restricts the land use through expiration in 2052.

**Subject Property
Description:**

The Subject consists of two connected two-story apartment buildings containing one studio and 11 one-bedroom units, and two one units that have been combined for office use. Construction is wood frame with concrete foundations. There is a laundry room on the first floor and utilities room on the second floor of the area connecting the two buildings. The improvements were constructed in 1958.

The improvements reportedly have been vacant for approximately two years. Overall, the improvements appear in fair to average condition. The buildings roofs reportedly were replaced approximately 15 years ago. The improvements have been updated over the years with several units having vinyl floor covering updated with laminate flooring. Most units have carpeting in the living room and bedroom areas and vinyl tile flooring in kitchen areas.

The Subject operates within the regulatory agreement that expires in 2052. The client provided contractor estimate for repairs to bring the property operational totaling \$877,034. This cost will be deducted from the value indication; a copy of the cost itemization is included in the Addenda for further reference. Following is the unit mix and rents consistent with regulatory restrictions.

Unit Mix, Size, Rents						
Unit Type	Number	Unit Size	Net Rents	Utility Allowance	Gross Rents	2022 Max Allowable LIHTC Rents
80 % AMI						
0BR/1BA	1	300	\$1,822	\$0	\$1,822	\$1,822
1BR/1BA	13	540	\$1,952	\$0	\$1,952	\$1,952
Total	14					

**Highest and Best Use
“As Vacant”:**

The highest and best use for the property “as vacant” would be to construct a multifamily residential complex with financial subsidies.

**Highest and Best Use
“As Improved”:**

Completion of property repairs and continued multifamily use consistent with regulatory agreement.

Inspection Date:

The Subject site and representative units were inspected on February 1, 2023.

Marketing/Exposure Period:

Six – 12 Months.

FACTUAL DESCRIPTION

Property Identification

The Subject property is located at 2147 Abbott Street, in San Diego, California. All of the units are restricted at 80 percent Area Median Income (AMI) level. The Subject has been assigned Assessor parcel number 448-124-15-00.

Intended Use and Intended Users of Appraisal

The intended users include Wakeland Housing and Development Corporation and their assigns. Additional intended users include California Tax Credit Allocation Committee (TCAC), California Debt Limit Allocation Committee (CDLAC), Homekey Program which is administered by the Department of Housing and Community Development (HCD), and any other funding agencies, partnerships formed, and/or lenders. The intended use is for application purposes and investment analysis decisions.

Compliance and Competency Provision

We are aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations.

Legal Description

Included in the Addenda.

Property Interest Appraised

The property interest appraised is the fee simple estate.

Market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

¹ 7th Edition of The Dictionary of Real Estate Appraisal.

Fair Market Value is defined as: The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with each other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

It is noted that while the Homekey appraisal requirements specify market value definition is fair market value, however, there is not property taken within the context of this valuation.

Date of Inspection and Effective Date of Appraisal

The Subject was inspected and photographed on February 1, 2023. This shall be the effective date of the appraisal.

Compliance and Competency Provision

We are aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations.

Scope of Appraisal

As part of this appraisal, we have completed the following steps to gather, confirm, and analyze the data.

- Byron Lea, MAI, performed a physical inspection of the property and the Subject's neighborhood February 1, 2023.
- The identification of the property to be appraised is based on information provided by the client and the property representative.
- Regional, city, and county data were based on information obtained from newspaper articles, city of San Diego, San Diego County, ESRI Demographics, the Bureau of Labor Statistics, and other resources available to the appraiser. This was performed Thomas Veleba under the supervision of Jay Wortmann, MAI.
- Data collection and analysis of market conditions currently affecting the county's real estate market on a national and regional level was conducted. This included, but was not limited to, the review and analysis of data pertaining to supply and demand for real estate properties, availability of financing and current financing terms, current interest and yield rates, buyer preferences, and economic forecasts. This was performed by Byron Lea, MAI.
- The research for land included northwestern areas of San Diego from 2019 to the present. The research for improved sales included the northern San Diego region. The market data was collected from the appraiser's office files, other appraisers, Realtors, newspapers articles, CoStar, title companies, LoopNet, and public records. The land and improved sales were surveyed by Byron Lea, MAI.
- The information gathered from these surveys and investigations was then analyzed, and comparisons were made to the property. The valuation process included the Income Approach. This was performed by Byron Lea, MAI
- Jay Wortmann, MAI and Charles Haase reviewed the report but did not inspect the Subject.

Unavailability of Information

In general, all information necessary to develop an estimate of value of the Subject property was available to the appraisers.

Ownership and History of Subject

Ownership of the site is vested in Ocean Beach Community Development Corporation. We are not aware of any other transfers in the previous three years and the property was not exposed to the market. The property is subject to a purchase agreement dated January 11, 2023 with Wakeland Housing & Development Corporation (buyer) with a purchase amount of \$4,500,000. Analysis of the transaction appears well supported by market data with some buyer's advantage apparent.

REGIONAL AND LOCAL AREA ANALYSIS

The Subject is located in the southwestern portion of San Diego, San Diego County, California. San Diego is the second largest city in the state of California and the eighth largest in the United States, with a population of 1,386,932 people as of the 2020 census. This is a seven percent increase since the 2000 census. San Diego has a total area of 372 square miles and is the county seat of San Diego County.

San Diego County is the southernmost county in California bordering Orange and Riverside Counties to the north, Imperial County to the east, Mexico to the south, and the Pacific Ocean to the west. The county had an estimated population of 3,298,634 people in 2020, according to ESRI Demographics. This is an increase of approximately 6.5 percent since the 2010 Census. San Diego County is also designated as the San Diego-Carlsbad, California MSA.

Highway: The San Diego metropolitan area is served by an extensive freeway/interstate system, which includes the following roads:

Interstate 5 is a major north–south route along the entire west coast of the United States. This highway links the major California cities of San Diego, Santa Ana, Los Angeles, Stockton, Sacramento, and Redding. It travels through the western portion of San Diego, providing access to other major roadways within the metropolitan area including Interstate 8, State Route 94, and State Route 15 (an extension of Interstate 15).

Interstate 805 is a major north–south route through southern California. It is a bypass of Interstate 5, running through the center of the Greater San Diego region from San Ysidro (part of the city of San Diego) near the Mexico–U.S. border to near the city of Del Mar. It provides access to other major roadways within the metropolitan area including Interstate 5, State Route 94, and State Route 15 (an extension of Interstate 15).

California State Route 15, joined by Interstate 15, is a major north–south route in southern California. It connects San Bernardino, Riverside, and San Diego Counties. The route consists of the southernmost portion of interstate 15, which extends north through Nevada, Arizona, Utah, Idaho, and Montana to the Canadian border.

It is a major thoroughfare for traffic between San Diego and the Inland Empire and provides access to other major roadways within the metropolitan area including Interstate 5, Interstate 8, Interstate 805, and State Route 94.

Interstate 8 is a major east-west route through the southwestern United States. It runs from the western portion of San Diego to the junction with Interstate 10, just southeast of the city of Casa Grande, Arizona. The freeway travels through the central portion of the San Diego metropolitan area provides access to other major roadways within the metropolitan area including Interstate 5, State Route 94, and Interstate 15.

California State Route 56 (Ted Williams Freeway) is an east–west route running from Interstate 5 in Carmel Valley to Interstate 15. It serves as an important connector between these interstates, being the only east–west freeway between California State Route 78 in north San Diego County and California State Route 52 near Marine Corps Air Station Miramar.

California State Route 94 is a major east-west route through the central portion of San Diego. The western portion, known as the Martin Luther King Jr. Freeway, begins downtown San Diego and continues to the end of the freeway portion past State Route 125 in the city of Spring Valley. It provides access to other major roadways within the metropolitan area including Interstate 5, Interstate 805, and State Route 15 (an extension of Interstate 15).

Air: San Diego International Airport (SAN) is located approximately 3.8 miles southeast of the Subject. The airport is the nation's busiest single-runway commercial airport with 600 daily flights. The airport receives more than 16 million passengers a year and has 22 airlines providing non-stop service throughout the United States and non-stop services to Mexico and Canada.

Public Transportation

The San Diego Metropolitan Transit System (MTS) is the public transit service provider for about 570 square miles of the urbanized areas of San Diego County as well as the rural parts of East County. In total, MTS serves about 3 million people, generating approximately 92 million annual passenger trips. Services include bus and light rail as well as freight. The bus service includes almost 100 fixed bus routes as well as paratransit service. Light rail service is operated by San Diego Trolley, Inc. (SDTI) on four lines with 53 stations and 54.3 miles of rail. The nearest bus stop to the Subject is located 0.24 miles from the Subject at the intersection of Voltaire Street and Cable Street.

Healthcare

The UC San Diego Medical Center is a 799-bed care facility located approximately 4.83 miles east of the Subject. The hospital provides a wide variety of healthcare services including, but not limited to, cancer care, emergency and trauma care, radiology, orthopedics, and sports medicine.

DELINEATION OF MARKET AREA

Primary and Secondary Market Area

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

The Subject will be restricted to homeless households. Because the Subject will provide permanent supportive housing to the homeless population, the PMA is the city of San Diego. Individuals lacking permanent supportive housing are likely to move anywhere within the city to locate housing.

The PMA boundaries and overall market health assessment are based upon an analysis of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions as well as surveys of existing market rate and affordable apartment projects undertaken by Kinetic Valuation Group, Inc., and insights gained from resident managers, area planning staff, and others familiar with the multifamily market. We recognize a smaller sub-market may exist within this PMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within this defined area. Given the opportunity to locate good quality affordable housing, the renter base will move within these areas. We anticipate the majority of demand will be generated from this geographic area. However, some leakage would be anticipated from outside the PMA from other parts outside of San Diego County.

There are no natural boundaries in San Diego County that would inhibit anyone from relocating to the Subject. The market area boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. Both market rate and affordable rental housing of all types is in strong demand. Rental housing in the PMA appears to be stable, with low vacancy rates.

The secondary market area (SMA) for the Subject is San Diego County. Maps outlining the PMA and SMA can be found on the following page.

Primary and Secondary Market Area Maps

PMA



SMA

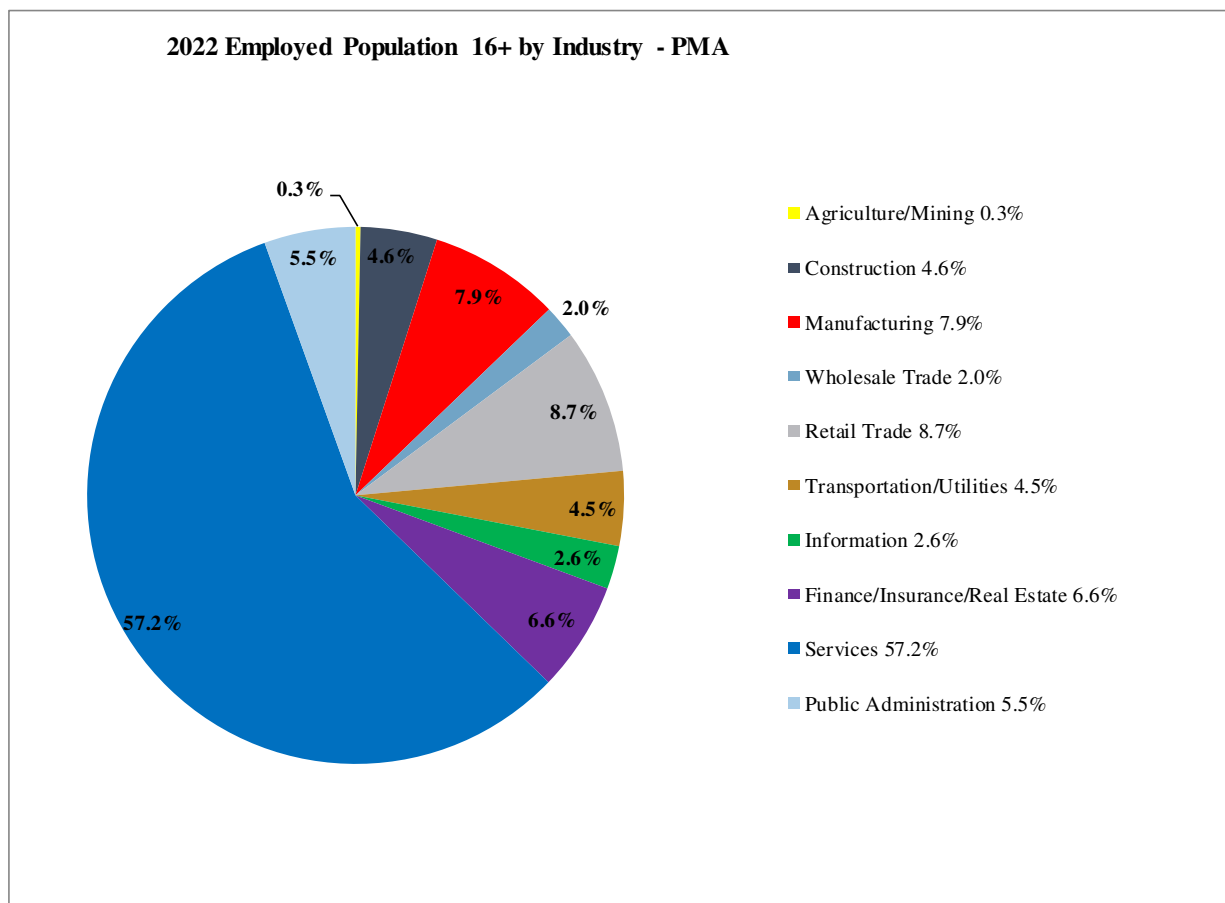


MARKET AREA ECONOMY

The following discussion includes an analysis of the local economy. This section will present and analyze information regarding employment by industry, the major employers, and unemployment trends. Information was provided, where available, for the Subject's PMA. We obtained economic information from ESRI Demographics, the Bureau of Labor Statistics, and California Employment Development Department. These data sources are reliable and current.

Employment by Industry

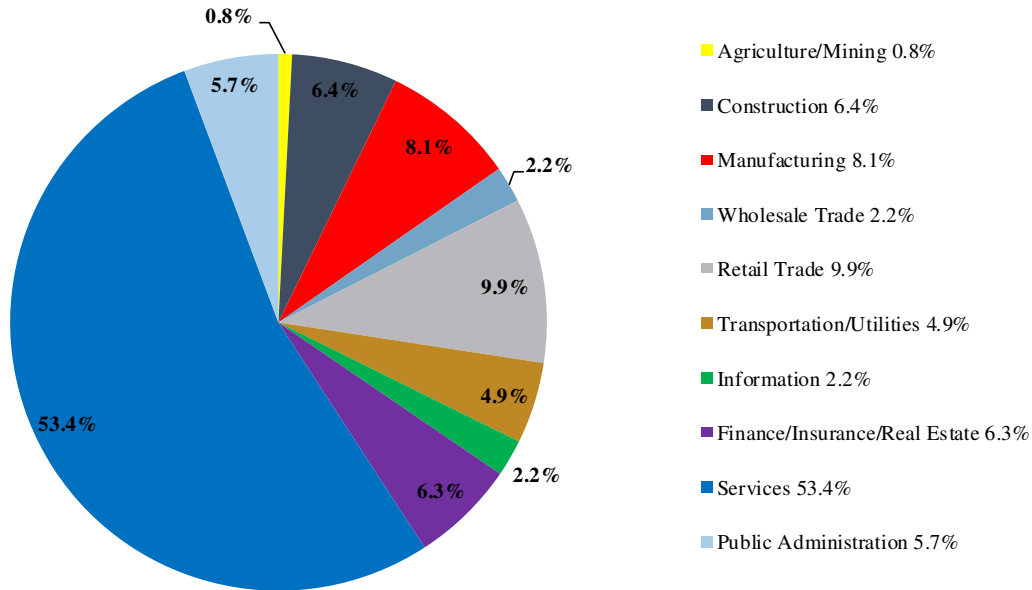
The following charts illustrate the distribution of employment sectors by industry within the PMA and SMA.



Source: ESRI Demographics

The largest employment sector in the PMA is the services sector with 57.2 percent, followed by the retail trade sector with 8.7 percent, and the office and the manufacturing sector with 7.9 percent.

2022 Employed Population 16+ by Industry - SMA



Source: ESRI Demographics

The largest employment sector in the SMA is the services sector with 53.4 percent, followed by the retail trade sector with 9.9 percent and the manufacturing sector with 8.1 percent.

Major Employers

The following charts identify the major employers in San Diego and San Diego County in 2021.

City of San Diego, CA Major Employers - 2021		
Employer	Industry	# Employees
Naval Base San Diego	Government	43,003
Univrslty of California, San Diego	Education	35,807
Sharp Health Care	Healthcare	19,321
County of San Diego	Government	17,285
Scripps Health	Healthcare	14,001
San Diego Unified School District	Education	13,559
City of San Diego	Government	11,295
Qualcomm Inc	Technology	11,200
Kaiser Permanente	Healthcare	9,166
Northrop Grunman Corporation	Manufacturing	5,652

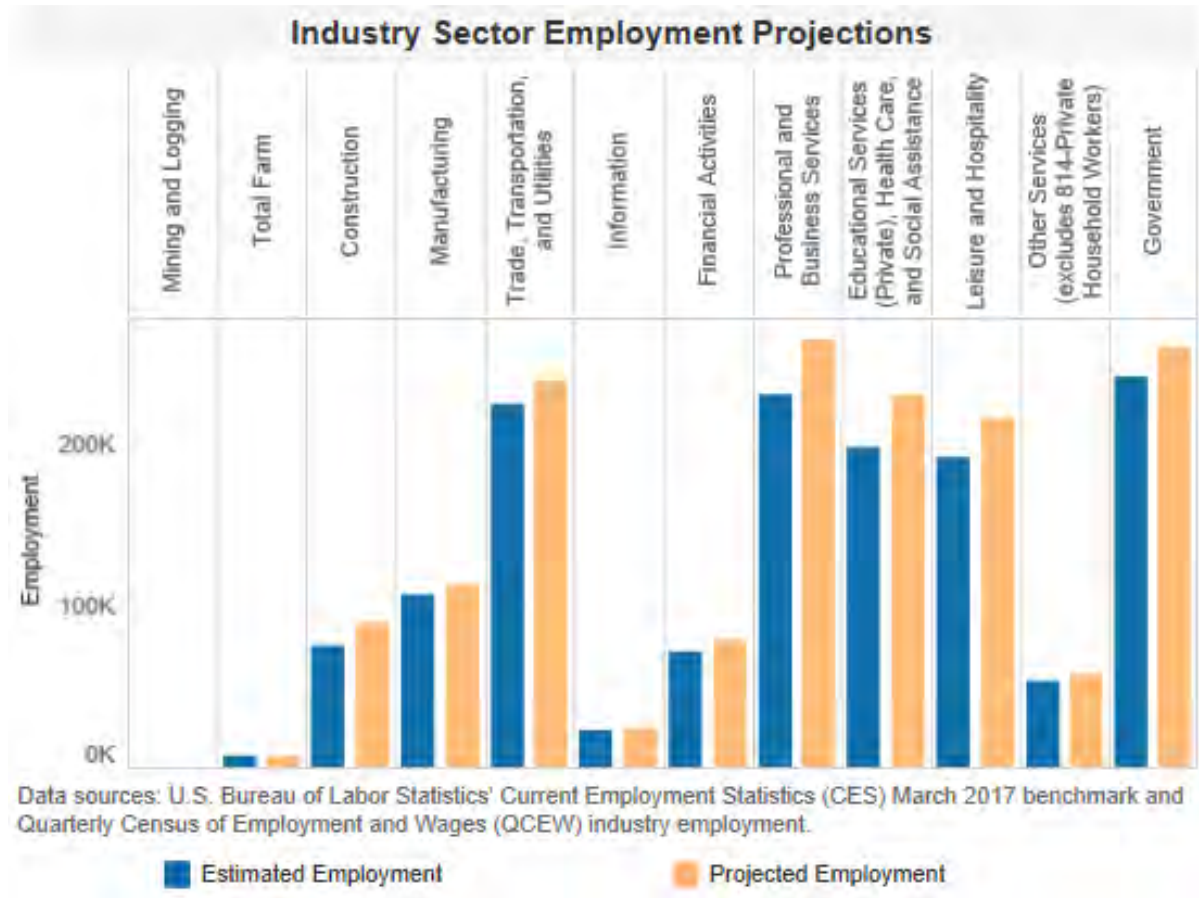
Source: City of San Diego Comprehensive Annual Financial Report 2021

San Diego County, CA Major Employers - 2021		
Employer Name	Location	Industry
32nd St Naval Station	San Diego	Federal Government-National Security
Ceasar Entertainment	Valley Center	Restaurants
Employees' association-Sdg-E	San Diego	Gas Companies
General Dynamics NASSCO	San Diego	Ship Builders & Repairers (mfrs)
Illumina Inc	San Diego	Biotechnology Products & Services
Kaiser Permanente Vandever Med	San Diego	Physicians & Surgeons
Kaiser Permanente Zion Med Ctr	San Diego	Hospitals
MCCS MCRD SN DIEGO-MRNE CORPS	San Diego	Military Bases
Merchants Building Maintenance	San Diego	Janitor Service
Page One Seo	San Diego	Mental Health Services
Palomar Pomerado Health Rehab	Escondido	Rehabilitation Services
Rady Children's Hospital	San Diego	Hospitals
San Diego Community College	San Diego	Junior-Community College-Tech Institutes
San Diego County Sheriff	Santee	Police Departments
Scripps Mercy Hosp Sn Diego	San Diego	Hospitals
Scripps Research Institute	La Jolla	Laboratories-Research & Development
Seaworld San Diego	San Diego	Water Parks
Sharp Grossmont Rehab Ctr	La Mesa	Rehabilitation Services
Sharp Mary Birch Hosp	San Diego	Hospitals
Sharp Memorial Hospital	San Diego	Hospitals
Sony Electronics	San Diego	Electronic Equipment & Supplies-Retail
UC San Diego Health	San Diego	Health Care Management
Ucsd-Neural Computation	La Jolla	University-College Dept/Facility/Office
University of California	La Jolla	University-College Dept/Facility/Office
University-California Sn Diego	La Jolla	Schools-Universities & Colleges Academic

Source: CA EDD

Employment Expansion/Contractions and Trends

We obtained the data below from the Employment Development Department (EDD) about San Diego-Carlsbad, California MSA.



Fastest Growing Occupations						
Standard Occupational Classification	Occupational Title	Base Year Employment Estimate	Projected Year Employment Estimate	Percent Change	Median Hourly Wage	Median Annual Wage
29-1171	Nurse Practitioners	1,480	1,980	33.8%	\$56.75	\$118,048
29-1071	Physician Assistants	1,240	1,640	32.3%	\$53.97	\$112,260
39-9021	Personal Care Aides	31,020	40,720	31.3%	\$11.74	\$24,419
15-1132	Software Developers, Applications	10,320	13,510	30.9%	\$51.96	\$108,086
13-1161	Market Research Analysts and Marketing Specialists	7,660	9,990	30.4%	\$30.42	\$63,288
31-2021	Physical Therapist Assistants	570	748	29.8%	\$27.84	\$57,921
15-1122	Information Security Analysts	590	760	28.8%	\$47.34	\$98,460
43-5011	Cargo and Freight Agents	1,020	1,310	28.4%	\$20.41	\$42,459
15-2031	Operations Research Analysts	1,240	1,590	28.2%	\$42.42	\$88,224
31-1011	Home Health Aides	3,230	4,140	28.2%	\$13.63	\$28,349

Wages are from the 2018 first quarter and do not include self-employed or unpaid family workers. An estimate could not be provided for wages listed as \$0.
Excludes "All Other" categories. These are residual codes that do not represent a detailed occupation.
Occupations with employment below 400 in 2016 are excluded.

Industry Title	Base Year Employment Estimate 2016**	Projected Year Employment Estimate 2026	Numeric Change 2016-2026	Percentage Change 2016-2026
Total Employment	1,534,800	1,704,600	169,800	11.1%
Self Employment (A)	98,900	111,700	12,800	12.9%
Private Household Workers (B)	2,400	2,200	-200	-8.3%
Total Farm	8,900	8,300	-600	-6.7%
Total Nonfarm	1,424,600	1,582,400	157,800	11.1%
Mining and Logging	300	300	0	0.0%
Construction	76,300	91,000	14,700	19.3%
Construction of Buildings	17,100	21,700	4,600	26.9%
Heavy and Civil Engineering Construction	6,600	7,700	1,100	16.7%
Specialty Trade Contractors	52,600	61,600	9,000	17.1%
Foundation, Structure, and Building Exterior Contractors	9,700	11,800	2,100	21.6%
Building Equipment Contractors	22,300	25,100	2,800	12.6%
Building Finishing Contractors	14,300	17,300	3,000	21.0%
Other Specialty Trade Contractors	6,400	7,400	1,000	15.6%
Manufacturing	108,000	113,800	5,800	5.4%
Durable Goods Manufacturing (321,327,331-339)	80,800	84,200	3,400	4.2%
Computer and Electronic Product Manufacturing	27,300	29,000	1,700	6.2%
Transportation Equipment Manufacturing	20,300	21,200	900	4.4%
Aerospace Product and Parts Manufacturing	11,600	13,300	1,700	14.7%
Ship and Boat Building	7,700	6,800	-900	-11.7%
Nondurable Goods Manufacturing (311-316,322-326)	27,200	29,600	2,400	8.8%
Trade, Transportation, and Utilities	224,800	239,200	14,400	6.4%
Wholesale Trade	47,600	52,500	4,900	10.3%
Merchant Wholesalers, Durable Goods	25,200	25,500	300	1.2%
Merchant Wholesalers, Nondurable Goods	16,800	19,300	2,500	14.9%
Retail Trade	147,500	152,300	4,800	3.3%
Motor Vehicle and Parts Dealers	18,000	20,600	2,600	14.4%
Building Material and Garden Equipment and Supplies Dealers	10,400	11,400	1,000	9.6%
Food and Beverage Stores	30,900	33,200	2,300	7.4%
Grocery Stores	26,900	28,800	1,900	7.1%
Health and Personal Care Stores	8,800	9,000	200	2.3%
Clothing and Clothing Accessories Stores	18,000	15,900	-2,100	-11.7%
Clothing Stores	14,000	11,800	-2,200	-15.7%
Sporting Goods, Hobby, Musical Instrument, and Book Stores	6,400	5,500	-900	-14.1%
General Merchandise Stores	26,600	24,700	-1,900	-7.1%
Department Stores	12,000	8,000	-4,000	-33.3%
General Merchandise Stores, including Warehouse Clubs and Supercenters	14,600	16,700	2,100	14.4%
Miscellaneous Store Retailers	8,500	8,600	100	1.2%
Transportation, Warehousing, and Utilities	29,700	34,400	4,700	15.8%
Utilities	5,400	5,200	-200	-3.7%
Transportation and Warehousing	24,300	29,200	4,900	20.2%
Warehousing and Storage	2,000	2,500	500	25.0%
Information	24,100	25,500	1,400	5.8%
Publishing Industries (except Internet)	6,500	7,300	800	12.3%
Software Publishers	4,100	5,500	1,400	34.1%
Broadcasting (except Internet)	3,000	3,200	200	6.7%

Industry Title	Base Year Employment Estimate 2016**	Projected Year Employment Estimate 2026	Numeric Change 2016-2026	Percentage Change 2016-2026
Telecommunications	8,500	7,700	-800	-9.4%
Financial Activities	72,700	79,900	7,200	9.9%
Finance and Insurance	45,000	49,400	4,400	9.8%
Credit Intermediation and Related Activities	19,800	20,700	900	4.5%
Securities, Commodity Contracts, and Other Financial Investments and Related Activities	8,500	9,300	800	9.4%
Insurance Carriers and Related Activities	16,800	19,400	2,600	15.5%
Real Estate and Rental and Leasing	27,700	30,500	2,800	10.1%
Real Estate	21,900	23,900	2,000	9.1%
Professional and Business Services	231,200	264,900	33,700	14.6%
Professional, Scientific, and Technical Services	126,000	145,600	19,600	15.6%
Legal Services	12,500	12,500	0	0.0%
Architectural, Engineering, and Related Services	20,900	24,900	4,000	19.1%
Scientific Research and Development Services	30,300	35,300	5,000	16.5%
Management of Companies and Enterprises	21,600	22,800	1,200	5.6%
Administrative and Support and Waste Management and Remediation Services	83,600	96,500	12,900	15.4%
Administrative and Support Services	79,800	92,100	12,300	15.4%
Employment Services	28,500	32,200	3,700	13.0%
Services to Buildings and Dwellings	22,800	28,300	5,500	24.1%
Waste Management and Remediation Services	3,800	4,400	600	15.8%
Educational Services (Private), Health Care, and Social Assistance	198,700	231,000	32,300	16.3%
Educational Services (Private)	29,700	30,800	1,100	3.7%
Colleges, Universities, and Professional Schools	13,800	13,200	-600	-4.3%
Health Care and Social Assistance	169,000	200,200	31,200	18.5%
Ambulatory Health Care Services	75,800	91,000	15,200	20.1%
Hospitals (Private)	20,900	22,100	1,200	5.7%
Nursing and Residential Care Facilities	27,200	33,600	6,400	23.5%
Social Assistance	45,100	53,500	8,400	18.6%
Leisure and Hospitality	191,900	216,700	24,800	12.9%
Arts, Entertainment, and Recreation	28,900	32,000	3,100	10.7%
Amusement, Gambling, and Recreation Industries	20,800	22,900	2,100	10.1%
Accommodation and Food Services	163,000	184,700	21,700	13.3%
Accommodation	31,700	35,400	3,700	11.7%
Food Services and Drinking Places	131,300	149,300	18,000	13.7%
Restaurants and Other Eating Places	121,800	138,700	16,900	13.9%
Other Services (excludes 814-Private Household Workers)	54,400	59,500	5,100	9.4%
Repair and Maintenance	12,700	14,500	1,800	14.2%
Personal and Laundry Services	20,100	22,200	2,100	10.4%
Religious, Grantmaking, Civic, Professional, and Similar Organizations	21,700	22,800	1,100	5.1%
Government	242,200	260,600	18,400	7.6%
Federal Government	46,800	46,900	100	0.2%
State and Local Government	195,500	213,700	18,200	9.3%
State Government	47,600	53,700	6,100	12.8%
State Government Education	31,600	36,400	4,800	15.2%
Other State Government	16,000	17,300	1,300	8.1%
Local Government	147,900	160,000	12,100	8.2%

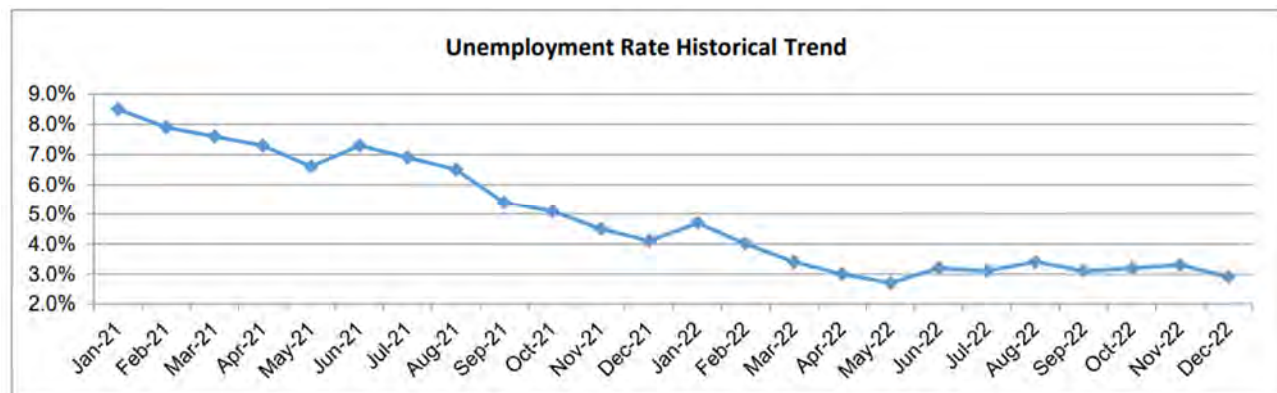
The top three industries with the highest level of employment in San Diego County include government; trade, transportation, and utilities; and professional and business assistance. Government; trade, transportation, and utilities; and professional and business assistance are projected to see a 7.6, 6.4, and 14.6 percent increase, respectively, in employment between 2016 and 2026.

We also obtained the January 2023 San Diego-Carlsbad MSA (San Diego County) press release published by the “State of California Employment Development Department, Labor Market Information Division”. We have illustrated this below.

“Between November 2022 and December 2022, nonfarm employment increased by 5,400, from 1,542,800 to 1,548,200. Agricultural employment contracted by 700, from 9,100, to 8,400.

- Construction recorded an employment increase of 1,700. Within construction, specialty trade contractors (up 1,100), construction of buildings (up 400), and heavy and civil engineering construction (up 200) reported job additions.
- Employment in professional and business services edged upward by 1,700. All payroll increases were in professional, scientific, and technical services (up 2,900). On the contrary, administrative and support and waste management and remediation services (down 1,100), and management of companies and enterprises (down 100) recorded employment losses.
- Trade, transportation, and utilities increased by 1,700 jobs. Retail trade (up 1,600) and transportation, warehousing, and utilities (up 600) increased job levels. Conversely, wholesale trade reduced job levels by 500.
- Additional employment gains were recorded in educational and health services (up 1,100), government (up 500), and manufacturing (up 200). Employment in financial activities, information, and mining and logging remained unchanged. Other services (down 800) and leisure and hospitality (down 700) recorded employment losses.

The unemployment rate in the San Diego County was 2.9 percent in December 2022, down from a revised 3.3 percent in November 2022, and below the year-ago estimate of 4.1 percent. This compares with an unadjusted unemployment rate of 3.7 percent for California and 3.3 percent for the nation during the same period.



Workforce and Unemployment Trends

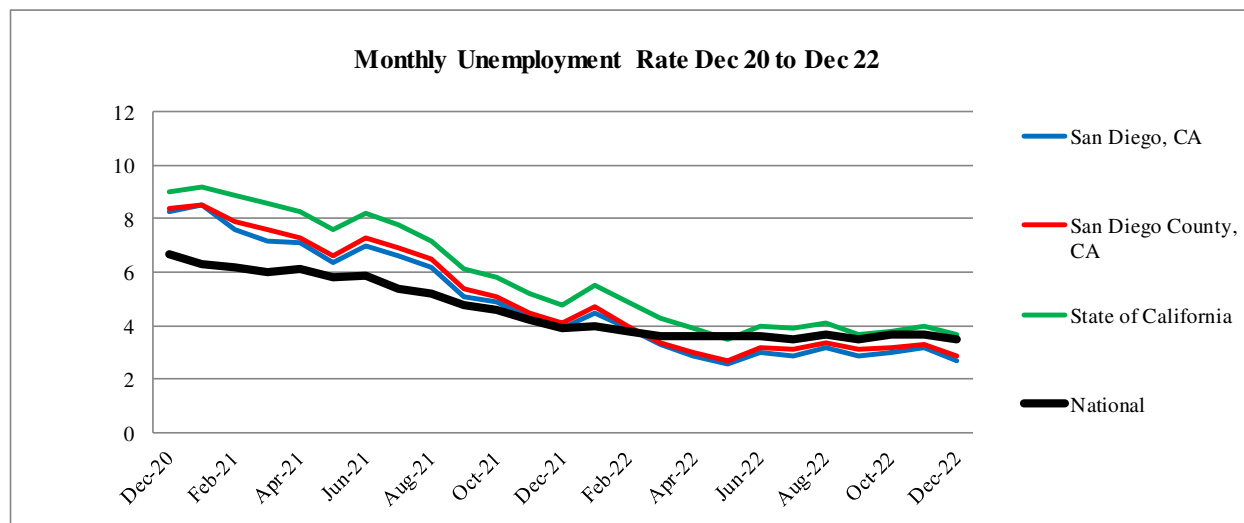
The table below illustrates the workforce and unemployment trends for the city of San Diego and San Diego County

Unemployment Trends - 2011-2022								
Year	San Diego, CA				San Diego County, CA			
	Total Labor Force	Total Employment	Unemployment Rate (%)	(%) Change	Total Labor Force	Total Employment	Unemployment Rate (%)	(%) Change
2011	677,375	609,523	10.0	-	1,521,745	1,361,865	10.5	-
2012	685,334	624,726	8.8	-1.2	1,536,925	1,394,274	9.3	-1.2
2013	688,208	636,209	7.6	-1.2	1,537,644	1,415,625	7.9	-1.4
2014	690,228	647,467	6.2	-1.4	1,537,512	1,437,398	6.5	-1.4
2015	695,049	660,441	5.0	-1.2	1,548,794	1,467,686	5.2	-1.3
2016	704,277	672,005	4.6	-0.4	1,563,246	1,489,143	4.7	-0.5
2017	710,115	682,275	3.9	-0.7	1,570,791	1,507,180	4.0	-0.7
2018	716,240	692,800	3.3	-0.6	1,579,550	1,526,087	3.4	-0.6
2019	717,575	695,054	3.1	-0.2	1,582,874	1,531,029	3.3	-0.1
2020	698,641	634,115	9.2	6.1	1,541,979	1,395,730	9.5	6.2
2021	699,411	655,961	6.2	-3.0	1,543,678	1,443,815	6.5	-3.0
2022	721,000	701,197	2.7	-3.5	1,588,968	1,543,381	2.9	-3.6

Source: Bureau of Labor Statistics

Since 2011, the unemployment rate in San Diego has decreased year-over-year until 2020. The unemployment rate decreased to 3.1 percent in 2019 before climbing to 9.2 percent in 2020 due to the COVID-19 pandemic. As of 2022, the unemployment rate has decreased to a decade low of 2.7 percent. The unemployment rate in the county has followed a similar trend.

Below we have compared the city, county, state, and national unemployment rates over the past 24 months.



Source: Bureau of Labor Statistics

The city, county, and state remained above the national unemployment rate since from December 2020 to February 2022, where the city and county maintained a lower unemployment rate than the national rate.

Unemployment rates increased drastically in July 2020 as the effects of government-mandated shutdowns and social distancing due to the COVID-19 pandemic were felt. Unemployment rates have since decreased to pre-COVID-19 levels, indicating the economy has recovered.

Employment Trends

The following table illustrates the employment trends in San Diego and San Diego County from 2011 to 2022.

Employment Trends - 2011-2022				
	San Diego, CA		San Diego County, CA	
Year	Total Employment	Percentage Growth	Total Employment	Percentage Growth
2011	609,523	-	1,361,865	-
2012	624,726	2.5%	1,394,274	2.4%
2013	636,209	1.8%	1,415,625	1.5%
2014	647,467	1.8%	1,437,398	1.5%
2015	660,441	2.0%	1,467,686	2.1%
2016	672,005	1.8%	1,489,143	1.5%
2017	682,275	1.5%	1,507,180	1.2%
2018	692,800	1.5%	1,526,087	1.3%
2019	695,054	0.3%	1,531,029	0.3%
2020	634,115	-8.8%	1,395,730	-8.8%
2021	655,961	3.4%	1,443,815	3.4%
2022	701,197	6.9%	1,543,381	6.9%

Source: Bureau of Labor Statistics

The employment level in San Diego and San Diego County has increased every year since 2011, with the exception of the 2020 statistics due to the COVID-19 pandemic. As of 2021 and 2022, the employment has increased 3.4 and 6.9 percent. The county has followed a similar trend.

Wages by Occupation

The chart below shows the wages by occupation for San Diego County.

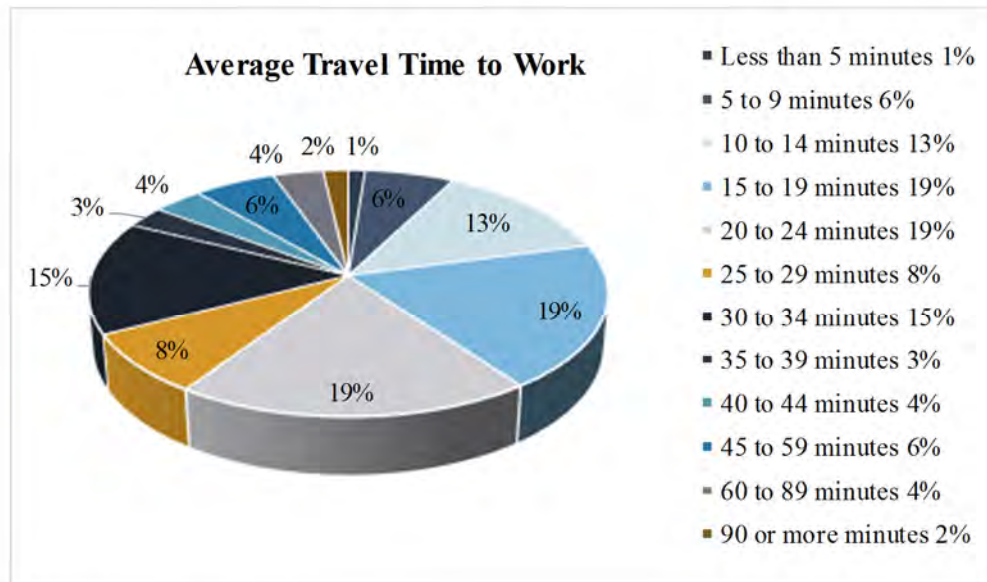
Wage by Occupation - San Diego County, CA- 2021			
Occupational Title	Number of Employees	Average Hourly Wage	Average Annual Wage
Total all occupations	1,399,990	\$31.72	\$65,988
Management Occupations	93,990	\$67.95	\$141,345
Business and Financial Operations Occupations	100,480	\$40.19	\$83,597
Computer and Mathematical Occupations	54,820	\$50.93	\$105,947
Architecture and Engineering Occupations	37,540	\$47.66	\$99,121
Life, Physical, and Social Science Occupations	25,170	\$42.54	\$88,480
Community and Social Service Occupations	23,330	\$27.05	\$56,259
Legal Occupations	12,490	\$58.32	\$121,312
Educational Instruction and Library Occupations	86,930	\$33.28	\$69,227
Arts, Design, Entertainment, Sports, and Media Occupations	17,290	\$31.53	\$65,574
Healthcare Practitioners and Technical Occupations	75,980	\$52.11	\$108,385
Healthcare Support Occupations	64,780	\$18.13	\$37,696
Protective Service Occupations	35,430	\$30.03	\$62,454
Food Preparation and Serving Related Occupations	127,060	\$16.37	\$34,039
Building and Grounds Cleaning and Maintenance Occupations	41,140	\$18.30	\$38,079
Personal Care and Service Occupations	31,880	\$18.32	\$38,121
Sales and Related Occupations	136,570	\$24.59	\$51,155
Office and Administrative Support Occupations	168,570	\$22.97	\$47,770
Farming, Fishing, and Forestry Occupations	3,350	\$16.76	\$34,860
Construction and Extraction Occupations	61,830	\$29.62	\$61,626
Installation, Maintenance, and Repair Occupations	46,930	\$28.24	\$58,737
Production Occupations	68,050	\$22.38	\$46,551
Transportation and Material Moving Occupations	86,380	\$20.54	\$42,736

Source: CA EDD

The data presented in the previous table depicts the wages in the county and is representative of wages earned in the PMA. The chart shows average hourly and annual wages by employment classification. The classification with the lowest average hourly wage was food preparation and serving-related occupations at \$16.37 per hour. The highest average hourly wage of \$67.95 was management occupations.

Commuting Patterns

The chart below shows the travel time to work for the PMA according to ESRI data.

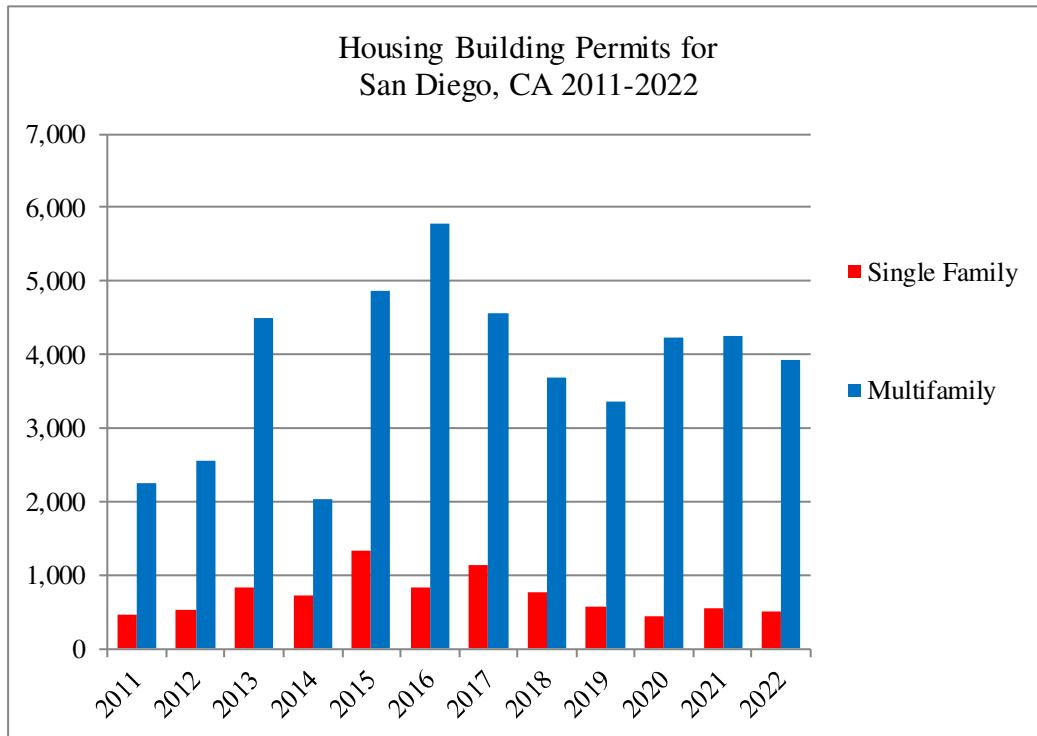


Source: ESRI Demographics

Approximately 82 percent of persons in the PMA have a commute time of less than 35 minutes indicating a majority of the persons in the PMA commute to work in nearby areas.

Building Permits

The following table demonstrates building permit information from 2011 through 2022 in San Diego provided by the State of the Cities Data System.



Source: Office of Policy Development and Research HUD

Construction activity in San Diego has mainly consisted of multifamily properties over the past decade.

Conclusion

The city of San Diego and San Diego County have many employment options for area residents, many of which are located within the PMA. Numerous businesses offering a range of positions and skill levels exist throughout the PMA. Many employment opportunities exist within a short distance of the Subject. The wage rates within the area demonstrate a significant pool of potential tenants exist for affordable housing developments.

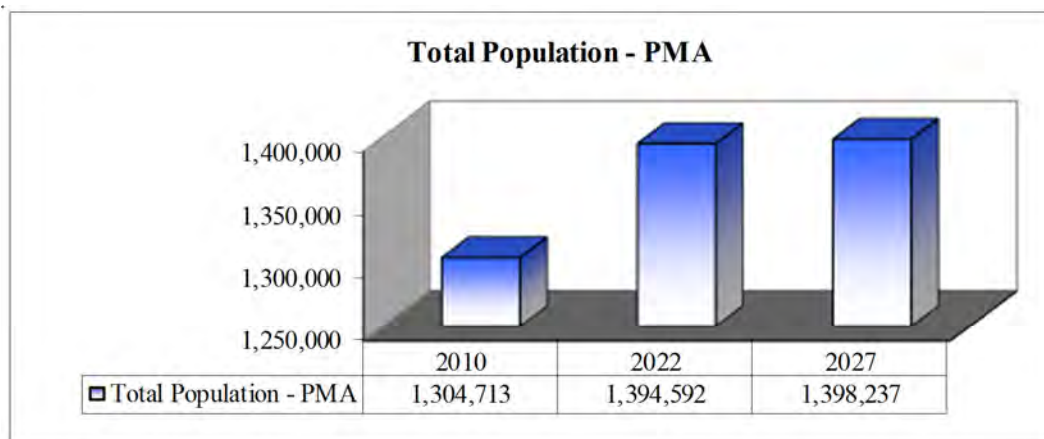
POPULATION, HOUSEHOLD & INCOME TRENDS

In this section, we compare population, household and income trends in the PMA with the secondary market area (SMA). All information is provided to us by ESRI Demographics, which is a national proprietary data provider. Some tables reflect rounding from the data provided, however, it is nominal.

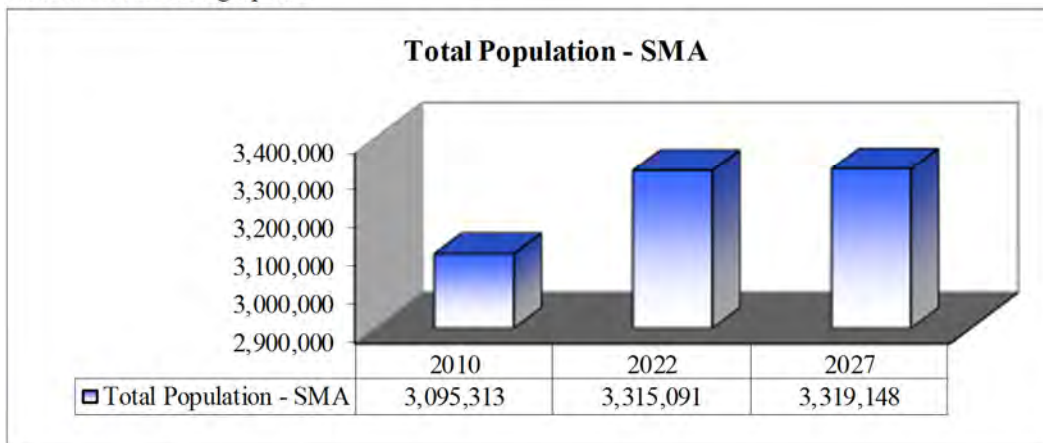
The data is presented for both the primary market area and the county in which the proposed development is located.

Total Population

The charts below illustrate total population in the PMA and SMA from 2010, 2022, and 2027.



Source: ESRI Demographics



Source: ESRI Demographics

The population within the PMA has grown from 2010 to 2022 and is expected to continue to increase through 2027. Similar to the PMA, the SMA is also considered an area of growth, which is a positive indicator for the need of additional affordable housing units.

Population by Age Group

The tables below illustrate population by age group in the PMA and SMA from 2010 through 2027.

Population by Age Group			
PMA			
Age Cohort	2010	2022	2027
0 - 4	80,692	75,916	76,864
5 - 9	74,952	75,858	72,670
10 - 14	75,269	76,243	72,713
15 - 19	90,689	89,760	86,892
20 - 24	126,738	122,752	120,305
25 - 34	229,455	249,383	238,886
35 - 44	183,360	194,345	207,884
45 - 54	172,002	158,838	158,336
55 - 64	131,801	152,155	142,759
65 - 74	72,058	113,003	119,718
75 - 84	46,686	59,828	72,650
85+	21,011	26,511	28,561
Total	1,304,713	1,394,592	1,398,237
Population by Age Group			
SMA			
Age Cohort	2010	2022	2027
0 - 4	203,423	194,040	196,270
5 - 9	194,029	197,082	189,922
10 - 14	198,716	199,918	191,936
15 - 19	225,095	209,320	202,259
20 - 24	270,750	253,021	240,515
25 - 34	470,922	536,534	510,294
35 - 44	420,563	443,160	485,469
45 - 54	430,774	384,126	377,113
55 - 64	329,616	388,627	357,562
65 - 74	180,554	291,678	312,358
75 - 84	116,911	150,580	184,221
85+	53,960	67,005	71,229
Total	3,095,313	3,315,091	3,319,148

Source: ESRI Demographics

Within the PMA and SMA, population appears to be the greatest in the 25 to 54-year age groups during 2022.

Number of Elderly and Non-elderly

The table below is an illustration of the elderly and non-elderly population.

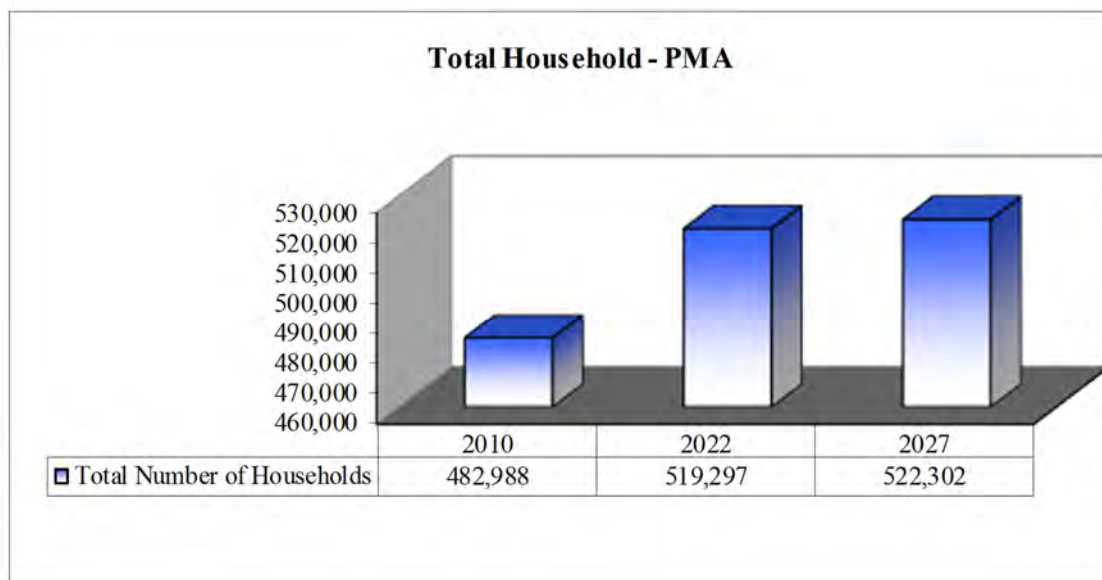
Number of Elderly and Non-Elderly						
	PMA			SMA		
Year	Total Population	Non-Elderly	Elderly (62+)	Total Population	Non-Elderly	Elderly (62+)
2010	1,304,713	1,125,418	179,295	3,095,313	2,645,003	450,310
2022	1,394,592	1,149,604	244,989	3,315,091	2,689,240	625,851
2027	1,398,237	1,134,480	263,757	3,319,148	2,644,071	675,077

Source: ESRI Demographics

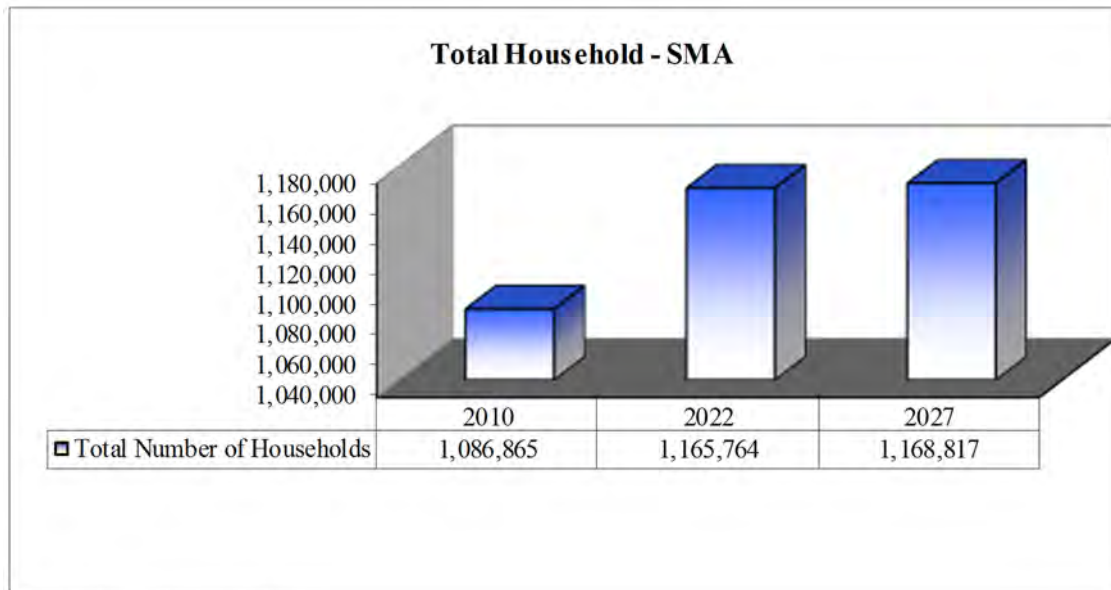
As illustrated in the table above, within the PMA, population is greatest in the non-elderly population, those aged 61 or under. In the PMA the elderly population comprises approximately 17.6 percent of the total population in 2021 versus 18.9 percent in the SMA.

Total Number of Households

The charts below illustrate the total number of households in the PMA and SMA.



Source: ESRI Demographics



Source: ESRI Demographics

Similar to the growth in population in both the PMA and SMA, growth in the number of households is expected to increase between 2010 and 2027, indicating the PMA and SMA are areas of growth. As the population and the number of households increase, there will be a larger number of lower-income needing affordable housing choices.

Total Household by Tenure

The table below illustrates total households by tenure for the total population in the PMA and SMA.

Tenure Patterns - Total Population								
Year	PMA				SMA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2010	233,128	48.3%	249,857	51.7%	591,025	54.4%	495,840	45.6%
2022	249,656	48.1%	269,642	51.9%	642,061	55.1%	523,703	44.9%
2027	249,692	47.8%	272,610	52.2%	643,365	55.0%	525,452	45.0%

Source: ESRI Demographics

As indicated, the total number of renter-occupied housing units within the PMA during 2022 is 51.9 percent. Comparatively, the total number of renter-occupied households within the SMA during 2022 is lower at 44.9 percent.

Average Household Size

The table below illustrates average household size.

Average Household Size				
Year	PMA		SMA	
	Number	Annual Change	Number	Annual Change
2010	2.70	-	2.85	-
2022	2.69	-0.05%	2.84	-0.01%
2027	2.68	-0.06%	2.84	-0.03%

Source: ESRI Demographics

Average household size in the PMA during 2022 was 2.69 persons; this is projected to decrease slightly through 2027. Comparison to the SMA average household size of 2.84 indicates a larger average household size in the SMA than the PMA.

Renter Households by Number of Persons in the Household

The following tables show household size by renter tenure.

Renter Households by Number of Persons - PMA						
	2010		2022		2027	
	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	69,961	28.0%	75,499	28.0%	76,331	28.0%
With 2 Persons	78,956	31.6%	85,207	31.6%	86,145	31.6%
With 3 Persons	38,978	15.6%	42,064	15.6%	42,527	15.6%
With 4 Persons	32,482	13.0%	35,053	13.0%	35,439	13.0%
With 5 Persons	15,991	6.4%	17,257	6.4%	17,447	6.4%
With 6 Persons	6,996	2.8%	7,550	2.8%	7,633	2.8%
With 7+ Persons	6,496	2.6%	7,011	2.6%	7,088	2.6%
Total Renter Households	249,860	100%	269,641	100%	272,610	100%
Renter Households by Number of Persons -SMA						
	2010		2022		2027	
	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	119,002	24.0%	125,689	24.0%	126,108	24.0%
With 2 Persons	154,702	31.2%	163,395	31.2%	163,941	31.2%
With 3 Persons	81,814	16.5%	86,411	16.5%	86,700	16.5%
With 4 Persons	71,897	14.5%	75,937	14.5%	76,191	14.5%
With 5 Persons	36,692	7.4%	38,754	7.4%	38,883	7.4%
With 6 Persons	16,363	3.3%	17,282	3.3%	17,340	3.3%
With 7+ Persons	14,875	3.0%	15,711	3.0%	15,764	3.0%
Total Renter Households	495,344	100%	523,179	100%	524,927	100%

Source: ESRI Demographics

The largest category of renter households in the PMA has two persons.

Conclusion

The PMA is comprised of 51.9 percent renter households. Demand for multifamily rental units in the PMA is expected to come from normal turnover and the limited supply of affordable properties in the area. The number of households is expected to increase in the PMA from 2022 through 2027. Demand for rental units in the PMA is expected to come from natural population growth and renter turnover. As the total population and number of households continue to grow, the demand for housing units will continue to increase. The demographics presented above provide support that there is a stable renter population within the PMA and would typically support current and future demand for the Subject.

NEIGHBORHOOD ANALYSIS

Neighborhood

The neighborhood surrounding an apartment property often impacts the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the property's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

The Subject is located approximately two blocks from the beach within the Ocean Beach Plan Area, which is located within northwestern San Diego within a mixed-use neighborhood. Following is the community plan area map.



The Ocean Beach community originally was developed as a resort community consisting of summer cottages and beachfront homes. Per the San Diego Community Plan Area data “the community was affected by World War II, as the large influx of military personnel created the need for housing. Increased tourism, including the development of Mission Bay Park, the completion of Interstate 8, and the popularity of the casual beach environment as a place to live.

The Ocean Beach planning area was originally a precise planning area of the Peninsula Community. The community is approximately one square mile in size. The boundaries of the community are the San Diego River on the north, the Pacific Ocean on the west, Adair Street on the south, and Froude and West Point Loma Blvd. on the east. Ocean Beach is adjacent to the Peninsula Community Planning Area to the south and east and Mission Bay Regional Park to the north.

The community is known for beach accessibility, local restaurants and bars, and an eclectic lifestyle area.

Access and Traffic Flow

Access to the site is from the southeast side of Abbott Street, which is a two-lane neighborhood connector street that traverses northwest/southeast and provides access to West Point Loma Boulevard to the northeast. West Point Loma Boulevard is a two-lane road that traverses generally in an east/west direction and provides access to Sunset Cliffs Boulevard that provides access to Interstate 8.

Visibility/Views

The site has excellent visibility from the southeast side of Abbott Street. Surrounding uses include to the northeast at the corner of Abbott Street and Muir Avenue is a restaurant undergoing renovations scheduled to open soon that will be in good condition upon completion of renovations. Other surrounding uses are a mixture multifamily and single family uses in average condition.

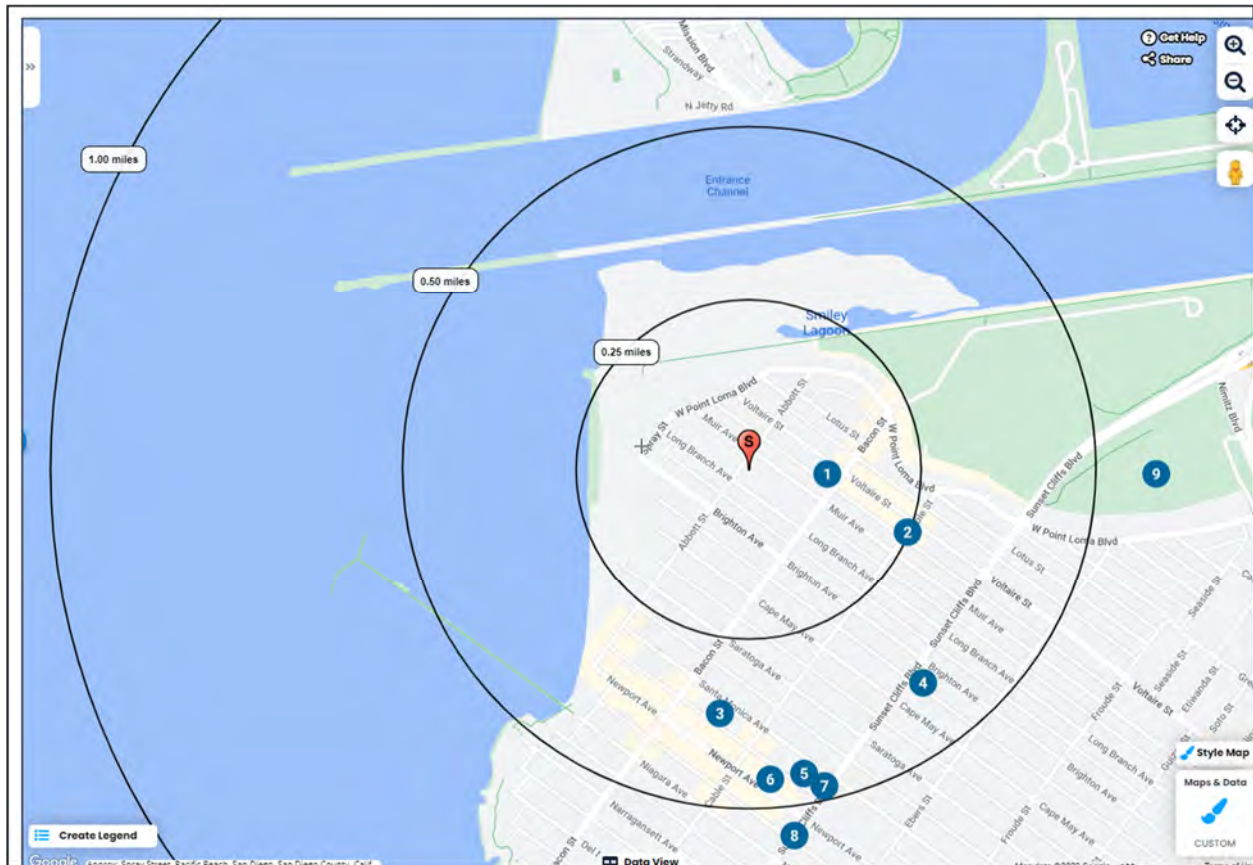
Location Map

The map below illustrates the Subject and surrounding neighborhood.

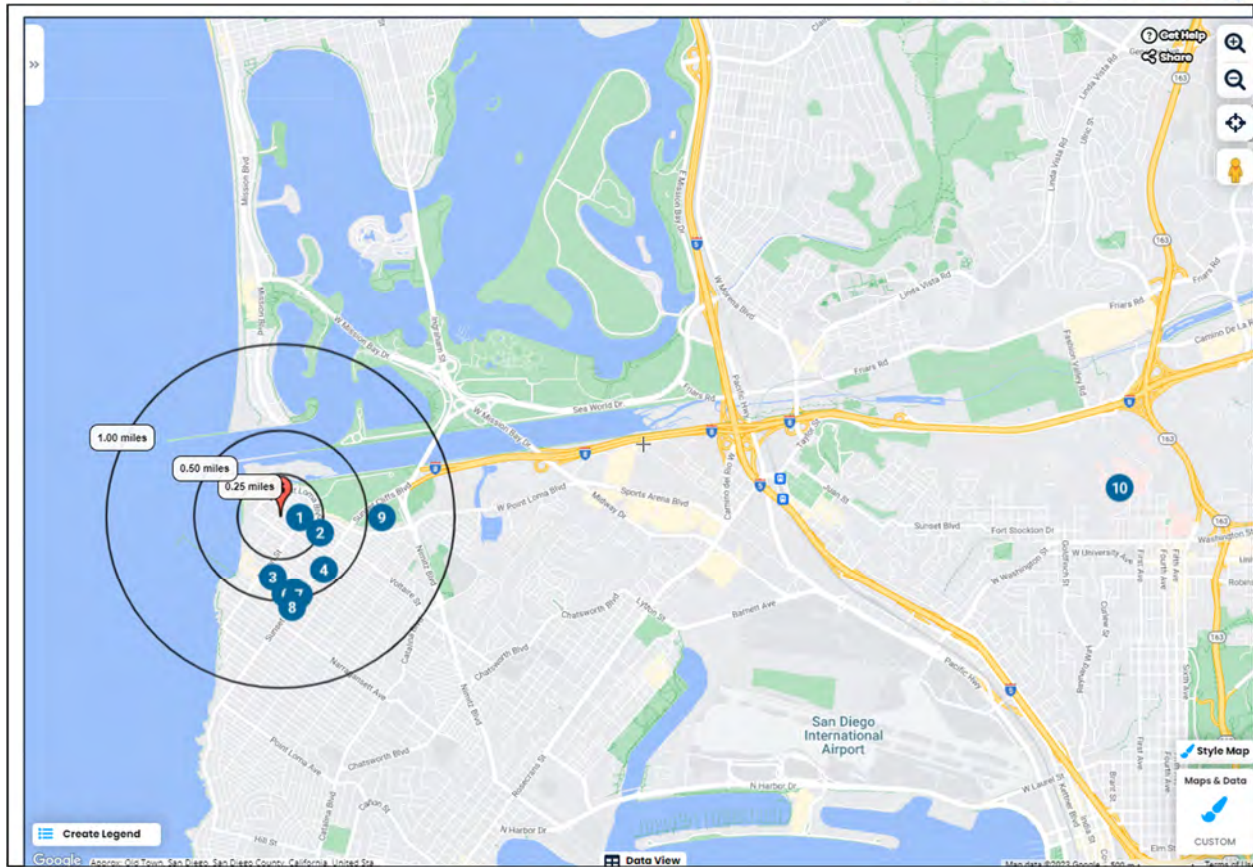


Locational Amenities & Map - Overview

The maps and table below illustrate the location amenities in relation to the Subject site.



Distance From Local Services			
Map #	Name	Service	Distance
1	7-Eleven	Gas Station	0.11 miles
2	Bus Stop	Bus Stop	0.24 miles
3	CVS	Pharmacy	0.36 miles
4	Episcopal Diocese of San Diego	Church	0.40 miles
5	USPS	Post Office	0.45 miles
6	Target	Grocery Store	0.45 miles
7	Ocean Beach Branch Library	Library	0.47 miles
8	Chase Bank	Bank	0.54 miles
9	Dusty Rhodes Park	Recreation	0.58 miles
10	UC San Diego Division of Hospital Medicine	Hospital	4.83 miles



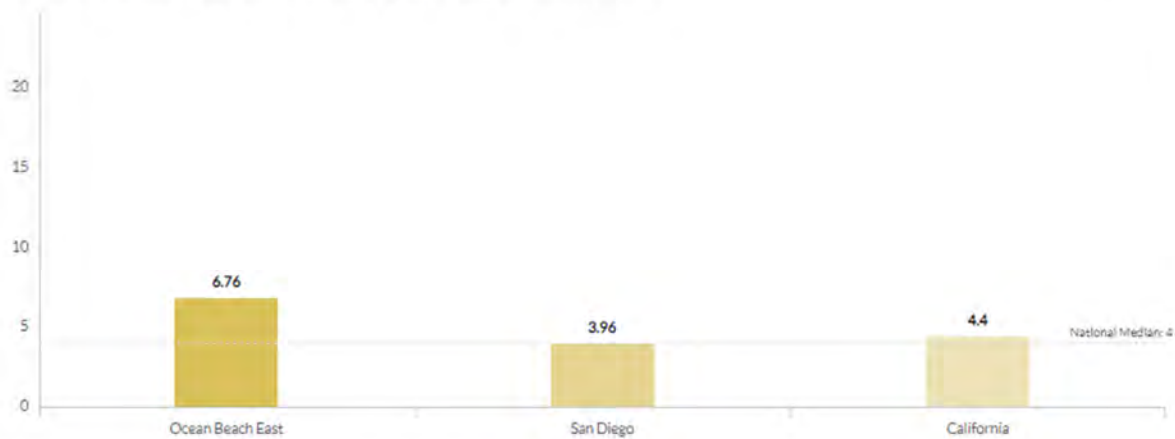
Distance From Local Services			
Map #	Name	Service	Distance
1	7-Eleven	Gas Station	0.11 miles
2	Bus Stop	Bus Stop	0.24 miles
3	CVS	Pharmacy	0.36 miles
4	Episcopal Diocese of San Diego	Church	0.40 miles
5	USPS	Post Office	0.45 miles
6	Target	Grocery Store	0.45 miles
7	Ocean Beach Branch Library	Library	0.47 miles
8	Chase Bank	Bank	0.54 miles
9	Dusty Rhodes Park	Recreation	0.58 miles
10	UC San Diego Division of Hospital Medicine	Hospital	4.83 miles

Crime Statistics

The following crime data is provided by Neighborhood Scout.

TOTAL CRIME INDEX	NEIGHBORHOOD ANNUAL CRIMES		
41 <small>(100 is safest)</small> Safer than 41% of U.S. neighborhoods.		VIOLENT	PROPERTY
	Number of Crimes	27	58
	Crime Rate (per 1,000 residents)	6.76	14.53
		TOTAL	
		85	21.29

VIOLENT CRIME COMPARISON (PER 1,000 RESIDENTS)



SAN DIEGO VIOLENT CRIMES

POPULATION: 1,381,611

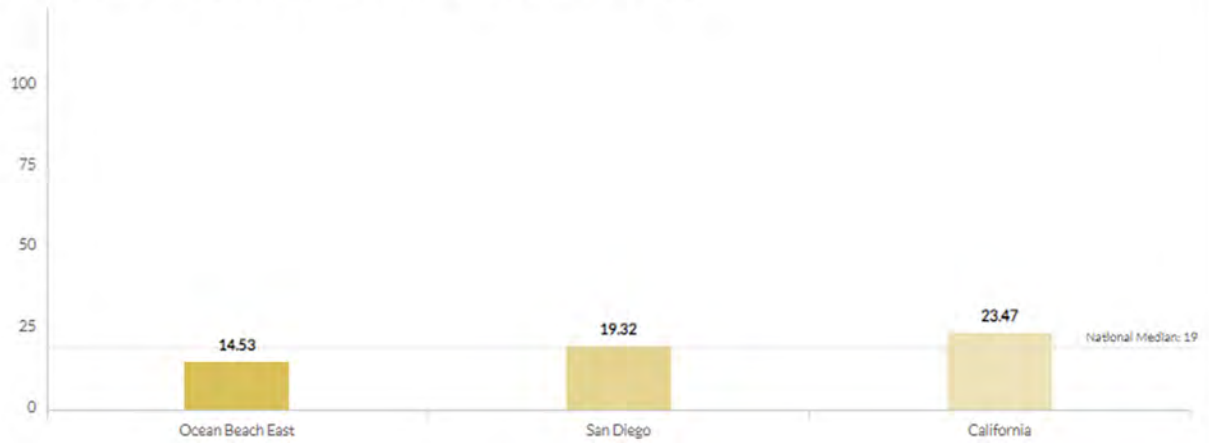
	MURDER	RAPE	ROBBERY	ASSAULT
Report Total	64	450	1,047	3,909
Rate per 1,000	0.05	0.33	0.76	2.83

UNITED STATES VIOLENT CRIMES

POPULATION: 331,888,310

	MURDER	RAPE	ROBBERY	ASSAULT
Report Total	22,941	144,285	202,155	943,774
Rate per 1,000	0.07	0.43	0.61	2.84

PROPERTY CRIME COMPARISON (PER 1,000 RESIDENTS)



SAN DIEGO PROPERTY CRIMES

POPULATION: 1,381,611

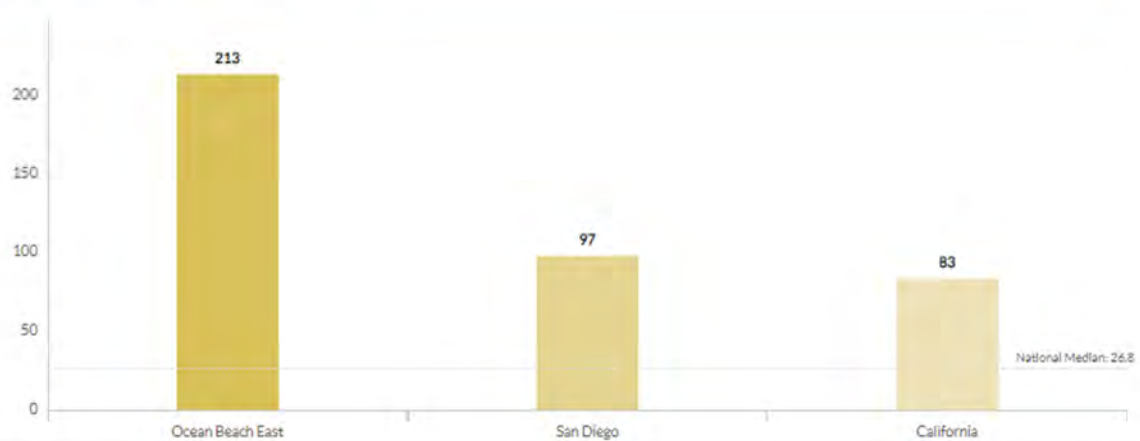
	BURGLARY	THEFT	MOTOR VEHICLE THEFT
Report Total	3,320	16,865	6,514
Rate per 1,000	2.40	12.21	4.71

UNITED STATES PROPERTY CRIMES

POPULATION: 331,888,310

	BURGLARY	THEFT	MOTOR VEHICLE THEFT
Report Total	899,656	4,626,970	890,179
Rate per 1,000	2.71	13.94	2.68

CRIMES PER SQUARE MILE



Due to the demand for affordable housing, especially for the targeted population, it is not anticipated that the overall crime statistics will affect the marketability for the Subject. The Subject will provide controlled access.

Summary

The site is located within a mixed-use neighborhood in San Diego. All major shopping, transportation, and recreational amenities are located within a short distance of the Subject. Access to groceries, pharmacy and shopping is convenient, and within reasonable distance.

PROJECT DESCRIPTION

Our description of the Subject is based upon information provided by the developer and the property inspection. We assume the information supplied is accurate.

Site Description

Site Location:	2147 Abbott Street Apartments (Subject) is located at 2147 Abbott Street, San Diego, San Diego County, California. The Subject is assigned assessor parcel number (APN) 448-124-15-00. The site is located in Census Tract 75.01.
Frontage:	The Subject site has frontage along the southeast side of Abbott Street.
Size/Shape:	The site contains 0.22 acres or 9,583 square feet and is irregular in shape.
Topography:	The site topography is level at curb grade.
Vegetation:	The site has landscaped vegetation with some trees, and landscaped areas.
Proximity to Adverse Conditions:	At this time, we are unaware of any detrimental influences that would impact on the value of the Subject.
Drainage:	Appears adequate, however no specific tests were performed.
Soil and Subsoil Conditions:	We were not provided with soil surveys.
Environmental:	No environmental hazards were observed during the site inspection. However, we are not experts within this field.
Zoning:	The Subject is zoned RM-2-4 (Residential - Multiple Unit). This zone permits multifamily developments with a maximum density of one dwelling unit per 1,750 square feet of lot area. The Subject is 9,583 square feet, which allows for six units. The property was constructed prior to current zoning regulations and is restricted per regulatory agreement that runs with the land to provide 14 units with one studio unit and 13 one bedroom units through 2052. Therefore, the property represents a legal conforming use.

Flood Plain:

According to FEMA FIRM map number According to FEMA FIRM map number 06073C1594H, dated December 20, 2019, indicates the Subject is located in Zone A. Without Base Flood Elevation (BFE) Zone A, V, A99.

Photographs:

Subject photos are included in the Addenda.

Location Map:

The map below illustrates the location of the Subject.



IMPROVEMENT CHARACTERISTICS

The 2147 Abbott Street Apartments (Subject) consists of a vacant apartment complex that presently is improved with one studio unit, 11 one bedroom units, and two one bedroom units that have been combined for office use. The complex is designed to consist of one studio unit and 13 one-bedroom units. There is a regulatory agreement restricting the development to 14 units restricted to households at 80 percent AMI. The regulatory agreement expires in 2052.

The Subject consists of two connected two-story apartment buildings containing one studio and 11 one-bedroom units, and two, one-bedroom units that have been combined for office use. Construction is wood frame with concrete foundations. There is a laundry room on the first floor and utilities room on the second floor of the area connecting the two buildings. The improvements were constructed in 1958. The improvements reportedly have been vacant for approximately two years. Overall the improvements appear in fair to average condition. The buildings roofs reportedly were replaced approximately 15 years ago. The improvements have been updated over the years with several units having been updated with laminate flooring. Most units have carpeting in the living room and bedroom areas and vinyl tile flooring in kitchen areas.

Substantial repairs are planned which total \$877,034. All units will receive new appliances and fixtures, gas heating systems, window coverings, doors and locks replacement, smoke and CO2 sensors, in addition to repairs to common areas. A copy of the construction costs is included in the Addenda. The costs estimates appear reasonable and include allowances for general conditions, contractor overhead, and prevailing wages.

The proposed unit mix and rents are illustrated following. Per regulatory agreement which expires in 2052, rents are at 80% AMI, and net of all utilities.

Unit Mix, Size, Rents						
Unit Type	Number	Unit Size	Net Rents	Utility Allowance	Gross Rents	2022 Max Allowable LIHTC Rents
80% AMI						
0BR/1BA	1	300	\$1,822	\$0	\$1,822	\$1,822
1BR/1BA	13	540	\$1,952	\$0	\$1,952	\$1,952
Total	14					

Date of Construction:

The Subject was constructed in 1958. Repairs are planned to be completed within one month of property transfer, and no discounting for time is needed.

Parking:

The Subject provides five surface parking spaces.

Utility Structure:

The landlord will pay for all utilities including electricity, heating, cold and hot water, sewer, and trash expenses.

Amenities Table:

The Subject's amenities are detailed in the following table.

Unit Amenities:		Property Amenities:	
Central Heat/Cool	<input checked="" type="checkbox"/>	Community Room	<input type="checkbox"/>
Blinds	<input checked="" type="checkbox"/>	Swimming Pool	<input type="checkbox"/>
Carpet	<input checked="" type="checkbox"/>	Spa/Jacuzzi	<input type="checkbox"/>
Ceiling Fan	<input type="checkbox"/>	Exercise Room	<input type="checkbox"/>
Skylight	<input type="checkbox"/>	Courtyard/Picnic Area	<input type="checkbox"/>
Storage Closet	<input type="checkbox"/>	Playground	<input type="checkbox"/>
Coat Closet	<input checked="" type="checkbox"/>	Tennis Court	<input type="checkbox"/>
Walk-In Closet	<input type="checkbox"/>	Basketball Court	<input type="checkbox"/>
Fireplace	<input type="checkbox"/>	Volleyball Court	<input type="checkbox"/>
Patio/Balcony	<input type="checkbox"/>	On-Site Manager	<input type="checkbox"/>
Appliances:		Laundry Room	<input checked="" type="checkbox"/>
Refrigerator	<input checked="" type="checkbox"/>	Computer Room	<input type="checkbox"/>
Stove/Oven	<input checked="" type="checkbox"/>	Business Center	<input type="checkbox"/>
Dishwasher	<input type="checkbox"/>	Car Wash Area	<input type="checkbox"/>
Garbage Disposal	<input type="checkbox"/>	Elevator ("Y"es or "N"o)	<input type="checkbox"/>
Microwave	<input type="checkbox"/>	Additional Services	<input type="checkbox"/>
Washer/Dryer	<input type="checkbox"/>		
Washer/Dryer Hook-up	<input type="checkbox"/>		
Parking:		Security :	
Surface Parking	<input checked="" type="checkbox"/>	Gated/Controlled Access/Intercom	<input checked="" type="checkbox"/>
Carport	<input type="checkbox"/>	Courtesy Patrol	<input type="checkbox"/>
Underground	<input type="checkbox"/>	Surveillance Cameras	<input type="checkbox"/>
Detached Garage	<input type="checkbox"/>		
Attached Garage	<input type="checkbox"/>		
Tuck-under Garage	<input type="checkbox"/>		
Parking Garage	<input type="checkbox"/>		

**Deferred Maintenance,
Functional Obsolescence:**

The Subject upon repairs completion will be in good condition with functional design.

Economic Life:

The Subject's physical life and economic life of the improvements upon completion of repairs is estimated to be 20 years. A remaining economic life of 40 years is considered reasonable and market supported.

Conclusion:

The condition of the Subject will be good upon construction completion. There is a regulatory agreement restricting the development to 14 units restricted to households at 80 percent AMI. The regulatory agreement expires in 2052.

Assessment Value and Taxes

Under California State Law, real property is re-appraised only when a change in ownership occurs, or upon completion of new construction. Except for these two instances, property assessments cannot be increased by more than two percent annually, based on the California Consumer Price Index.

A limited value is also assigned to each individual property and is taxed using a primary tax rate. According to the San Diego County Assessor's Office, the Subject has been assigned the following Appraisal Parcel Number: 448-124-15-00. The current limited tax rate for the Subject's full cash appraised value is 1.21636 per \$100 of assessed value. The 2022/2023 tax bill for the Subject was \$10,618.66, and operates with nonprofit tax exemption status. The Subject will continue to be tax exempt due to nonprofit ownership vesting; taxes used reflect exemption in the analysis with the property only subject to special assessments in the tax rate.

HIGHEST AND BEST USE ANALYSIS

HIGHEST AND BEST USE AS VACANT

Physically Possible

The Subject site consists of approximately 0.22 acres or 9,583 square feet. The site is irregular in shape parcel with level topography. Accessibility and visibility are considered good. The site is considered adequate for a variety of physically possible uses.

Legally Permissible

The Subject is zoned RM-2-4 (Residential - Multiple Unit), which is a multifamily designation that permits multifamily use. The Subject was constructed prior to enactment of current zoning ordinances, and is restricted to affordable housing regulatory restrictions which continue through 2052; therefore, the property represents a legal conforming use.

Financially Feasible

The cost of the land limits those uses that are financially feasible for the site. Any use of the Subject site that provides a financial return to the land in excess of the cost of the land is those uses that are financially feasible.

If the Subject property were not subject to long term regulatory restrictions, its financially feasible and legally permissible use would be to operate as a multifamily property with legal nonconforming use. Its location approximately two blocks from the beach positions the property to experience strong demand consistent with similarly sized and vintage properties in the Ocean Beach Community Plan area.

However, the Subject's feasible uses are restricted to those that are allowed by regulatory restrictions and are physically possible. As noted in the zoning section, the site is restricted via long term regulatory agreement and can only be used for apartment uses. The Subject's regulatory restrictions are 80% AMI tenant income qualifications at 80% AMI allowable rents.

Maximally Productive

The site is restricted via regulatory agreement which expires in 2052. Therefore, the maximally productive use of this site as if vacant would be consistent with regulatory restrictions and to construct a residential apartment property using tax credit equity, favorable financing, or other gap subsidies.

Conclusion Highest and Best Use “As Vacant”

The highest and best use for the property “as vacant” would be to construct a multifamily or residential complex with financial subsidies consistent with current regulatory restrictions ordinances.

Highest and Best Use “As Improved”

The Subject’s highest and best use has to be consistent with its regulatory agreement restricting tenants’ household income and rents to 80% AMI, and expires in 2052. The planned transfer of the property with completion of planned repairs represents the highest and best use as improved.

Data sheets and adjustment grids of surveyed market rate studio and one bedroom apartment properties are included in the Addenda for further reference which demonstrate 80% AMI allowable rents are achievable.

APPRAISAL METHODOLOGY

The valuation process begins with an estimate of the highest and best use of the Subject property considered as though vacant, and as improved. Once determined the property is then valued according to its highest and best use. Contemporary appraisers usually gather and process data according to the discipline of the three approaches to value.

The cost approach consists of a summation of land value (as though vacant) and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings' potential of the property is carefully estimated and converted into an estimate of the property's market value.

APPLICABILITY TO THE SUBJECT PROPERTY

The cost approach consists of a summation of land value (as though vacant) and the cost to replace the improvements, less appropriate deductions for depreciation. Replacement cost is the cost to construct improvements having equal utility. This valuation technique is not typically undertaken for properties of similar vintage since we do not anticipate the approach yields a reliable indication of value for the Subject property. This is primarily attributable to the age and condition of the improvements, and the attendant difficulty in accurately estimating accrued physical depreciation as well as the lack of recent multi-family land sales in the Subject's market area. Moreover, apartment purchasers do not typically use cost principles in pricing properties of the Subject's age. However, an indication of hypothetical land value as is vacant is a component of this assignment. This valuation utilizes the sales comparison approach.

In the sales comparison approach, appraisers estimate the value of a property by comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. The sales comparison approach is not presented because of the regulatory restrictions in place at the Subject through expiration in 2052. Properties with generally similar regulatory restrictions do not typically transfer via arms length transactions, and therefore the improved sales comparison approach is not prudent. However, analysis of improved sales of multifamily properties are performed for the purpose of capitalization rate analysis.

The income capitalization approach requires an estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk and alternative investment possibilities. The Subject operates with regulatory restrictions through 2052. A direct capitalization technique is utilized. This is considered to be the best method of valuation.

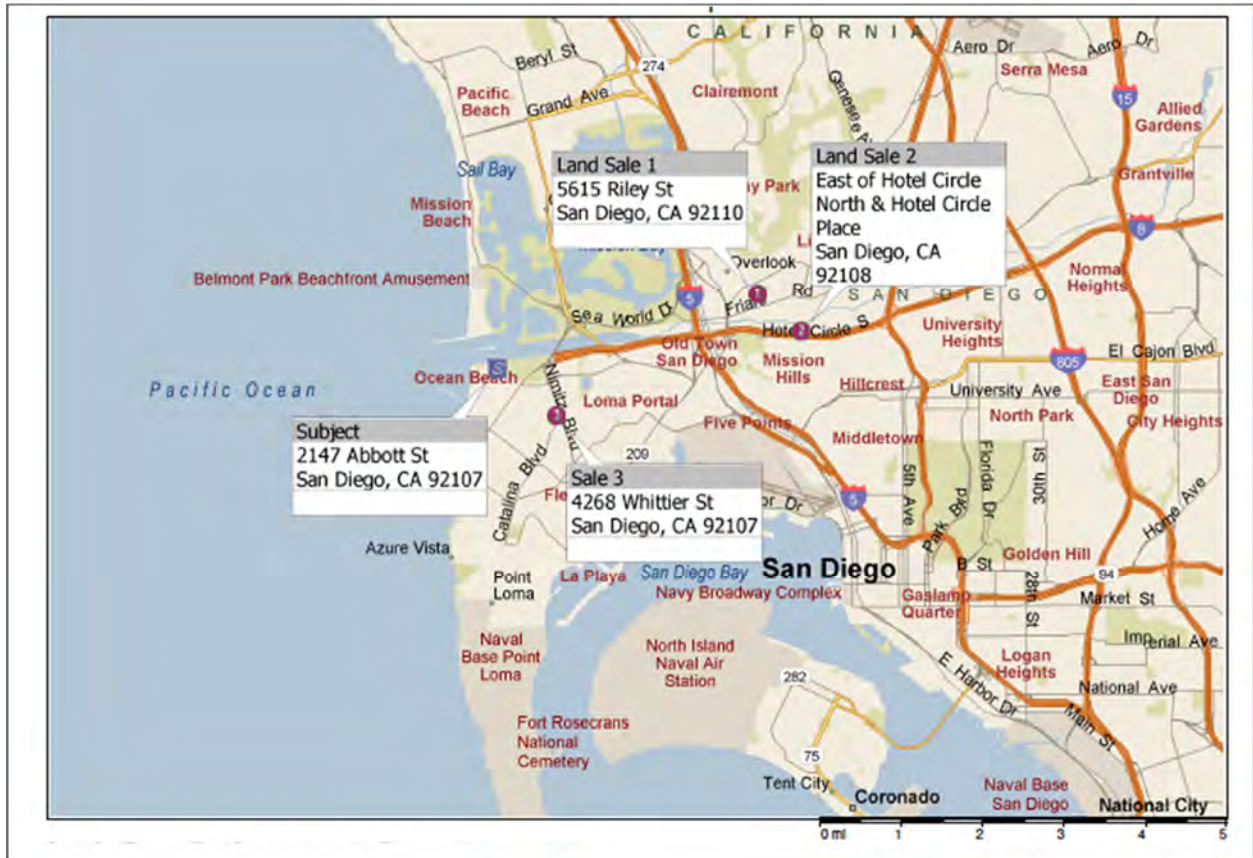
LAND VALUATION

The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by prospective purchasers willing to buy or lease. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer's actions. The buyer is comparing those properties that constitute the market for a given type and class.

To arrive at an opinion of land value for the Subject site, we researched and analyzed sales of comparable sites in the competitive area. In performing the market valuation, an extensive search for recent transfers of land zoned for multifamily development within the northwestern San Diego area was made. Sales selected reflect the Subject's location. Following is a land sales map, summary of sales, analysis of sales, and individual land data sheets.

Multifamily Land Sales							
Data No.	Property Identification	Date of Sale	Sale Price	Property Size/Acres	Property Size/SF	Price per SF	Price per Unit
1	5615 Riley Street San Diego, CA 92110 436-571-02-00; -13-00; 14-00	Oct-21	\$3,725,000	0.50	21,780	\$171.03	\$62,083
2	East of Hotel Circle North & Hotel Circle Place San Diego, CA 92108 437-350-10	Sep-21	\$38,015,000	4.95	215,622	\$176.30	\$76,182
3	4268 Whittier Avenue San Diego, CA 92107 449-270-04, 05, 034	Jul-19	\$675,000	0.22	9,583	\$70.44	\$112,500

Land Sales Map



Land Sale 1			
Property Identification			
Address/Location	5615 Riley Street San Diego, CA 92110		
APN	436-571-02-00; -13-00; 14-00		
Property Characteristics		Sale Data	
Zoning	RM-3-7	Sale Price	\$3,725,000
Property Use	Multifamily	Cash Equivalent	\$3,725,000
Size (Acres)	0.50	Number of Units Planned	60
Size (SF)	21,780	Price per SF	\$171.03
Shape	Irregular	Sale Date	Oct-21
Topography	Level	Price per Unit	\$62,083
Streets	Paved	Cash Equivalent	Yes
Off-site Improvements	To Site	Seller	LREV Management Corporation and LREV of II, LLC
Other Improvements	SFH	Buyer	Affordable Development 5616
Utilities	To Site	Sale Conditions	Market
Location	Average	Property Rights	Fee Simple
Access	Average	Marketing Time (Mo.)	9 months
Visibility	Average	Comp ID	11008
Comments			
Sale information was confirmed with listing broker Nate Pepper (858-546-2645). The site was improved with three single-family homes at the time of sale. The improvements will be razed to allow for redevelopment. At the time of sale, the site was entitled for a 33-unit multifamily property; however, the buyer intended to take the site through the entitlement process again. Through a communities plan, the buyer believes they can now entitle the site for a 55 to 60 unit multifamily property, which they plan to develop.			

Land Sale 2			
Property Identification			
Address/Location		East of Hotel Circle North & Hotel Circle Place San Diego, CA 92108	
APN		437-350-10	
Property Characteristics		Sale Data	
Zoning	RMX-1	Sale Price	\$38,015,000
Property Use	Multifamily	Cash Equivalent	\$38,015,000
Size (Acres)	4.95	Number of Units Planned	499
Size (SF)	215,622	Price per SF	\$176.30
Shape	Irregular	Sale Date	Sep-21
Topography	Level	Price per Unit	\$76,182
Streets	Paved	Cash Equivalent	Yes
Off-site Improvements	To Site	Seller	Jacobs Vernon Project LLC
Other Improvements	None	Buyer	Broadstone MV Owner LLC
Utilities	To Site	Sale Conditions	Market
Location	Average	Property Rights	Fee Simple
Access	Average	Marketing Time (Mo.)	N/A
Visibility	Average	Comp ID	11604
Comments			
Sale information was confirmed with listing broker Timothy Winslow (858-546-5436). The site was purchased for the development of a 499-unit apartment.			

Land Sale 3			
Property Identification			
Address/Location	4268 Whittier Avenue San Diego, CA 92107		
APN	449-270-04, 05, 034		
Property Characteristics		Sale Data	
Zoning	RM 2-5	Sale Price	\$675,000
Property Use	--	Cash Equivalent	\$675,000
Size (Acres)	0.22	Number of Units Planned	6
Size (SF)	9,583	Price per SF	\$70.44
Shape	Irregular	Sale Date	Jul-19
Topography	Sloping	Price per Unit	\$112,500
Streets	Paved	Cash Equivalent	Yes
Off-site Improvements	To site	Seller	Undisclosed
Other Improvements	None	Buyer	Jonathan Brooks Trust
Utilities	To Site	Sale Conditions	Market
Location	Average	Property Rights	Fee Simple
Access	Average	Marketing Time (Mo.)	56 Days
Visibility	Average	Comp ID	17070
Comments			
Data source Costar and broker Elizabeth Brignon 619 540 4208. Site was entitled for five multifamily units, and reportedly the site could support six multifamily units.			

The table below summarizes the adjustments.

Land Sale Analysis							
Subject		Sale 1		Sale 2		Sale 3	
Address/Location	2147 Abbott Street	5615 Riley Street		East of Hotel Circle North & Hotel Circle Place		4268 Whittier Avenue	
	San Diego, CA 92107	San Diego, CA 92110		San Diego, CA 92108		San Diego, CA 92107	
Sale Price		\$3,725,000		\$38,015,000		\$675,000	
Price per Unit		\$62,083		\$76,182		\$112,500	
Comparison		Comparison	Adj.			Comparison	Adj.
Property Rights		Fee Simple		Fee Simple		Fee Simple	
Adjusted Price Per Unit			\$62,083				\$112,500
Terms		Yes		Yes		Yes	
Adjusted Price Per Unit			\$62,083				\$112,500
Sale Conditions		Market		Market		Market	
Adjusted Price Per Unit			\$62,083				\$112,500
Sale Date		Oct-21	10%	Sep-21		Jul-19	15%
Adjusted Price Per Unit			\$68,292				\$129,375
Expenditures After Purchase		Yes	5%	No		No	
Adjusted Price Per Unit			\$71,706				\$129,375
Physical Characteristics	Comparison	Comparison	Adj.	Comparison	Adj.	Comparison	Adj.
Zoning	RM 4-2	RM-3-7		RMX-1		RM 2-5	
Size (Acres)	0.22	0.50		4.95		0.22	
Size (SF)	9,583	21,780		215,622		9,583	
Density	64	120	51%	101	33%	27	-33%
Topography	Level	Level		Level		Sloping	
Street	Paved	Paved		Paved		Paved	
Off-site Improvements	To Site	To Site		To Site		To site	
On-site Improvements	None	SFH		None		None	
Utilities	To Site	To Site		To Site		To Site	
Location	Good	Slightly Superior	-5%	Superior	-20%	Similar	
Total Physical Adjustment			46%			13%	-33%
Adjusted Price Per Unit			\$104,496			\$95,076	\$87,034
Minimum Sale					\$87,034		
Maximum Sale					\$104,496		
Average Sale					\$95,535		

Explanation of Adjustments

Sale Date/Market Conditions

Real estate values change over time. The rate of this change fluctuates due to investors' perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of comparables, when values have appreciated or depreciated.

The land sales occurred between July 2019 and October 2021. Nationally, and regionally, land values peaked during the prior cycle near 2008, and stalled during the economic recession. During the time period between 2008 and 2012, there were softened market conditions, and declining market values. Appreciation in land values started being reported in late 2012 and continued rising through year-to-date.

Interviews with local broker's revealed prices increased on average between five and ten percent per year during this time frame; five percent will be utilized. Based on this methodology, Sales 1 and 2 were adjusted upward 10 percent and Sale 3 was adjusted upward 15 percent.

Expenditures Immediately After Purchase

A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs effect the price the buyer agrees to pay. Such expenditures may include costs to cure deferred maintenance, costs to demolish and remove a portion of the improvements, costs for additions or improvements to the property, costs to petition for a zoning change, and costs to remediate environmental contamination. These costs are often quantified in price negotiations.

The Subject is improved with an apartment structure; however, the analysis assumes the site is vacant. Sales 2 and 3 are vacant sites; therefore, no adjustment was necessary. Sale 1 had improvements at the time of sale that required demolition in order to allow for redevelopment and therefore was adjusted upward 5 percent. Marshall and Swift numbers range from one to two percent.

Zoning/Density

All of the sales are zoned and approved for multifamily purposes; therefore, no zoning adjustments are necessary. A variety of state and city legislation has passed in recent years that allows for increased density and reduced development restrictions for affordable housing developments. The purpose of this legislation has been to spur the development of affordable housing and address the ongoing shortage of affordable housing units. As time goes on, the actions of buyers and sellers in the market will reflect the ability of developers to build larger scale affordable housing projects on smaller sites. This large increase in density can be expected to provide downward pressure on the per unit land price paid for a site.

The Subject is at a density of 64 units per acre. In order to calculate an adjustment for density, Sale 3 was paired against Sales 1 and 2. The pairing result was 0.90 percent per unit difference attributable to the development density of a site. This was applied to the difference between the Subject's density (units per acre) and the density of each comparable sale.

Sales with larger densities than the Subject are adjusted upward to reflect the downward pressure on per unit land price. Based on this methodology, Sale 1 was adjusted upward 51 percent, Sale 2 was adjusted upward 33 percent, and Sale 3 was adjusted downward 33 percent.

Size

The sites range in size from 0.50 to 4.95 acres. The Subject totals 0.22 acres. Typically, an inverse relationship exists between site size and a price per unit indication; therefore, larger sites are adjusted upward and smaller sites are typically adjusted downward. Sale 2 was larger; however, we could not derive an adjustment and have considered it in the reconciliation. No adjustment is warranted for Sales 1 and 3.

Topography

The topography of a site can create advantages or disadvantages in regards to improving the site. Typically, level topography sites have fewer issues and are least expensive to improve. The Subject is generally level, as are Sales 1 and 2; therefore, no adjustments were necessary. Sale 3 has sloping topography; however, the site's topography is planned to be utilized as is and no adjustment is warranted.

Location

The Subject and land sales are generally located within the northern portions of San Diego. In order to determine a location adjustment, the median gross rent of the Subject's zip code was compared with the median gross rent of the zip codes of each sale is located in. Consideration was also given to surrounding land uses and proximity to the Subject site. After analysis, Sale 2 was adjusted downward 20 percent, and Sale 1 was adjusted downward five percent. No adjustment is applied to Sale 3. The median contract rents are from the US Census Bureau.

Location Adjustment				
Sale	Zip Code	Median Gross Rent	% Difference	Matrix Adjustment
Subject & Sale 3	92107	\$1,729	-	
Sale 1	92110	\$1,825	-5%	-5%
Sale 2	92108	\$2,141	-19%	-20%

Summary of Land Value

After adjustments, the Sales range in price from \$87,034 to \$104,496 per unit, with an average of \$95,535 per unit. Sale 3 is given greatest weight because of most similar attributes. Secondary weight is placed upon Sales 1 and 2 as they are in different locations and Sale 2 is considerably larger. A value indication of \$85,500 per unit is considered reasonable and market oriented.

The Subject has regulatory restrictions to 80% AMI household income and rents, and thus a downward adjustment is necessary to reflect restrictions on the land through expiration in 2052. A downward adjustment of 10 percent is utilized based upon differences between market rents and restricted rents. This computes to an indication shown below.

Indication of Value		
# of Units	\$/Unit	Indication
14	\$85,500	\$1,200,000

INCOME CAPITALIZATION APPROACH

INTRODUCTION

The Income Capitalization Approach to value is based upon the premise that the value of an income-producing property is largely determined by the ability of the property to produce future economic benefits. The value of such a property to the prudent investor lies in anticipated annual cash flows and an eventual sale of the property. An estimate of the property's market value is derived via the capitalization of these future income streams.

Potential Revenue

The property's highest and best use is operation consistent with regulatory restrictions in place through 2052 at 80% AMI household income qualification and 80% AMI allowable rents. We have surveyed market rate comparable properties and prepared adjustment grid for studio and one-bedroom units. Individual rent comparable summaries, adjustment matrix, and adjustment grids are included in the Addenda for further reference. The analysis resulted in maximum allowable rents being achievable.

Forecast other income and operating expenses are based upon review of comparable affordable properties operation. Forecast income is illustrated following.

Achievable Restricted Rents Potential Income			
Unit Type	No. Units	Rents	Annual Revenue
80 % AMI			
0BR/1BA	1	\$1,822	\$21,864
1BR/1BA	13	\$1,952	\$304,512
Total	14		\$326,376

Other Income

In addition to rental income produced from the apartment units, we must also consider any income that will be generated from amenities. Such income can vary significantly from property to property, depending upon the project class, amenities offered, and whether or not management has elected to separate amenity charges from the basic apartment rates. In this instance, there are no known amenity charges to the base rental rates. Therefore, other income may include such items as laundry and vending fees, late fees, and background checks.

Other Income			
Property	Min	Max	Average
Affordable Expense Comp Range	\$128	\$1,172	\$632
Conclusion			
As Restricted	\$600		

Vacancy and Collection Loss

The Subject's vacancy is minimal due to the Subject's location and affordable rents. Vacancies within market rate properties surveyed shown in the Addenda average 1.3 percent. As such, a vacancy and collection loss of three percent will be used. This will be deducted from potential gross income.

Vacancy					
Comp #	Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
1	Elan Coco Palms Apartments	Market	48	0	0.0%
2	Nimitz Pointe Apartments	Market	64	2	3.1%
3	The Greycliff Apartments	Market	59	0	0.0%
4	Point Loma Bay Apartments	Market	65	1	1.5%
Average					1.3%

Expense Comparables

We have provided expense comparables from three affordable properties in the region.

Project	Affordable Property 1		Affordable Property 2		Affordable Property 3	
	2021		2020		2021	
Number of Units	61		64		221	
	Per Unit	Amount	Per Unit	Amount	Per Unit	Amount
Total Rental Income	\$ 12,966	\$ 790,899	\$ 12,992	\$ 831,471	\$ 14,076	\$ 3,110,731
Vacancy	\$ (21)	\$ (1,301)	\$ -	\$ -	\$ -	\$ -
Other Income	\$ 128	\$ 7,833	\$ 596	\$ 38,144	\$ 1,172	\$ 259,022
Total Revenues	\$ 13,073	\$ 797,431	\$ 13,588	\$ 869,616	\$ 15,248	\$ 3,369,753
Operating Expenses	Per Unit	Total	Per Unit	Total	Per Unit	Total
Administration	\$ 970	\$ 59,194	\$ 682	\$ 43,667	\$ 810	\$ 179,098
Maintenance and Repairs	\$ 735	\$ 44,823	\$ 1,431	\$ 91,561	\$ 1,837	\$ 406,029
Management Fee	\$ 772	\$ 47,072	\$ 674	\$ 43,163	\$ 994	\$ 219,774
Payroll	\$ 1,714	\$ 104,559	\$ 2,156	\$ 137,965	\$ 1,731	\$ 382,469
Utilities Total	\$ 2,324	\$ 141,752	\$ 2,417	\$ 154,675	\$ 1,070	\$ 236,427
Property & Liability Ins.	\$ 358	\$ 21,826	\$ 367	\$ 23,513	\$ 331	\$ 73,130
Real Estate and Other Taxes	\$ 98	\$ 5,961	\$ 11	\$ 696	\$ 639	\$ 141,327
Replacement Reserves	\$ 330	\$ 20,137	\$ 273	\$ 17,503	\$ 355	\$ 78,532
Total Operating Expenses	\$ 7,300	\$ 445,323	\$ 8,012	\$ 512,743	\$ 7,768	\$ 1,716,788

Administration

The table below illustrates administration expense for the affordable expense comparables and the conclusion for administration expense. An indication near the mid-range of the comparables is concluded.

Administration			
Property	Min	Max	Average
Affordable Expense Comp Range	\$682	\$970	\$821
Conclusion			
As Restricted	\$800		

Maintenance and Repairs

The table below illustrates maintenance and repairs expense for the affordable expense comparables and the conclusion for maintenance and repairs expense. An indication near the lower part of the range of the comparables is concluded due to the anticipated good condition of the Subject upon completion of planned repairs to make the Subject operational.

Maintenance and Repairs			
Property	Min	Max	Average
Affordable Expense Comp Range	\$735	\$1,837	\$1,334
Conclusion			
As Restricted	\$750		

Management Fee

Capable management is usually required to maintain strong occupancy levels. The industry average for management expenses ranged between 3.0 and 6.0 percent of effective gross income. The table below illustrates management fee expense the affordable expense comparables and the concluded management fee expense, which is toward the low end of the range.

Management			
Property	Min	Max	Average
Affordable Expense Comp Range	5.0%	6.5%	5.8%
Conclusion			
As Restricted	5.0 %		

Payroll

The table below illustrates payroll expense for the affordable expense comparables and the conclusion for payroll expense. An indication near the mid-range of the range of the comparables is concluded.

Payroll			
Property	Min	Max	Average
Affordable Expense Comp Range	\$1,714	\$2,156	\$1,867
Conclusion			
As Restricted	\$1,800		

Utilities

Tenants at the Subject will not be responsible for utilities. The landlord will be responsible for the electricity, gas, cold and hot water heating, sewer, and trash expenses.

The table below illustrates utilities expense for the affordable expense comparables and concluded utilities expense. Because the condition of the Subject will be good upon completion of planned repairs with installation energy efficient appliances and fixtures, and indication towards the lower range is concluded.

Utilities			
Property	Min	Max	Average
Affordable Expense Comp Range	\$1,070	\$2,417	\$1,937
Conclusion			
As Restricted	\$1,200		

Property Insurance

The table below illustrates insurance expense for the affordable expense comparables and the conclusion for insurance expense. An indication near the mid-range of the range of the comparables is concluded.

Insurance			
Property	Min	Max	Average
Affordable Expense Comp Range	\$331	\$367	\$352
Conclusion			
As Restricted	\$350		

Property Taxes

A limited value is assigned to each individual property and is taxed using a primary tax rate. The Subject has been assigned Appraisal Parcel Number: 448-124-15-00. The Subject presently is tax exempt due to nonprofit ownership vesting which is forecast to continue whereby the Subject pays assessments above the 1 percent tax levy. The current tax mill levy is 1.21636. A conclusion of \$864 per unit based upon the concluded value is utilized.

Reserves & Replacements

Over the life of a property, the owner would likely have to replace some short-lived capital improvement items. The subject's improvements feature a number of short-lived items such as concrete and asphalt paving, mechanical systems, paint, flooring, etc. These items will eventually require replacement during a typical investment-holding period. Property owners typically do not set aside funds each year for the ultimate replacement of such short-lived items. However, since these items generally have a lesser economic life than the structure itself and are not subject to recovery under a typical maintenance budget, a reserve account should be considered. Under this methodology, the property owner deposits funds annually so that they earn interest and will ultimately be available to pay for the replacement of the short-lived items. This is also referred to as a sinking fund technique. This type of analysis models cash outflows for replacements as a level annuity. We utilized reserves of \$300 per unit.

Summary of the Operating Expenses

The following table illustrates the operating expense estimates. Repairs completed to the property will provide good quality units.

As Restricted Operating Expenses		
Operating Expenses	Per Unit	Total Annual
Administration	\$800	\$11,200
Maintenance and Repairs	\$750	\$10,500
Management Fee	\$1,160	\$16,237
Payroll	\$1,800	\$25,200
Utilities	\$1,200	\$16,800
Property & Liability Insurance	\$350	\$4,900
Real Estate and Other Taxes	\$864	\$12,100
Replacement Reserves	\$300	\$4,200
Total Operating Expenses	\$7,224	\$101,137

DIRECT CAPITALIZATION

To quantify the income potential of the Subject, a direct capitalization of a forecast cash flow is employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate overall capitalization rate to the forecast net operating income. In order to estimate the appropriate capitalization rate, we relied upon several methods, discussed below.

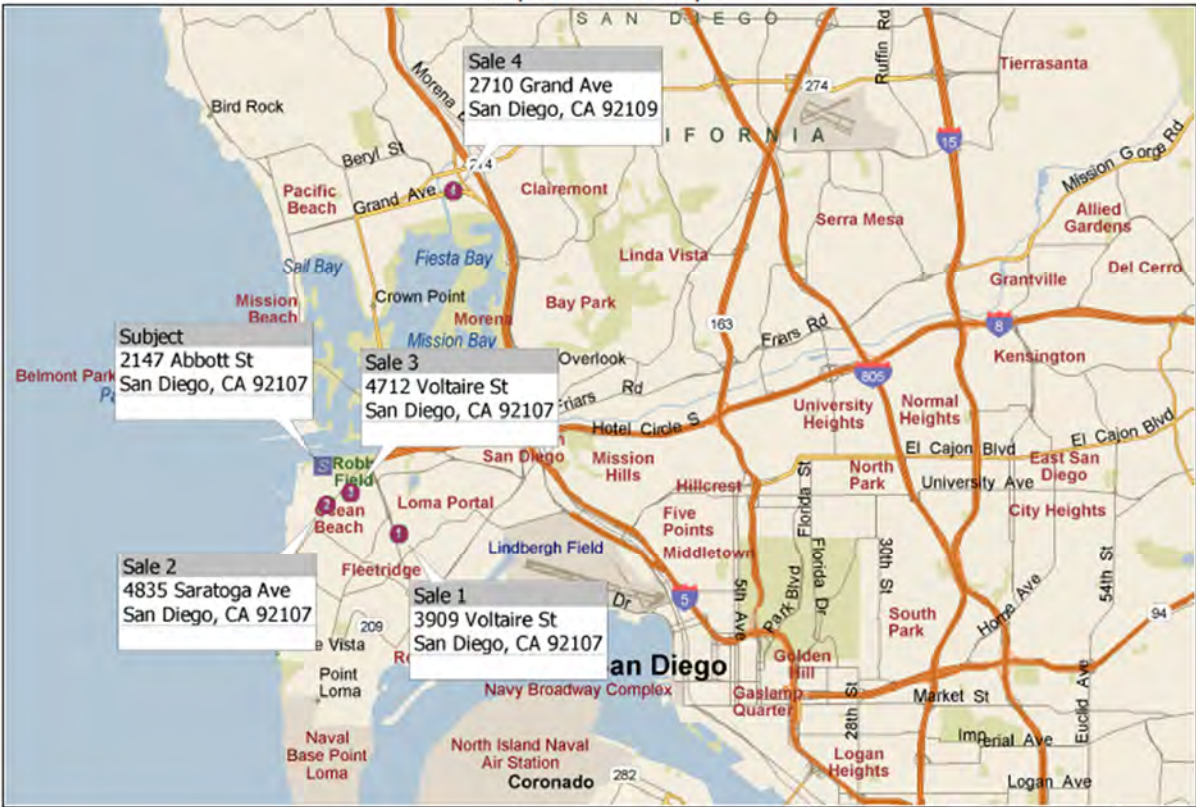
CAPITALIZATION RATE SELECTION

Market Transactions

The capitalization rate to be applied to net income is based on sales of comparable apartment projects in stabilized occupancy condition. The overall rates extracted from the comparable sales are based on the reported or estimated scheduled rental income at the time of sale, expenses reported for the comparable properties, and/or the appraiser's judgment of the appropriate expenses for the comparable properties. Extensive research was performed in gathering the most recent data. The improved sales are all multifamily properties with Ocean Beach or Mission Beach locations within San Diego.

The table below summarizes recent comparable sales with income/expense information available.

Tabulation of Improved Apartment Sales									
Data No.	Project/Location	Date of Sale	Sale Price	OAR	Effective Gross Income	EGIM	Expense Ratio	# of Units	Price per Unit
1	Nimitz Crossing 3909 Voltaire Street San Diego, CA 92107	Jun-22	\$30,000,000	3.23%	Nav	Nav	NAV	36	\$833,333
2	4835 Saratoga Avenue 4835 Saratoga Avenue San Diego, CA 92107	Mar-21	\$3,140,000	3.25%	\$171,001	18.36	40.3%	10	\$314,000
3	4712 Voltaire Street 4712 Voltaire Street San Diego, CA 92107	Mar-21	\$1,525,000	4.32%	\$99,445	15.34	33.8%	5	\$305,000
4	Avaz Pacific Beach 2710 Grand Avenue San Diego, CA 92109	Jan-22	\$28,100,000	2.50%	\$1,402,631	20.03	49.9%	80	\$351,250



Comparable #1

Apartment Name Nimitz Crossing
 Street 3909 Voltaire Street
 City, State San Diego, CA 92107
 County San Diego
 APN 449-390-20
 Site Size (acres) 0.62
 Zoning CC 3-5
 No. of Units 36
 Rentable Area (SF) 32,488
 Year Built 2020
 Parking Covered
 Quality Good
 Condition Good
 Buyer City Chevrolet Of San Diego
 Seller Voltaire 24 Holdings LLC
 Sale Date Jun-22
 Marketing Time Nav
 Property Rights Fee Simple
 Condition of Sale Market
 Cash Equivalency Yes
 Comp ID Number 17071

**Property Description:**

Bed/Bath	Area (SF)	Units	Monthly Rent	Vacant Units	Vacancy Rate
1/1.0	778	12	\$0	0	0%
2/2.0	1,014	24	\$0	0	0%
Totals		36		0	0%

Income & Expense			Financial Indicators		
Sale Price	\$	30,000,000	Price per Unit	\$	833,333
Gross Scheduled Income	\$	-	Price per SF	\$	923.42
Miscellaneous Income	\$	-	EGIM		NAV
Total Gross Income	\$	-	OAR		3.23%
Vacancy Factor	\$	-	Expenses per Unit	\$	(26,917)
Effective Gross Income	\$	-	Expense Ratio		NAV
Estimated Expenses	\$	969,000	NOI per Unit	\$	26,917
Net Operating Income	\$	969,000	NOI per SF	\$	29.83

Notes:

Data source and photo Costar and broker Jamie Takajo Herrera 760 390 1617. One bedroom lofts range in size from 624 to 933 square feet. Two bedroom units range in size from 950 to 1,074 square feet. We are informed data includes replacement reserves.

Comparable #2

Apartment Name 4835 Saratoga Avenue
 Street 4835 Saratoga Avenue
 City, State San Diego, CA 92107
 County San Diego
 APN 448-302-20
 Site Size (acres) 0.15
 Zoning R-175
 No. of Units 10
 Rentable Area (SF) 6,240
 Year Built 1961
 Parking Surface
 Quality Average
 Condition Average
 Buyer Saratoga Avenue LLC
 Seller Fieri Family Trust
 Sale Date Mar-21
 Marketing Time Nav
 Property Rights Fee Simple
 Condition of Sale Market
 Cash Equivalency Yes
 Comp ID Number 17072

**Property Description:**

Bed/Bath	Area (SF)	Units	Monthly Rent	Vacant Units	Vacancy Rate
0/1.0	624	1	\$1,290	0	0%
1/1.0	624	9	\$1,480	0	0%
Totals		10		0	0%

Income & Expense			Financial Indicators		
Sale Price	\$	3,140,000	Price per Unit	\$	314,000
Gross Scheduled Income	\$	175,320	Price per SF	\$	503.21
Miscellaneous Income	\$	969	EGIM		18.36
Total Gross Income	\$	176,289	OAR		3.25%
Vacancy Factor	\$	(5,288)	Expenses per Unit	\$	6,890
Effective Gross Income	\$	171,001	Expense Ratio		40.3%
Estimated Expenses	\$	(68,896)	NOI per Unit	\$	10,211
Net Operating Income	\$	102,105	NOI per SF	\$	16.36

Notes:

Data source and photo Costar, published information, and marketing brochure. Reserves are included.

Comparable #3

Apartment Name 4712 Voltaire Street
 Street 4712 Voltaire Street
 City, State San Diego, CA 92107
 County San Diego
 APN 448-433-10, 11
 Site Size (acres) 0.23
 Zoning CC 4-2
 No. of Units 5
 Rentable Area (SF) 2,500
 Year Built 1930
 Parking Surface
 Quality Average
 Condition Average
 Buyer Philip Spadaro
 Seller SLC Capital Ventures LLC
 Sale Date Mar-21
 Marketing Time Nav
 Property Rights Fee Simple
 Condition of Sale Market
 Cash Equivalency Yes
 Comp ID Number 17074

**Property Description:**

Bed/Bath	Area (SF)	Units	Monthly Rent	Vacant Units	Vacancy Rate
0/1.0	350	3	\$1,325	0	0%
1/1.0	550	1	\$1,906	0	0%
2/1.0	750	1	\$2,250	0	0%
Totals		5		0	0%

Income & Expense			Financial Indicators		
Sale Price	\$ 1,525,000		Price per Unit	\$	305,000
Gross Scheduled Income	\$ 97,572		Price per SF	\$	610.00
Miscellaneous Income	<u>\$ 4,800</u>		EGIM		15.34
Total Gross Income	\$ 102,372		OAR		4.32%
Vacancy Factor	<u>\$ (2,927)</u>		Expenses per Unit	\$	6,718
Effective Gross Income	\$ 99,445		Expense Ratio		33.8%
Estimated Expenses	<u>\$ (33,589)</u>		NOI per Unit	\$	13,171
Net Operating Income	\$ 65,856		NOI per SF	\$	26.34

Notes:

Data source and photo Costar and published information. Reserves for such small size properties are typically not included in reported operating data, and we believe that is the situation with this transaction.

Comparable #4

Apartment Name Avaz Pacific Beach
 Street 2710 Grand Avenue
 City, State San Diego, CA 92109
 County San Diego
 APN 424-122-20
 Site Size (acres) 1.40
 Zoning R3
 No. of Units 80
 Rentable Area (SF) 51,510
 Year Built NA
 Parking Surface
 Quality Average
 Condition Average
 Buyer ESC Bay Inn Holdings LLC
 Seller Wagers Family LP
 Sale Date Jan-22
 Marketing Time N/A
 Property Rights Fee Simple
 Condition of Sale Market
 Cash Equivalency Yes
 Comp ID Number 15856

**Property Description:**

Bed/Bath	Area (SF)	Units	Monthly Rent	Vacant Units	Vacancy Rate
1/1.0	508	79	\$1,506	2	3%
2/1.0	700	1	\$1,527	0	0%
Totals		80		2	3%

Income & Expense			Financial Indicators		
Sale Price	\$	28,100,000	Price per Unit	\$	351,250
Gross Scheduled Income	\$	1,446,012	Price per SF	\$	545.53
Miscellaneous Income	\$	-	EGIM		20.03
Total Gross Income	\$	1,446,012	OAR		2.50%
Vacancy Factor	\$	(43,381)	Expenses per Unit	\$	8,752
Effective Gross Income	\$	1,402,631	Expense Ratio		49.9%
Estimated Expenses	\$	(700,131)	NOI per Unit	\$	8,781
Net Operating Income	\$	702,500	NOI per SF	\$	13.64

Notes:

Sale information was confirmed with listing broker Christopher Zorbas (858-373-3166). Operating expenses included \$300 in replacement reserves. Photo is Costar.

The improved sales occurred between March 2021 and June 2022 and illustrate a range of overall rates from 2.50 to 4.32 percent, with an average of 3.33 percent. The Subject operates within regulatory restrictions and therefore represents a relatively low risk investment profile, and will be in superior condition to the Sales; therefore, a conclusion at 4.00 percent is considered reasonable and market oriented.

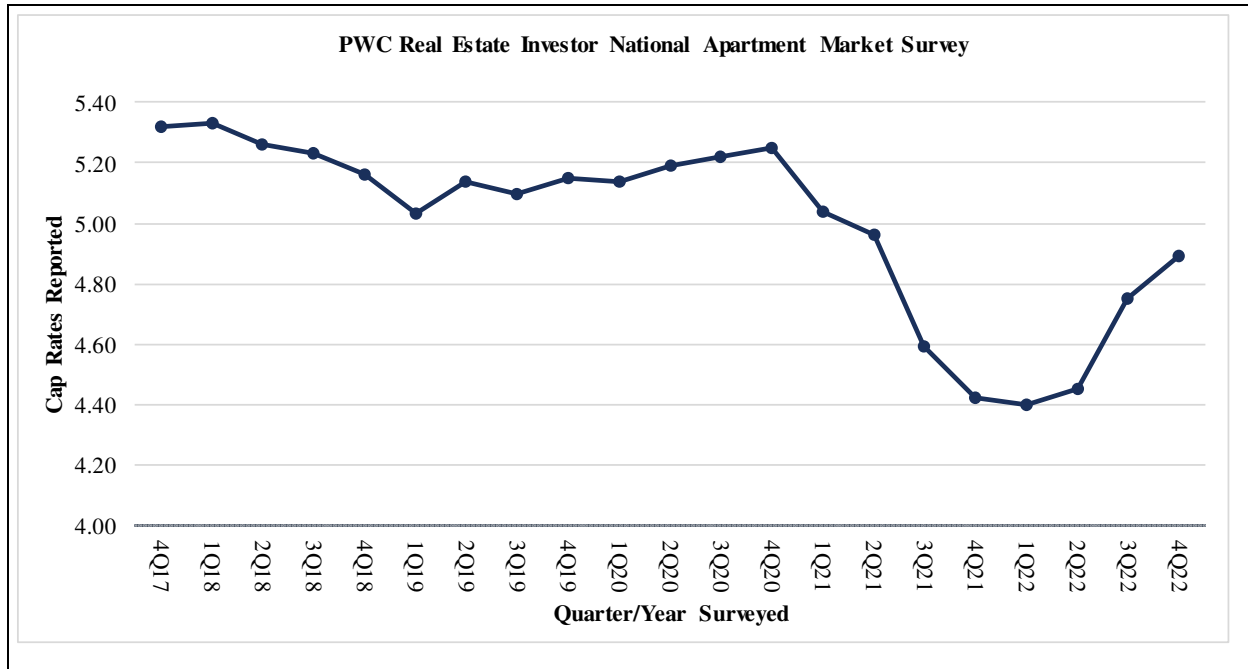
PWC Real Estate Investor Survey

The Price Waterhouse Coopers Real Estate Investor Survey tracks capitalization rates utilized by national investors in commercial and multifamily real estate. The following summarizes the information for the national multifamily housing market:

4th Qtr PWC 2022	
Range:	3.25%-8.00%
Average:	4.89%

The PWC Real Estate Investor Survey defines “Institutional Grade Real Estate” as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria² Typical “Institutional Grade” apartment properties are newly constructed, well amenitized, market rate properties in urban or suburban locations.

The following chart shows the slight downward trend in overall rates from the fourth quarter 2017 to the fourth quarter 2022.



Based on the PWC Survey, a capitalization rate of 4.89 percent is concluded.

²PWC Real Estate Investor Survey, 4th Quarter 2022

Summary

The following chart identifies the overall rates from the three methods of estimating overall rates.

- Market Extraction – 4.00%
- PWC Market Survey – 4.89%

With consideration of the current market trends, greatest emphasis has been placed upon the sales. Considering the overall market area, a market derived OAR of 4.00 percent will be used in the capitalization analysis. This rate is considered reasonable considering the recent Fed changes in interest rates, which is overall placing upward pressure on overall rates, however, these influences are offset by factors such as the Subject's beach proximity location and property size.

A summary of the direct capitalization analysis follows. Deduction for estimated repairs is included in the value conclusion.

	As Restricted		
Apartment Rentals	No. Units	Rents	Annual Revenue
80 % AMI			
0BR/1BA	1	\$1,822	\$21,864
1BR/1BA	13	\$1,952	\$304,512
	<i>Number</i>	<i>Per unit</i>	<i>Amount</i>
Total Potential Rental Income	14		\$326,376
Other Income		\$600	\$8,400
Total Potential Revenues			\$334,776
Vacancy			-\$10,043
Vacancy Percentage			3.0%
Effective Gross Income			\$324,733
Operating Expenses			
Administration		\$800	\$11,200
Maintenance and Repairs		\$750	\$10,500
Management Fee	5.0%	\$1,160	\$16,237
Payroll		\$1,800	\$25,200
Utilities		\$1,200	\$16,800
Property & Liability Insurance		\$350	\$4,900
Real Estate and Other Taxes		\$864	\$12,100
Replacement Reserves		\$300	\$4,200
Total Operating Expenses		\$7,224	\$101,137
Expenses as a ratio of EGI			31.1%
Net Operating Income			\$223,596
Capitalization Rate			4.00%
Indicated Value			\$5,589,902
Less Costs to Cure			-\$887,034
Indicated Value			\$4,702,868
Rounded			\$4,700,000

VALUE CONCLUSION

Our final value opinions are detailed below.

Value Conclusion	
Hypothetical Market Value of Land As If Vacant	\$1,200,000
Market Value Fee Simple Interest of the fee simple estate subject to short-term leases of 2147 Abbott Street Apartments	\$4,700,000

Marketing/Exposure Time

Marketing Time is defined as the period from the date of initial listing to the settlement date. The projected marketing time for the Subject property will vary greatly, depending upon the aggressiveness of the marketing agent, the method of marketing, the market that is targeted, interest rates and the availability of credit at the time the property is marketed, the supply and demand of similar properties for sale or having been recently purchased, and the perceived risks at the time it is marketed.

Discussions with area Realtors indicate that a marketing period of twelve months is reasonable for properties such as the Subject. This is supported by data obtained on several of the comparable sales and consistent with information obtained from the *PWC Real Estate Investor Survey*. This estimate assumes a strong advertising and marketing program during the marketing period.

The exposure/marketing time of the subject property is very difficult to judge in that the buy/sell decision involving investment properties is interrelated with the assumption that the property is priced reasonably and is adequately exposed to the proper market. Marketing Time differs from Exposure Time in that the estimate of Marketing Time is a projection into the future with the associated estimates as to future trends and factors that are likely to impact the market segment in which the subject is participating. In an attempt to forecast Marketing Time, consideration is given to the fact that the sales and opinions that have been elicited in the estimation of Exposure Time have been formulated during current economic conditions that are expected to be very similar in the foreseeable future.

Investment property brokers, investors, and sellers familiar with the market, report that the exposure time can range from 30 days to as long as twelve months. This assumes that financing is available and that there are no significant negative items affecting the property. Based upon information gathered during the course of this assignment it is our opinion that the appropriate estimate of the exposure time is equal to the marketing time for the subject and is estimated at six to twelve months.

ADDENDUM A

Assumptions and Limiting Conditions, Certification

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.

10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.
11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

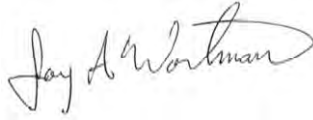
19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the appraiser and contained in this report.
20. The party for whom this report is prepared has reported to the appraiser there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
24. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions.

CERTIFICATION

The undersigned hereby certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- We have not provided appraisal or consulting assignments on the Subject in the past three years;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Valuation Practice of the Appraisal Institute and USPAP;
- Byron Lea, MAI performed a physical inspection of the property and the Subject's neighborhood February 1, 2023. Thomas Veleba provided assistance with portions of market research and preparation of portions of this report and is competent to perform such analyses. Jay Wortmann, MAI and Charles Haase reviewed the report but did not inspect the Subject;
- We do not authorize the out of context quoting from or partial reprinting of this market analysis report. Further, neither all nor any part of this report shall be disseminated to the general public by the use of media for public communication without the prior written consent of Kinetic Valuation Group, Inc.;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;

- As of the date of this report, Jay Wortmann, MAI, Byron Lea, MAI, and Charles Haase have completed the requirements of the continuing education program of the Appraisal Institute.



Jay Wortmann, MAI
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Certified General
CA - 3001293
Expiration: 9/10/2023



Byron Lea, MAI
Appraiser
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Expiration: 2/28/2025



Charles Haase
Appraiser
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Certified General
CA - 3004234
Expiration: 12/21/2024

ADDENDUM B

Subject Photographs and Information

SUBJECT PICTURES



Subject view



Subject view



Subject view



Subject view



Exterior and courtyard area



Exterior and courtyard area

SUBJECT PICTURES



Exterior rear building



Exterior side building



Exterior side building



Typical kitchen



Typical interior



Typical bathroom updated unit

SUBJECT PICTURES



Typical bedroom



Typical bedroom



Bathroom not updated unit



Interior unit combined office



Interior unit combined office



Interior unit combined office

SUBJECT PICTURES



Interior unit combined office



Kitchen unit not updated



Interior unit not updated



Kitchen unit not updated



Bathroom unit not updated



Typical interior not updated unit

SUBJECT PICTURES



Abbott Street facing southerly



Abbott Street facing northerly



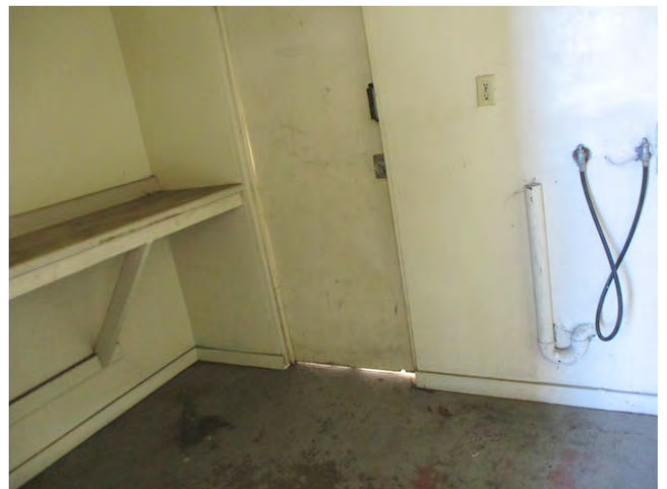
Properties across Abbott Street from Subject



Property adjacent north of Subject undergoing renovation
restaurant use



Tankless hot water heating system



Laundry room

P 486Abbott Street
 Abbott Street - Wakeland / Homekey Renovation
PREVAILING WAGE CONCEPT MENU

Site SF **7,902 SF**
Building SF **7,768 SF**
of Units **14 EA**

[TOP](#)
[GC's](#) [SUMMARY](#)

2/9/2023

LINE No.		Description	Quantity	Units	UNIT COST	AMOUNT	Priority
01 55 26		Site Access Controls					
	1	Allowance for parking lot and temp fencing work. Some erosion controls.	12	wk	500.00	6,000	A
		Qualifications: Unoccupied					
02 41 19		Demolition					
	1	Budget PREVAILING WAGE - Remove UNIT INTERIORS: Flooring, baseboards, kitchen cabinetry/countertops, appliances. (4 units: 2 ADA units + 2 converted units)	2,219	sf	3.00	6,658	A
	2	Interiors Units Rework of unit 2153 with reconfiguration back to TWO UNITS SET	1,200	SF	4.00	4,800	A
	3	Interior modification of TWO units for ADA accessible	1,200	SF	4.00	4,800	A
	4	Environmental testing & reporting	1	ls	4,500.00	4,500	A
02 01 00		Maintenance of Existing Conditions					
	1	One laborer from MHS for duration PREVAILING WAGE. Prevailing Wage.	12	wk	1,700.00	20,400	A
	4	Rubbish Bins and Clean up	1	ea	3,500.00	3,500	A
	5	Final Clean and Turn over of Completed Units and Areas	4	ea	375.00	1,500	A
05 52 00		Misc Metals - Balcony Railings					
	1	Budget remove and replace with new railings walkways	150	lf	200.00	30,000	A
	2	Stair Railings Systems. Added Railings and full extension at stair steps.	2	ea	3,425.00	6,850	A
	7	Existing metal fence & gate to remain AS IS. Minor repairs and adjustments only	1	ls	1,600.00	1,600	A
		Qualifications: NO Framing Costs to accommodate modified steel railings. Excludes hot dip galvanizing. Excludes fence and gates. Consider project location and beach proximity.					
06 10 00		Wood Framing					
	1	ADA unit wall relocation. (Chula Vista Reno)	2	ea	3,500.00	7,000	A
	2	Interiors Units Rework of unit 2153 with reconfiguration	2	ea	3,500.00	7,000	A
		Qualifications: Minimal Rough framing. No Structural known concerns or recommendations. Field verification of several structural components at the balconies and interior unit reconfigurations. Suggest minimally invasion destructive testing at a few locations to understand framing requirements.					
06 20 23		Interior Finish Carpentry					
	1	Units refresh Door hardware locks and ba accessories only.	14	ea	1,300.00	18,200	A
	2	TWO ADA UNITS new interior doors & closets. New Front Doors, Hollow Int Core, closet doors. One Bedrooms	2	ea	6,850.00	13,700	A
	3	Rework of unit 2153 with reconfiguration back to TWO UNITS new interior doors & closets. New Front Door, Hollow Int Core, closet doors. One Bedrooms	2	ea	4,850.00	9,700	A
		Qualification: Excludes case or trim at windows. Base to be rubber 2.5". Owner to provide CaSp Consultant				-	
06 20 23		Cabinetry					
	1	Budget new kitchen cabinetry with some ADA accommodations. No bathrooms	4	ea	3,900.00	13,650	A
	3	chase at stove hood if required	3	ea	80.00	240	A
		Qualification: Plywood drawers and boxes. Pulls and hardware included- Satin nickel. Stile and rail hardwood doors with inset panel				-	

07 15 00	Sheetmetal Flashings					
	3	Rain gutter rework of existing to function	1	ls	4,000.00	4,000 A
		Qualifications: Excludes below grade drainage for tie in of downspouts. Assumes fascia runs and gutter layout can accommodate needed pitch/slope for drainage.				-
07 18 13	Waterproofing Deck Refresh					
	6	Substrate spot treatment and preparations where top coat is cracking at railing connections	3	ea	950.00	2,850 A
		Qualification: No sheetmetals, limit waterproof warranty available.				-
07 54 23	Roofing					
	2	Roofer to perform maintenance check and tune up with Warranty	1	sq	5,600.00	5,600 A
		Qualifications: Does not need rework. Possible shed roofs at SDGE meter room or NEMA added equipment's.				
07 20 00	Insulation					
	2	TWO ADA UNITS new interior wall work no insulation. Some ceiling insulation here	2	ea	500.00	1,000 A
	3	Rework of unit 2153 with reconfiguration back to TWO UNITS. Party wall work here	1	ea	500.00	500 A
		Qualification: Assumes minor disruptions and replacements only.				-
07 92 00	Joint Sealants					
	1	Budget for Interior Caulking at finish	4	ea	125.00	500 A
09 29 00	Stucco					
	2	Brick Wall Facade repair	1	ls	4,000.00	4,000 A
	6	Patch back at new Unit Doors 2 ADA & one	3	ea	500.00	1,500 A
09 29 00	Gypsum Board					
	2	TWO ADA UNITS wall reconfiguration and lids and patch backs	1,200	sf	12.00	14,400 A
	3	Rework of unit 2153 with reconfiguration back to TWO UNITS new interior doors & closets. New Front Door, Hollow Int Core, closet doors. One Bedrooms	500	sf	12.00	6,000 A
	6	Patch back at kitchen cabinetry and exhaust demo	4	ea	500.00	2,000 A
		Qualification: tie in with plastered interior walls. Need environmental reporting				
09 65 19	Flooring					
	1	Budget New LVT flooring at Units. 20 mil wearing layer 6"x36", rubber base. Wakeland standard	7,768	sf	8.00	62,144 A
09 91 13	Painting					
	1	Budget new prep and paint all interiors units	7,768	sf	5.00	38,840 A
	2	Prep and paint Unit Entry Doors and metal Screens. Light sanding	13	ea	800.00	10,400 A
		Qualification: Review stucco crack patch, any wood siding and fascia R&R.				
09 91 23	Shower Refinishing					
		Possibility to refinish tub/shower in place with epoxy coating. Propose FIVE Loc	11	ea	575.00	6,325 A
		note: New TWO ADA units with new shower enclosures and are included in plumbing budget line item.				
		note: some bathroom showers have been previously updated with CT walls. Keep AS IS				C
10 01 00	Signage Allowance					
	1	Budget Unit and corridors	14	ea	350.00	4,900 A
	2	Addressing	1	ls	1,500.00	1,500 A
10 28 00	Toilet, Bath, and Laundry Accessories					
		With Finish Carpentry				-
11 31 00	Residential Appliances					
	1	AGC Plug: New frig, new gas range/oven, hood, NO microwave, NO DW	14	ea	3,148.00	42,498 A

	2	Will need power switch rework at kit hood of ADA units.	2	ea	800.00	1,600	A
12 20 00	Window Coverings						
		Allowance	14	ea	275.00	3,850	A
12 36 61	Countertops						
		Budget solid surface tops with backsplash at kitchens (Chula Vista Rehab)	4	ea	2,307.00	9,228	A
		New Laundry top - plastic laminate. VE to plastic laminate @ Ldry	1	ea	1,200.00	1,200	A
22 41 00	Plumbing						
	2	Jet and scope caste iron waste & vent	1	ea	5,500.00	5,500	A
	3	Plumber to inspect and scope waste and vent systems. Evaluated CW, HW and water heaters.	-	ls	4,000.00	-	A
	4	Gas cap and pressure test of all systems. Units have gas wall heater and gas stove.	-	ls	4,000.00	-	B
	5	TWO ADA UNITS all new Shower Enclosure with backing, WC and sink. New kitchen sink and disposal. Rework waste and vent lines within new walls. Concrete work.	2	ea	5,600.00	11,200	A
	7	Rework of unit 2153 with reconfiguration back to TWO UNITS. Take ADA unit example here for scope	2	ea	5,600.00	11,200	A
	9	Budget all Unit new fixture throughout; BA sink/faucet, kit sink/faucet, WC, New shower controls.	14	ea	5,800.00	81,200	A
	15	Allowance for Modernization Miscellaneous	1	allow	3,000.00	3,000	A
23 05 00	HVAC						
	2	Kitchen hood venting connect to existing 4" line. Short run of new vent line at new hood to ceiling line connection. We may want to keep existing ceiling mounted kit exhaust fans AS IS.	3	ea	500.00	1,500	A
	4	BUDGET Gas Heaters - 25k BTU - Gas Top-Vent Wall Furnace - LP - 71% AFUE - Single-Sided. ROM \$50,000. Sub inputs needed.	14	ea	3,500.00	49,000	A
	5	Allowance for Modernization Miscellaneous	1	ea	5,000.00	5,000	A
26 00 00	Electrical						
	1	Budget Review needed with Electrical Contractor (Chula Vista \$110k)	1	ea	5,000.00	5,000	
	2	TWO ADA UNITS rework of kitchen and ba wiring, outlet and switch work. New kitchen sink disposal. ADA switch to range hood.	2	ea	2,550.00	5,100	A
	3	Unit 2153 with reconfiguration back to TWO UNITS - rework of wiring, outlet and switches	2	ea	2,550.00	5,100	A
	6	Smoke & CO Sensors updates. 14 units	14	ea	350.00	4,900	A
	8	Allowance for Modernization Miscellaneous Electrical Items	1	ea	10,000.00	10,000	A
	9	Patio Lights at Units	14	ea	100.00	1,400	A
	10	Exterior House Lighting Budget. Fixture to LED. Conduits are wall mounted AS IS	1	ea	3,500.00	3,500	B
27 01 00	Low Voltage						
	1	Fire Alarm improvements	14	ea	335.00	4,690	A
32 00 00	Landscaping						
	3	Zero Scape and minimal planting. Some irrigation work	1	ls	20,000.00	20,000	A
32 13 13	Concrete Paving						
		Rework new ADA path of travel to TWO Units	500	sf	18.00	9,000	A
		Total				621,223	
		<u>SUMMARY</u>					
		Top Sheet				621,223	
		Gen Conditions FOUR MONTHS				200,000	
		Liability Insurance				12,318	
		Builders Risk Allowance				0	
	5.00%	Contractors Fee				41,677	
		Bond				11,815	
		TOTAL				\$887,034	



1 PAY ONLINE	WWW.SDTTC.COM
2 PAY BY PHONE	(855) 829-3773
3 QUESTIONS	(877) 829-4732

4 TAX BILL YEAR
2022-2023

FOR FISCAL YEAR BEGINNING JULY 1, 2022 AND ENDING JUNE 30, 2023

5 PROPERTY ADDRESS - DESCRIPTION - SUBDIVISION
PROPERTY ADDRESS CANNOT BE SHOWN IN COMPLIANCE TO GOVERNMENT CODE SECTION 6254.21.

CURRENT OWNER OCEAN BEACH COMMUNITY DEVELOPMENT CORP

SPECIAL MESSAGES

OWNER MESSAGES

6 MAP NO.	7 DESCRIPTIONS	VALUES & EXEMPTIONS
001189	LAND	\$437,399.00
	IMPROVEMENTS	\$429,722.00
	TOTAL L&I	\$867,121.00
8 DOCUMENT NO.	PERSONAL PROPERTY EXEMPTIONS	\$0.00
274619	HOMEOWNERS	\$0.00
	OTHER	\$0.00
9 DOCUMENT DATE	NET TAXABLE VALUE	\$867,121.00
4/8/2021		
10 OWNER OF RECORD ON JANUARY 1, 2022	OCEAN BEACH COMMUNITY DEVELOPMENT CORP	

11 PARCEL/BILL NO.	12 TAX RATE AREA	13 CORTAC NO.	14 1ST INSTALLMENT	15 2ND INSTALLMENT	16 TOTAL DUE
448-124-15-00	08001		\$0.00	+	\$5,309.33
				=	\$5,309.33

17 YOUR TAX DISTRIBUTION			
AGENCY	RATE	AMOUNT	
1% TAX ON NET VALUE			
	1.00000	\$8,671.20	
VOTER APPROVED TAXES:			
UNIF BOND SAN DIEGO-PROP Z 11/06/12, 2021 REF ZR-1	NET 0.00444	\$38.50	
UNIF BOND SAN DIEGO-PROP MM 11/03/98, 2006F-1 REF	NET 0.00097	\$8.41	
UNIF BOND SAN DIEGO-PROP S 11/04/08, 2012 REF R-2	NET 0.00000	\$0.00	
UNIF BOND SAN DIEGO-PROP S 11/04/08, 2016 REF SR-1	NET 0.00208	\$17.86	
UNIF BOND SAN DIEGO-PROP Z 11/06/12, SER 2019K	NET 0.00000	\$0.00	
SAN DIEGO COMM COLL-PROP S 11/05/2002, SER 2013	NET 0.00097	\$8.41	
MWD D/S REMAINDER OF SDCWA 15019999	NET 0.00350	\$30.35	
UNIF BOND SAN DIEGO-PROP S 11/04/08, 2020 REF R-2	NET 0.00000	\$0.00	
UNIF BOND SAN DIEGO-PROP S 11/04/08, SERIES 2022M	NET 0.00570	\$49.43	
UNIF BOND SAN DIEGO-PROP S 11/04/08, SERIES 2009A	NET 0.00000	\$0.00	
UNIF BOND SAN DIEGO-PROP MM 11/03/1998, 2014REF R-3	NET 0.00780	\$67.64	
UNIF BOND SAN DIEGO-PROP S 11/04/08, SER 2016J-2	NET 0.00239	\$20.72	
SAN DIEGO COMM COLL-PROP S 11/05/2002, SER 2009C	NET 0.00000	\$0.00	
SAN DIEGO COMM COLL-ELECTIONS 2002&2006 2016 REF	NET 0.00447	\$38.76	
UNIF BOND SAN DIEGO-MEAS YY 11/06/2018, 2019C	NET 0.00141	\$12.23	
UNIF BOND SAN DIEGO-MEAS YY 11/06/2018, 2022F	NET 0.00162	\$14.05	
UNIF BOND SAN DIEGO-PROP MM 11/03/98, 2006G-1 REF	NET 0.00101	\$8.76	
UNIF BOND SAN DIEGO-PROP Z 11/06/12, SER 2013C	NET 0.00106	\$9.19	
UNIF BOND SAN DIEGO-PROP MM 11/03/1998, 2016REF R-5	NET 0.00205	\$17.78	
UNIF BOND SAN DIEGO-PROP Z 11/06/12, SER 2019L	NET 0.00205	\$17.78	
SAN DIEGO COMM COLL-PROP N 11/07/2006 SERIES 2016	NET 0.00247	\$21.42	
UNIF BOND SAN DIEGO-MEAS YY 11/06/2018, 2020D	NET 0.00028	\$2.43	
UNIF BOND SAN DIEGO-PROP Z 11/06/12, SERIES 2022O	NET 0.00161	\$13.96	
UNIF BOND SAN DIEGO-PROP S 11/04/08, SERIES 2009B	NET 0.00381	\$33.04	
UNIF BOND SAN DIEGO-PROP MM 11/03/1998, 2015REF R-4	NET 0.00276	\$23.93	
UNIF BOND SAN DIEGO-PROP Z 11/06/12, SER 2017I	NET 0.00745	\$64.60	
SAN DIEGO COMM COLL-PROP S 11/05/2002, 2011 REF	NET 0.00000	\$0.00	
SAN DIEGO COMM COLL-ELECTIONS 2002&2006 2019A REF	NET 0.01732	\$150.19	
UNIF BOND SAN DIEGO-PROP S 11/04/08, 2021L	NET 0.00058	\$5.03	
UNIF BOND SAN DIEGO-PROP MM 11/03/1998, SER 1999A	NET 0.00801	\$69.46	
UNIF BOND SAN DIEGO-PROP S 11/04/08, SERIES 2010C	NET 0.00000	\$0.00	

18 YOUR TAX DISTRIBUTION			
AGENCY	RATE	AMOUNT	
UNIF BOND SAN DIEGO-PROP S 11/04/08, SER 2015 H-2	NET 0.00590	\$51.16	
UNIF BOND SAN DIEGO-PROP Z 11/06/12, 2017J	NET 0.00093	\$8.06	
SAN DIEGO COMM COLL-PROP N 11/07/2006, SER 2011	NET 0.00000	\$0.00	
SAN DIEGO COMM COLL-ELECTIONS 2002&2006 2019B REF	NET 0.00000	\$0.00	
UNIF BOND SAN DIEGO-MEAS YY 11/06/2018, 2021E	NET 0.04703	\$407.81	
UNIF BOND SAN DIEGO-PROP MM 11/03/1998, 2005 E2 REF	NET 0.00222	\$19.25	
UNIF BOND SAN DIEGO-PROP MM 11/03/1998, 2012REF R-1	NET 0.00000	\$0.00	
UNIF BOND SAN DIEGO-PROP S 11/04/08, SER 2016I	NET 0.00000	\$0.00	
UNIF BOND SAN DIEGO-MEAS YY 11/06/2018, 2019B	NET 0.00062	\$5.38	
SAN DIEGO COMM COLL-PROP N 11/07/2006, SER 2013	NET 0.00128	\$11.10	
SAN DIEGO CITY ZOOLOGICAL EXHIBITS - MAINTENANCE	NET 0.00500	\$43.36	
UNIF BOND SAN DIEGO-PROP Z 11/06/12, SER 2021N	NET 0.03230	\$280.08	
UNIF BOND SAN DIEGO-PROP MM 11/03/1998, 2004 D1 REF	NET 0.00648	\$56.19	
UNIF BOND SAN DIEGO-PROP S 11/04/08, SER 2012E	NET 0.00864	\$74.92	
UNIF BOND SAN DIEGO-PROP Z 11/06/12, SER 2016G	NET 0.00166	\$14.39	
UNIF BOND SAN DIEGO-MEAS YY 11/06/2018, 2019A	NET 0.00000	\$0.00	
SAN DIEGO COMM COLL-ELECTIONS 2002&2006, 2012 REF	NET 0.00000	\$0.00	
COUNTY-PROPOSITION 13	NET 1.00000	\$8,671.21	
UNIF BOND SAN DIEGO-PROP Z 11/06/12, SER 2020M	NET 0.00054	\$4.68	
UNIF BOND SAN DIEGO-PROP MM 11/03/1998, 2005 C2 REF	NET 0.00632	\$54.80	
UNIF BOND SAN DIEGO-PROP S 11/04/08, 2010D QSCB	NET 0.00000	\$0.00	
UNIF BOND SAN DIEGO-PROP Z 11/06/12, SER 2016F	NET 0.00290	\$25.15	
UNIF BOND SAN DIEGO-PROP S 11/04/08, 2017K-2	NET 0.00000	\$0.00	
SAN DIEGO COMM COLL-PROP S 11/05/2002, SER 2011	NET 0.00000	\$0.00	
SAN DIEGO COMM COLL-ELECTIONS 2002&2006 2021 REF	NET 0.00875	\$75.87	
TOTAL ON NET VALUE	1.21636	\$10,547.34	
FIXED CHARGED ASSMTS:		PHONE #	
VECTOR DISEASE CTRL	800-273-5167	\$46.86	
MOSQUITO SURVEILLANC	800-273-5167	\$3.00	
CWA WTR AVAILABILITY	858-522-6691	\$10.00	
MWD WTR STANDBY CHR	866-807-6864	\$11.50	
TOTAL AMOUNT		\$10,618.66	

National Flood Hazard Layer FIRMeTte



117°15'14"W 32°45'23"N



0 250 500 1,000 1,500 2,000 Feet

1:6,000

117°14'37"W 32°44'52"N

Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
GENERAL STRUCTURES		Area of Undetermined Flood Hazard Zone D
		Channel, Culvert, or Storm Sewer
OTHER FEATURES		Levee, Dike, or Floodwall
		Cross Sections with 1% Annual Chance Water Surface Elevation
MAP PANELS		Coastal Transect
		Base Flood Elevation Line (BFE)
OTHER FEATURES		Limit of Study
		Jurisdiction Boundary
OTHER FEATURES		Coastal Transect Baseline
		Profile Baseline
OTHER FEATURES		Hydrographic Feature
		Digital Data Available
MAP PANELS		No Digital Data Available
		Unmapped



The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on **4/16/2023 at 5:05 PM** and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**DIVISION OF STATE FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670, 95833

P.O. Box 952054

Sacramento, CA 94252-2054

(916) 263-2771

www.hcd.ca.gov**HOMEKEY 3.0 – APPRAISAL GUIDELINES**

1. Appraisal reports shall be prepared and signed by an appropriately California-licensed Certified General Real Estate Appraiser in good standing (pursuant to Part 3, commencing with Section 11300 of Division 4 of the Business and Professions Code, and the California Code of Regulations, Title 10, Section 3701) who possesses the appropriate background, education, training, knowledge and experience necessary to accept the assignment and provide credible assignment results. The subject property must be physically inspected (exterior and interior inspections) by at least one of the licensed appraisers signing the report.
2. The appraisal report must be USPAP compliant (current edition as of the date of appraisal report), and must include the report date, client, intended use, intended user, definition of fair market value, signed and dated appraiser certification. Intended users must include the State of California.
3. Appraisal report must provide the fair market value of the fee simple interest, leased fee interest, or going concern (as appropriate) of the subject property based on its current physical condition and recorded or unrecorded title encumbrances under the appraiser's concluded highest and best use. Lease conveyances or conveyances through trusts on tribal lands may also provide a need for leasehold valuations.
4. An appraiser's concluded highest and best use of the property may or may not be its existing use. However, the appraiser must, within the body of the appraisal report and in the letter of transmittal, report the fair market value of its existing use as of the date of inspection, without consideration to Project Homekey funding, other related affordable housing funding, the affordable housing regulatory environment, and funding application status.
5. If an appraiser's concluded highest and best use of the property is not its existing use, an appraisal must clearly and sufficiently demonstrate this conclusion by fully developing valuations under the existing use AND alternate use, accounting for the time and cost of procuring any entitlement approvals, renovation costs, lease up costs, profit, demolition, etc. Moreover, the valuation of the alternate use must utilize comparable data (e.g. sales, rents, expenses, capitalization rates) consistent with the concluded alternate use.
6. If prior to the close of escrow, **owner (seller)**, at their sole cost and expense, will obtain all necessary entitlements and/or complete all physical improvements consistent with the concluded highest and best use, the appraiser should provide a proposed use fair market value that reflects any seller obligations (e.g. entitlements, improvements, etc), in addition to the existing use value.

7. If value scenarios are anticipated to be different for any reason, e.g. unique contractual requirements, the appraiser must contact HCD for guidance in advance of completion of appraisal for instructions, approval of hypotheticals, etc. on how to proceed.
8. All value scenarios need to be market supported with credible market evidence.
9. Appraisal shall utilize the following definition of value:

Fair Market Value: The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with each other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
10. Full and complete compliance with USPAP Standards Rules 1-5(a) and (b) and 2-2(a) x (3) as it pertains for documenting the sale history. See Advisory Opinion 1 of USPAP from The Appraisal Foundation. If the subject is under contract or under negotiation for sale, compliance includes describing how the contract/negotiations came to occur (e.g. whether the property was listed for sale or if the buyer made an unsolicited offer), and reconciling the fair market value with the contract/negotiation price by explaining any differences between price and value, and stating whether the contract/negotiation price is below, consistent with, or above fair market value.
11. All appraisals are subject to review by the State of California. State reserves the right to request an independent outside review.

Appraisal report should include the following:

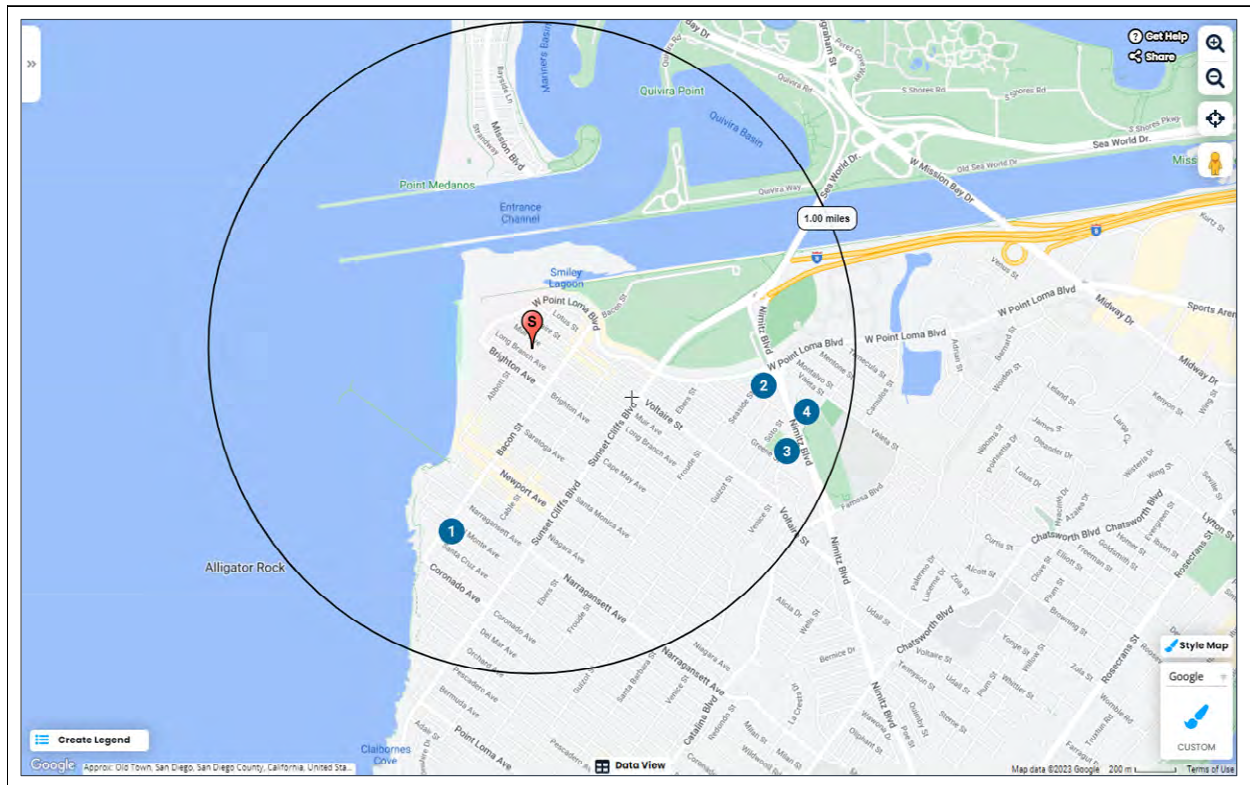
1. Title page with sufficient identification of appraisal project.
2. Letter of transmittal summarizing important assumptions and conclusions, value estimate, date of value, date of report, etc.
3. Table of contents.
4. Assumptions and Limiting Conditions.
5. Description of the scope of work, including the extent of data collection and limitations, if any, in obtaining and analyzing relevant data.
6. Photographs of subject property and comparable data, including significant physical features and the interior of structural improvements if applicable. (Interior photos of subject property improvements are required.)
7. Copies of Assessor's plat maps with the subject parcels marked.
8. A legal description of the subject property if available.
9. Three-year subject property history, including sales, listings, leases, options, zoning, applications for permits, or other documents or facts that might indicate or affect use or value.
10. Detailed discussion of any current Agreement of Sale, option, or listing of subject property.

11. Regional, area, and neighborhood analyses.
12. Market conditions and trends including identification of the relevant market area, a discussion of supply and demand within the relevant market area (or other areas of competition), and a discussion of the relevant market factors impacting demand for site acquisition or leasing within the relevant market area.
13. Discussion of subject land/site characteristics (size, topography, current use, zoning and land use issues, development entitlements, General Plan designations, utilities, offsite improvements, access, easements and restrictions, flood and earthquake information, toxic hazards, taxes and assessments, etc.).
14. Description of subject improvements, including all structures, square footage, physical age, type of construction, quality of construction, condition, site improvements, etc.
15. Subject leasing and operating cost history.
16. Opinion of highest and best use for the subject property, based on an in-depth analysis supporting the concluded use. Such support typically requires a discussion of the four criteria or tests utilized to determine the highest and best use of a property. If alternative feasible uses exist, explain and support market, development, cash flow, and risk factors leading to an ultimate highest and best use decision.
17. All approaches to market value applicable to the property type and in the subject market. Explain and support the exclusion of any usual approaches to value.
18. Map(s) showing all comparable properties in relation to subject property.
19. Photographs and plat maps of comparable properties.
20. In depth discussion of comparable properties, similarities and differences, and comparisons and adjustments to the comparable data, and discussion of the reliability and credibility of the data as it relates to the indicated subject property value.
21. Comparable data sheets: 1) For sales, include information on grantor/grantee, sale/recordation dates, listed or asking price as of date of sale, financing, conditions of sale, buyer motivation, sufficient location information (street address, post mile, and/or distance from local landmarks such as bridges, road intersections, structures, etc.), land/site characteristics, improvements, source of any allocation of sale price between land and improvement, and confirming source. 2). For listings, also include marketing time from list date to effective date of the appraisal, original list price, changes in list price, broker feedback, if available. 3). For leases, include significant information such as lessor/lessee, lease date and term, type of lease, rent and escalation, expenses, size of space leased, tenant improvement allowance, concessions, use restrictions, options, and confirming source.
22. Discussion of construction cost methodology, data source used, costs included and excluded.
23. Discussion relating to remaining economic life. Depreciation methodology, a discussion of accrued depreciation from all causes, and remaining economic life.

24. Copies of construction cost data including, section and pages of cost manual (date of estimate or date of publication of cost manual must be provided if not indicated on page), copies of cost estimate if provided from another source, and supporting calculations including worksheets or spreadsheets.
25. Include a copy of a recent preliminary title report (within the past year) as an appraisal exhibit and discuss the effect of title exceptions on fair market value. If unavailable, the appraisal should be made contingent upon review of the preliminary title report and the assumption that there is no effect on value.
26. Reconciliation and final value estimate. Explain and support conclusions reached.
27. Signed Certification consistent with language found in USPAP.
28. A discussion of market conditions and trends including identification of the relevant market, a discussion of supply and demand within the relevant market area and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area.
29. These appraisal guidelines must be included in the Addenda of appraisal report.

Rent Survey Summary										
No.	Project/ Proximity	Type/ Yr. Built	Market/ Subsidy	Bed/ Bath/AMI Level	Size (SF)	Units	Rent (Ask)	Price Per Square Foot	Units Vacant	Vacancy Rate
1	Elan Coco Palms Apartments 4975 Del Monte Avenue San Diego, CA 0.62 miles	Garden (2 Story) 1972	Market	Studio/1.0	450	24	\$2,195	\$4.88	0	0.0%
				1/1.0	600	12	\$2,545	\$4.24	0	0.0%
				2/1.0	725	4	\$2,895	\$3.99	0	0.0%
				2/2.0	800	8	\$2,795	\$3.49	0	0.0%
				Total		48			0	0.0%
2	Nimitz Pointe Apartments 2401 Seaside Street San Diego, CA 0.73 miles	Garden (3 Story) 1962	Market	Studio/1.0	500	22	\$1,935	\$3.87	1	4.5%
				1/1.0	700	21	\$2,276	\$3.25	1	4.8%
				2/2.0	850	21	\$3,610	\$4.25	0	0.0%
				Total		64			2	3.1%
3	The Greencliff Apartments 4444 Greene Street San Diego, CA 0.85 miles	Garden (2 Story) 1972	Market	Studio/1.0	418	14	\$1,795	\$4.29	0	0.0%
				1/1.0	701	34	\$1,995	\$2.85	0	0.0%
				2/2.0	918	11	\$2,495	\$2.72	0	0.0%
				Total		59			0	0.0%
4	Point Loma Bay Apartments 2440 Soto Street San Diego, CA 0.88 miles	Garden (2 Story) 1978	Market	Studio/1.0	350	8	\$1,845	\$5.27	1	12.5%
				1/1.0	550	44	\$2,145	\$3.90	0	0.0%
				2/1.0	700	6	\$2,595	\$3.71	0	0.0%
				2/2.0/TH	925	7	\$2,800	\$3.03	0	0.0%
				Total		65			1	1.5%

Rent Comparables Map



Comparable #1

Survey Date: 1/31/23

Property Name Elan Coco Palms Apartments
 Street 4975 Del Monte Avenue
 City, State San Diego, CA
 County San Diego
 Phone Number 619-221-8158
 Contact Name Mary
 Type Multifamily
 ("Market"/"Low Income") Market
 Proximity 0.62 miles
 Structure Garden (2 Story)
 HCV Tenants N/A
 Yearly Turnover % 10%
 Leasing Pace Preleased
 Waiting List Yes, N/A
 Concessions None
 Change in Rent Daily
 Year Built/Renovated 1972
 Comp ID Number 17007

**Property Description:**

Bed/Bath	Area (SF)	Units	Rent	Concession (monthly)	Vacant Units	Vacancy Rate
Studio/1.0	450	24	\$2,195	\$0	0	0.0%
1/1.0	600	12	\$2,545	\$0	0	0.0%
2/1.0	725	4	\$2,895	\$0	0	0.0%
2/2.0	800	8	\$2,795	\$0	0	0.0%
Total Units		48			0	0.0%

Utilities:

	Who Pays Utility?	Gas/Electric
		G=Gas E=Electric
Other Electric	T	E
Heat	T	E
Water Heat	T	E
Cooking	T	E
Water	T	
Sewer	T	
Trash	T	

Unit Amenities:

Central Heat/Cool	<input checked="" type="checkbox"/>
Blinds	<input checked="" type="checkbox"/>
Carpet	<input checked="" type="checkbox"/>
Ceiling Fan	<input checked="" type="checkbox"/>
Skylight	<input type="checkbox"/>
Storage Closet	<input type="checkbox"/>
Coat Closet	<input checked="" type="checkbox"/>
Walk-In Closet	<input type="checkbox"/>
Fireplace	<input type="checkbox"/>
Patio/Balcony*	<input type="checkbox"/>

Appliances:

Refrigerator	<input checked="" type="checkbox"/>
Stove/Oven	<input checked="" type="checkbox"/>
Dishwasher	<input checked="" type="checkbox"/>
Garbage Disposal	<input type="checkbox"/>
Microwave	<input type="checkbox"/>
Washer/Dryer	<input type="checkbox"/>
Washer/Dryer Hook-up	<input type="checkbox"/>

Property Amenities:

Community Room	<input checked="" type="checkbox"/>
Swimming Pool	<input checked="" type="checkbox"/>
Spa/Jacuzzi	<input checked="" type="checkbox"/>
Exercise Room	<input checked="" type="checkbox"/>
Picnic Area	<input checked="" type="checkbox"/>
Playground	<input type="checkbox"/>
Tennis Court	<input type="checkbox"/>
Basketball Court	<input type="checkbox"/>
Volleyball Court	<input type="checkbox"/>
On-Site Manager	<input checked="" type="checkbox"/>
Laundry Room	<input checked="" type="checkbox"/>
Computer Room	<input type="checkbox"/>
Business Center	<input type="checkbox"/>
Car Wash Area	<input type="checkbox"/>
Additional Services*	<input checked="" type="checkbox"/>
Elevator ("Y"es or "N"o)	<input checked="" type="checkbox"/>

Parking:

Surface Parking*	<input checked="" type="checkbox"/>
Carport*	<input type="checkbox"/>
Underground	<input type="checkbox"/>
Detached Garage	<input type="checkbox"/>
Attached Garage	<input type="checkbox"/>
Tuck-under Garage	<input type="checkbox"/>
Parking Garage	<input type="checkbox"/>

Security :

Gated/Controlled Access/Intercom	<input type="checkbox"/>
Courtesy Patrol	<input type="checkbox"/>
Surveillance Cameras	<input type="checkbox"/>

*See Notes

Notes:

Patio/balconies are available in select units. Tenants are provided one surface or carport parking space based on availability. Additional amenities include bike storage. Management stated the property is updated on an as needed basis. After reviewing interior photos of the property online, an effective age of 1990 has been estimated.

Comparable #2

Survey Date: 2/4/23

Property Name Nimitz Pointe Apartments
 Street 2401 Seaside Street
 City, State San Diego, CA
 County San Diego
 Phone Number 619-223-0254
 Contact Name Website
 Type Multifamily
 ("M"arket/"L"ow Income) Market
 Proximity 0.73 miles
 Structure Garden (3 Story)
 HCV Tenants N/A
 Yearly Turnover % N/A
 Leasing Pace N/A
 Waiting List N/A
 Concessions None
 Change in Rent N/A
 Year Built/Renovated 1962
 Comp ID Number 17008

**Property Description:**

Bed/Bath	Area (SF)	Units	Rent	Concession (monthly)	Vacant Units	Vacancy Rate
Studio/1.0	500	22	\$1,935	\$0	1	4.5%
1/1.0	700	21	\$2,276	\$0	1	4.8%
2/2.0	850	21	\$3,610	\$0	0	0.0%
Total Units		64			2	3.1%

Utilities:

	Who Pays Utility?	Gas/Electric G=Gas E=Electric
Other Electric	T	E
Heat	T	E
Water Heat	T	E
Cooking	T	E
Water	T	
Sewer	T	
Trash	T	

Unit Amenities:

Central Heat/Cool	<input checked="" type="checkbox"/>
Blinds	<input checked="" type="checkbox"/>
Carpet	<input checked="" type="checkbox"/>
Ceiling Fan	<input checked="" type="checkbox"/>
Skylight	<input type="checkbox"/>
Storage Closet	<input type="checkbox"/>
Coat Closet	<input checked="" type="checkbox"/>
Walk-In Closet	<input type="checkbox"/>
Fireplace	<input type="checkbox"/>
Patio/Balcony	<input checked="" type="checkbox"/>

Appliances:

Refrigerator	<input checked="" type="checkbox"/>
Stove/Oven	<input checked="" type="checkbox"/>
Dishwasher	<input checked="" type="checkbox"/>
Garbage Disposal	<input checked="" type="checkbox"/>
Microwave	<input checked="" type="checkbox"/>
Washer/Dryer	<input type="checkbox"/>
Washer/Dryer Hook-up	<input type="checkbox"/>

Property Amenities:

Community Room	<input type="checkbox"/>
Swimming Pool	<input checked="" type="checkbox"/>
Spa/Jacuzzi	<input type="checkbox"/>
Exercise Room	<input type="checkbox"/>
Picnic Area	<input type="checkbox"/>
Playground	<input type="checkbox"/>
Tennis Court	<input type="checkbox"/>
Basketball Court	<input type="checkbox"/>
Volleyball Court	<input type="checkbox"/>
On-Site Manager	<input checked="" type="checkbox"/>
Laundry Room	<input checked="" type="checkbox"/>
Computer Room	<input type="checkbox"/>
Business Center	<input type="checkbox"/>
Car Wash Area	<input type="checkbox"/>
Additional Services	<input type="checkbox"/>
Elevator ("Y"es or "N"o)	<input checked="" type="checkbox"/>

Parking:

Surface Parking	<input checked="" type="checkbox"/>
Carport	<input type="checkbox"/>
Underground	<input type="checkbox"/>
Detached Garage	<input type="checkbox"/>
Attached Garage	<input type="checkbox"/>
Tuck-under Garage	<input type="checkbox"/>
Parking Garage	<input type="checkbox"/>

Security :

Gated/Controlled Access/Intercom	<input type="checkbox"/>
Courtesy Patrol	<input type="checkbox"/>
Surveillance Cameras	<input type="checkbox"/>

*See Notes

Notes:

Multiple unsuccessful attempts to contact management were made; therefore, rent and vacancy information was obtained from the website. Two-bedroom units range up in size to 1,000 square feet. One-bedroom units rent up to \$2,318; however, the website did not provide the reason. After reviewing interior photos of the property online, an effective age of 1990 has been estimated.

Comparable #3

Survey Date: 2/1/23

Property Name The Greycliff Apartments
 Street 4444 Greene Street
 City, State San Diego, CA
 County San Diego
 Phone Number 619-222-5143
 Contact Name Lorece
 Type Multifamily
 ("M"arket/"L"ow Income) Market
 Proximity 0.85 miles
 Structure Garden (2 Story)
 HCV Tenants N/A
 Yearly Turnover % 5%
 Leasing Pace Preleased
 Waiting List Yes, N/A
 Concessions None
 Change in Rent Increased 5% - 10%
 Year Built/Renovated 1972
 Comp ID Number 17006

**Property Description:**

Bed/Bath	Area (SF)	Units	Rent	Concession (monthly)	Vacant Units	Vacancy Rate
Studio/1.0	418	14	\$1,795	\$0	0	0.0%
1/1.0	701	34	\$1,995	\$0	0	0.0%
2/2.0	918	11	\$2,495	\$0	0	0.0%
Total Units		59			0	0.0%

Utilities:

	Who Pays Utility?	Gas/Electric
		G=Gas E=Electric
Other Electric	T	E
Heat	T	E
Water Heat	T	E
Cooking	T	E
Water	L	
Sewer	L	
Trash	L	

Unit Amenities:

Central Heat/Cool	<input checked="" type="checkbox"/>
Blinds	<input checked="" type="checkbox"/>
Carpet	<input type="checkbox"/>
Ceiling Fan	<input checked="" type="checkbox"/>
Skylight	<input type="checkbox"/>
Storage Closet	<input type="checkbox"/>
Coat Closet	<input checked="" type="checkbox"/>
Walk-In Closet*	<input type="checkbox"/>
Fireplace*	<input type="checkbox"/>
Patio/Balcony*	<input type="checkbox"/>

Appliances:

Refrigerator	<input checked="" type="checkbox"/>
Stove/Oven	<input checked="" type="checkbox"/>
Dishwasher	<input checked="" type="checkbox"/>
Garbage Disposal	<input checked="" type="checkbox"/>
Microwave	<input checked="" type="checkbox"/>
Washer/Dryer	<input type="checkbox"/>
Washer/Dryer Hook-up	<input type="checkbox"/>

Property Amenities:

Community Room	<input type="checkbox"/>
Swimming Pool	<input checked="" type="checkbox"/>
Spa/Jacuzzi	<input checked="" type="checkbox"/>
Exercise Room	<input checked="" type="checkbox"/>
Picnic Area	<input checked="" type="checkbox"/>
Playground	<input type="checkbox"/>
Tennis Court	<input type="checkbox"/>
Basketball Court	<input type="checkbox"/>
Volleyball Court	<input type="checkbox"/>
On-Site Manager	<input checked="" type="checkbox"/>
Laundry Room	<input checked="" type="checkbox"/>
Computer Room	<input type="checkbox"/>
Business Center	<input type="checkbox"/>
Car Wash Area	<input type="checkbox"/>
Additional Services*	<input checked="" type="checkbox"/>
Elevator ("Y"es or "N"o)	<input type="checkbox"/>

Parking:

Surface Parking	<input checked="" type="checkbox"/>
Carport*	<input type="checkbox"/>
Underground	<input type="checkbox"/>
Detached Garage	<input type="checkbox"/>
Attached Garage	<input type="checkbox"/>
Tuck-under Garage	<input type="checkbox"/>
Parking Garage	<input type="checkbox"/>

Security :

Gated/Controlled Access/Intercom	<input checked="" type="checkbox"/>
Courtesy Patrol	<input type="checkbox"/>
Surveillance Cameras	<input type="checkbox"/>

*See Notes

Notes:

Walk-in closets, fireplaces, and patio/balconies are available in select units. Carport parking spaces are available for \$85. Additional amenities include a sauna and a game room. Management stated the property is updated on an as needed basis. An attempt to analyze interior photos of the property online was made, but unsuccessful; therefore, based on the effective age of similar properties in the area, an effective age of 1990 has been estimated.

Comparable #4

Survey Date: 2/1/23

Property Name Point Loma Bay Apartments
 Street 2440 Soto Street
 City, State San Diego, CA
 County San Diego
 Phone Number 619-224-1973
 Contact Name Alejandra
 Type Multifamily
 ("M"arket/"L"ow Income) Market
 Proximity 0.88 miles
 Structure Garden (2 Story)
 HCV Tenants Yes, 4 HH's
 Yearly Turnover % 15%
 Leasing Pace 2-3 weeks
 Waiting List None
 Concessions None
 Change in Rent Varies
 Year Built/Renovated 1978
 Comp ID Number 13288

**Property Description:**

Bed/Bath	Area (SF)	Units	Rent	Concession (monthly)	Vacant Units	Vacancy Rate
Studio/1.0	350	8	\$1,845	\$0	1	12.5%
1/1.0	550	44	\$2,145	\$0	0	0.0%
2/1.0	700	6	\$2,595	\$0	0	0.0%
2/2.0/TH	925	7	\$2,800	\$0	0	0.0%
Total Units		65			1	1.5%

Utilities:

	Who Pays	Gas/Electric
	Utility?	G=Gas
		E=Electric
Other Electric	T	E
Heat	T	E
Water Heat	T	E
Cooking	T	E
Water	T	
Sewer	T	
Trash	L	

Unit Amenities:

Central Heat/Cool	<input checked="" type="checkbox"/>
Blinds	<input checked="" type="checkbox"/>
Carpet	<input checked="" type="checkbox"/>
Ceiling Fan	<input checked="" type="checkbox"/>
Skylight	<input type="checkbox"/>
Storage Closet	<input type="checkbox"/>
Coat Closet	<input checked="" type="checkbox"/>
Walk-In Closet	<input type="checkbox"/>
Fireplace	<input type="checkbox"/>
Patio/Balcony	<input type="checkbox"/>

Appliances:

Refrigerator	<input checked="" type="checkbox"/>
Stove/Oven	<input checked="" type="checkbox"/>
Dishwasher	<input checked="" type="checkbox"/>
Garbage Disposal	<input type="checkbox"/>
Microwave	<input type="checkbox"/>
Washer/Dryer	<input type="checkbox"/>
Washer/Dryer Hook-up	<input type="checkbox"/>

Property Amenities:

Community Room	<input type="checkbox"/>
Swimming Pool	<input type="checkbox"/>
Spa/Jacuzzi	<input checked="" type="checkbox"/>
Exercise Room	<input type="checkbox"/>
Picnic Area	<input type="checkbox"/>
Playground	<input type="checkbox"/>
Tennis Court	<input type="checkbox"/>
Basketball Court	<input type="checkbox"/>
Volleyball Court	<input type="checkbox"/>
On-Site Manager	<input checked="" type="checkbox"/>
Laundry Room	<input checked="" type="checkbox"/>
Computer Room	<input type="checkbox"/>
Business Center	<input type="checkbox"/>
Car Wash Area	<input type="checkbox"/>
Additional Services*	<input checked="" type="checkbox"/>
Elevator ("Y"es or "N"o)	<input checked="" type="checkbox"/>

Parking:

Surface Parking	<input checked="" type="checkbox"/>
Carport	<input type="checkbox"/>
Underground	<input type="checkbox"/>
Detached Garage	<input type="checkbox"/>
Attached Garage	<input type="checkbox"/>
Tuck-under Garage	<input type="checkbox"/>
Parking Garage	<input type="checkbox"/>

Security :

Gated/Controlled Access/Intercom	<input type="checkbox"/>
Courtesy Patrol	<input type="checkbox"/>
Surveillance Cameras	<input type="checkbox"/>

*See Notes

Notes:

Additional services include a community garden. Management stated the property is updated on an as needed basis. After reviewing interior photos of the property online, an effective age of 1995 has been determined.

Rent Adjustment Table For Multifamily Projects		
Characteristics	Adjustment	Comment
	Base BR	
Elevator (Yes/No)	\$10	
Tenant Paid Utilities		
Electricity	From U.A.	Use amount from the utility allowance schedule
Heat	From U.A.	Use amount from the utility allowance schedule
Hot Water	From U.A.	Use amount from the utility allowance schedule
Cooking-Power	From U.A.	Use amount from the utility allowance schedule
TV	From U.A.	Use amount from the utility allowance schedule
Water/Sewer/Trash	From U.A.	Use amount from the utility allowance schedule
Sewer	From U.A.	Use amount from the utility allowance schedule
Trash	From U.A.	Use amount from the utility allowance schedule
Unit Amenities		
Central Heat/Cool	\$20	Central VS Wall \$10
Blinds	\$5	
Carpet	\$0	
Ceiling Fan	\$5	
Skylight/Vaulted Cielings	\$10	
Storage Closet	\$5	
Coat Closet	\$0	
Walk-In Closet	\$5	
Fireplace	\$5	
Patio/Balcony	\$5	
Appliances		
Refrigerator	\$20	
Stove/Oven	\$20	
Dishwasher	\$10	
Garbage Disposal	\$0	
Microwave	\$5	
Washer/Dryer	\$50	
Washer/Dryer Connection	\$25	
Parking/Transportation		
Surface Parking	\$25	Compare to off-site parking
Carport	\$50	
Underground Parking	\$100	
Detached Garage	\$100	
Attached Garage	\$100	
Tuck-Under Garage	\$50	
Parking Garage	\$100	
Project Amenities		
Clubhouse/Community Room	\$10	
Swimming Pool	\$10	
Spa/Jacuzzi	\$5	
Exercise Room	\$10	
Picnic Area	\$5	
Tot Lot/Playground	\$5	
Tennis Court	\$5	
Basketball Court	\$5	
Volleyball Court	\$5	
On-Site Manager	\$10	
Laundry Room	\$10	
Computer Room	\$10	
Business Center	\$10	
Car Wash Area	\$5	
Security		
Gated	\$5	
Courtesy Patrol	\$5	
Emergency Pull Cords	\$10	
Intercomm	\$5	
Surveillance Cameras	\$5	

Studio Market Rate Comparables						
Adjustments Matrix: MKT Studio		Elan Coco Palms Apartments		Nimitz Pointe Apartments	The Greendcliff Apartments	Point Loma Bay Apartments
	Subject Highest Rent	4975 Del Monte Avenue		2401 Seaside Street	4444 Greene Street	2440 Soto Street
		San Diego, CA		San Diego, CA	San Diego, CA	San Diego, CA
Prepared by: Kinetic Valuation Group		619-221-8158		619-223-0254	619-222-5143	619-224-1973
	Char	Char Adj		Char Adj	Char Adj	Char Adj
Type ("M"arket, "L"ow Income)	L	M		M	M	M
Distance in Miles from Subject		0.62 miles		0.73 miles	0.85 miles	0.88 miles
Unit Size in SF	300	450		500	418	350
Base Rent		\$2,195		\$1,935	\$1,795	\$1,845
Value Ratio (\$/SF)		\$4.88		\$3.87	\$4.29	\$5.27
# of stories	2	2		3	2	2
Elevator ("Y"es or "N"o)	N	N		Y (\$10)	N	N
# of Bedrooms	0	0		0	0	0
# of Bathrooms	1	1		1	1	1
Unit Size Adjustment	300	450 (\$183)		500 (\$194)	418 (\$127)	350 (\$66)
Rent Concessions		None		None	None	None
Age (built or last renovated) Quality	1958	1972 (\$60)		1962 (\$60)	1972 (\$60)	1978 (\$80)
Location	Average	Similar		Similar	Similar	Similar
Utilities Paid by Tenant						
Electricity	L	T \$39		T \$39	T \$39	T \$39
Heat ("G"as or "E"lectric)	L/G	T/E \$17		T/E \$17	T/E \$17	T/E \$17
Hot Water (G or E)	L/G	T/E \$9		T/E \$9	T/E \$9	T/E \$9
Cooking (G or E)	L/G	T/E \$8		T/E \$8	T/E \$8	T/E \$8
TV ("C"able or "S"atellite)	T	T		T	T	T
Water	L	T \$81		T \$81	L	T \$81
Sewer	L	T \$57		T \$57	L	T \$57
Trash	L	T		T	L	L
Unit Amenities						
Central Heat/Cool	Wall	✓ (\$10)		✓ (\$10)	✓ (\$10)	✓ (\$10)
Blinds	✓	✓		✓	✓	✓
Carpet/Laminate	✓	✓		✓	□ \$0	✓
Ceiling Fan	□	✓ (\$5)		✓ (\$5)	✓ (\$5)	✓ (\$5)
Skylight	□	□		□	□	□
Storage Closet	□	□		□	□	□
Coat Closet	✓	✓		✓	✓	✓
Walk-In Closet	□	□		□	□	□
Fireplace	□	□		□	□	□
Patio/Balcony	□	□		✓ (\$5)	□	□
Appliances						
Refrigerator	✓	✓		✓	✓	✓
Stove/Oven	✓	✓		✓	✓	✓
Dishwasher	□	✓ (\$10)		✓ (\$10)	✓ (\$10)	✓ (\$10)
Garbage Disposal	□	□		✓ \$0	✓ \$0	□
Microwave	□	□		✓ (\$5)	✓ (\$5)	□
Washer/Dryer	□	□		□	□	□
Washer/Dryer Hook-ups	□	□		□	□	□
Parking/Transportation						
Surface Parking	✓	✓		✓	✓	✓
Carpport	□	□		□	□	□
Underground Parking	□	□		□	□	□
Detached Garage	□	□		□	□	□
Attached Garage	□	□		□	□	□
Tuck-under Garage	□	□		□	□	□
Parking Garage	□	□		□	□	□
Project Amenities						
Clubhouse/Community Room	□	✓ (\$10)		□	□	□
Swimming Pool	□	✓ (\$10)		✓ (\$10)	✓ (\$10)	□
Spa/Jacuzzi	□	✓ (\$5)		□	✓ (\$5)	✓ (\$5)
Exercise Room	□	✓ (\$10)		□	✓ (\$10)	□
Picnic Area	□	✓ (\$5)		□	✓ (\$5)	□
Tot Lot/Playground	□	□		□	□	□
Tennis Court	□	□		□	□	□
Basketball Court	□	□		□	□	□
Volleyball Court	□	□		□	□	□
On Site Manager	□	✓ (\$10)		✓ (\$10)	✓ (\$10)	✓ (\$10)
Laundry Room	✓	✓		✓	✓	✓
Computer Room	□	□		□	□	□
Business Center	□	□		□	□	□
Car Wash Area	□	□		□	□	□
Additional Services	□	✓ \$0		□ \$0	✓ \$0	✓ \$0
Security						
Gated	✓	□ \$5		□ \$5	✓	□ \$5
Courtesy Patrol	□	□		□	□	□
Surveillance Camera	□	□		□	□	□
Adjusted Rent		\$2,093		\$1,833	\$1,611	\$1,875
Minimum	\$1,611					
Maximum	\$2,093					
Average	\$1,853					
Concluded Rent	\$1,900					

One-Bedroom Market Rate Comparables						
Adjustments Matrix: MKT One-Bedroom		Elan Coco Palms Apartments	Nimitz Pointe Apartments	The Greenduff Apartments	Point Loma Bay Apartments	
	Subject Highest Rent	4975 Del Monte Avenue	2401 Seaside Street	4444 Greene Street	2440 Soto Street	
		San Diego, CA	San Diego, CA	San Diego, CA	San Diego, CA	
Prepared by: Kinetic Valuation Group		619-221-8158	619-223-0254	619-222-5143	619-224-1973	
	Char	Char Adj	Char Adj	Char Adj	Char	Adj
Type ("M"arket, "L"ow Income)	L	M	M	M	M	
Distance in Miles from Subject		0.62 miles	0.73 miles	0.85 miles	0.88 miles	
Unit Size in SF	540	600	700	701	550	
Base Rent		\$2,545	\$2,276	\$1,995	\$2,145	
Value Ratio (\$/SF)		\$4.24	\$3.25	\$2.85	\$3.90	
# of stories	2	2	3	2	2	
Elevator ("Y"es or "N"o)	N	N	Y (\$10)	N	N	
# of Bedrooms	1	1	1	1	1	
# of Bathrooms	1	1	1	1	1	
Unit Size Adjustment	540	600 (\$64)	700 (\$130)	701 (\$115)	550	(\$10)
Rent Concessions		None	None	None	None	
Age (built or last renovated) Quality	1958	1972 (\$60)	1962 (\$60)	1972 (\$60)	1978	(\$80)
Location	Average	Similar	Similar	Similar	Similar	
Utilities Paid by Tenant						
Electricity	L	T \$46	T \$46	T \$46	T	\$46
Heat ("G"as or "E"lectric)	L/G	T/E \$20	T/E \$20	T/E \$20	T/E	\$20
Hot Water (G or E)	L/G	T/E \$11	T/E \$11	T/E \$11	T/E	\$11
Cooking (G or E)	L/G	T/E \$8	T/E \$8	T/E \$8	T/E	\$8
TV ("C"able or "S"atellite)	T	T	T	T	T	
Water	L	T \$87	T \$87	L	T	\$87
Sewer	L	T \$57	T \$57	L	T	\$57
Trash	L	T	T	L	L	
Unit Amenities						
Central Heat/Cool	Wall	✓ (\$10)	✓ (\$10)	✓ (\$10)	✓	(\$10)
Blinds	✓	✓	✓	✓	✓	
Carpet	✓	✓	✓	□ \$0	✓	
Ceiling Fan	□	✓ (\$5)	✓ (\$5)	✓ (\$5)	✓	(\$5)
Skylight	□	□	□	□	□	
Storage Closet	□	□	□	□	□	
Coat Closet	✓	✓	✓	✓	✓	
Walk-In Closet	□	□	□	□	□	
Fireplace	□	□	□	□	□	
Patio/Balcony	□	□	✓ (\$5)	□	□	
Appliances						
Refrigerator	✓	✓	✓	✓	✓	
Stove/Oven	✓	✓	✓	✓	✓	
Dishwasher	□	✓ (\$10)	✓ (\$10)	✓ (\$10)	✓	(\$10)
Garbage Disposal	□	□	✓ \$0	✓ \$0	□	
Microwave	□	□	✓ (\$5)	✓ (\$5)	□	
Washer/Dryer	□	□	□	□	□	
Washer/Dryer Hook-ups	□	□	□	□	□	
Parking/Transportation						
Surface Parking	✓	✓	✓	✓	✓	
Carport	□	□	□	□	□	
Underground Parking	□	□	□	□	□	
Detached Garage	□	□	□	□	□	
Attached Garage	□	□	□	□	□	
Tuck-under Garage	□	□	□	□	□	
Parking Garage	□	□	□	□	□	
Project Amenities						
Clubhouse/Community Room	□	✓ (\$10)	□	□	□	
Swimming Pool	□	✓ (\$10)	✓ (\$10)	✓ (\$10)	□	
Spa/Jacuzzi	□	✓ (\$5)	□	✓ (\$5)	✓	(\$5)
Exercise Room	□	✓ (\$10)	□	✓ (\$10)	□	
Picnic Area	□	✓ (\$5)	□	✓ (\$5)	□	
Tot Lot/Playground	□	□	□	□	□	
Tennis Court	□	□	□	□	□	
Basketball Court	□	□	□	□	□	
Volleyball Court	□	□	□	□	□	
On Site Manager	□	✓ (\$10)	✓ (\$10)	✓ (\$10)	✓	(\$10)
Laundry Room	✓	✓	✓	✓	✓	
Computer Room	□	□	□	□	□	
Business Center	□	□	□	□	□	
Car Wash Area	□	□	□	□	□	
Additional Services	□	✓ \$0	□ \$0	✓ \$0	✓	\$0
Security						
Gated	✓	□ \$5	□ \$5	✓	□	\$5
Courtesy Patrol	□	□	□	□	□	
Surveillance Camera	□	□	□	□	□	
Adjusted Rent		\$2,580	\$2,255	\$1,835	\$2,249	
Minimum	\$1,835					
Maximum	\$2,580					
Average	\$2,230					
Concluded Rent	\$2,300					

ADDENDUM C

Legal Description

EXHIBIT "A"
LEGAL DESCRIPTION

Order No.: 23000480042
Escrow No.: 23000480042

The land referred to herein is situated in the State of California, County of San Diego, City of San Diego and described as follows:

Parcel 1:

Lots 1, 2 and 3 in Block 92 of Ocean Bay Beach, in the City of San Diego, County of San Diego, State of California, according to [Map thereof No. 1189](#), filed in the Office of the County Recorder of San Diego County, June 22, 1909.

Parcel 2:

That portion of Lot 1, in Block 87 of Ocean Beach Extension No. 2, in the City of San Diego, County of San Diego, State of California, according to [Map thereof No. 1079](#), filed in the office of the County Recorder of San Diego County, August 28, 1907, described as follows:

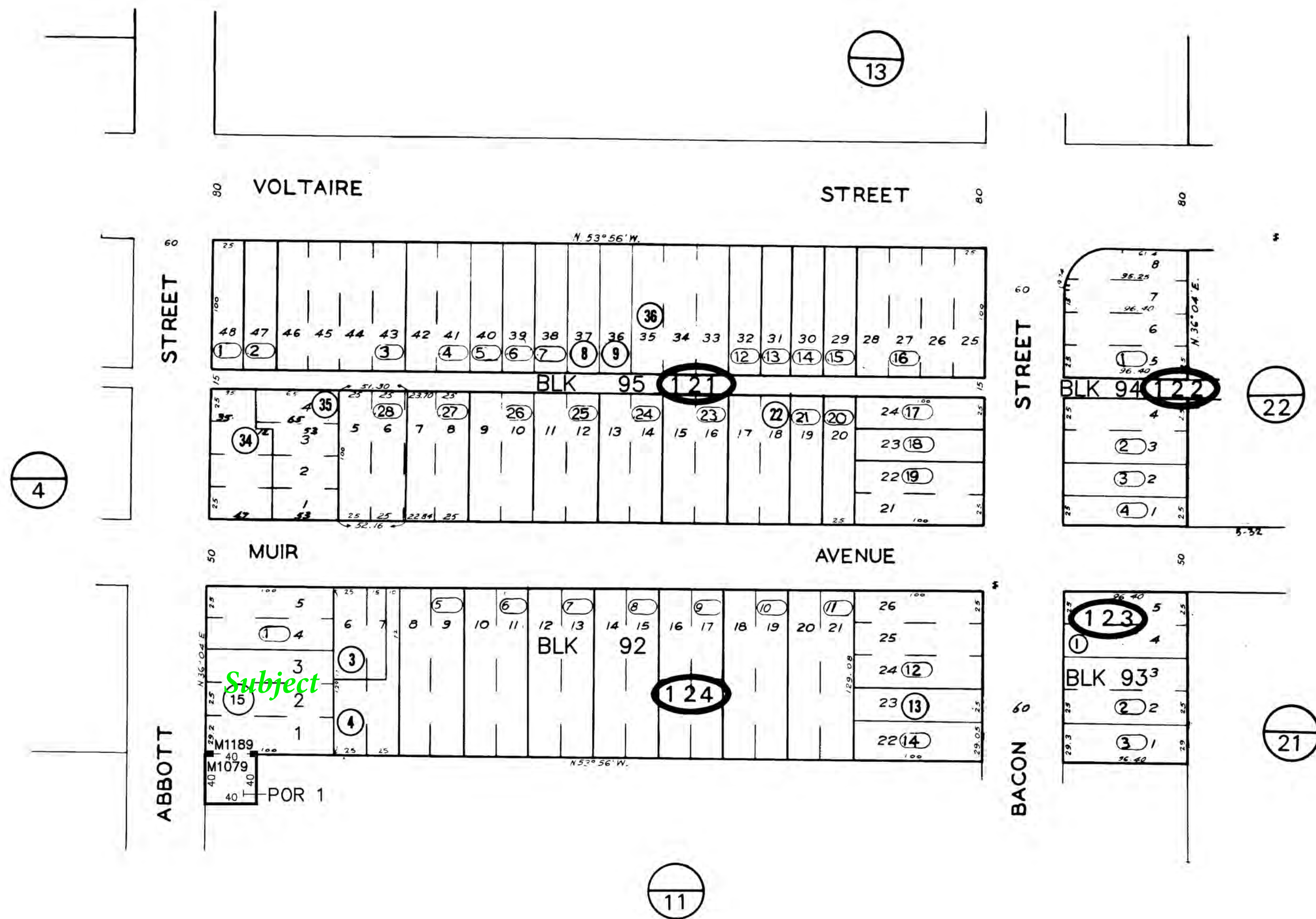
Beginning at the Northwest corner of said Lot 1; thence 40 feet Southwesterly along the Westerly line of said lot; thence at right angles 40 feet Southeasterly to the Easterly line of said lot; thence 40 feet Northeasterly along the Easterly line to the Northeast corner of said lot; thence Northwesterly 40 feet along the Northerly line to said lot to the point of beginning.

[APN: 448-124-15-00](#)

APN: 448-124-15-00

(End of Legal Description)

448-121-124

[illegible]

Subject

29 M1189
40 M1079
40
40
40 POR 1

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

MAP 1189 - OCEAN BAY BEACH
MAP 1079 - OCEAN BEACH EXTENSION NO 2

2/11



Frank Green
Senior Underwriter

Stewart Title Guaranty Company
Commercial Services (San Diego)
7676 Hazard Center Drive, Ste 1400
San Diego, CA 92108
(619) 398-8035 Phone
(619) 615-2389 Fax
sdcomm@stewart.com

PRELIMINARY REPORT

Order No. : 23000480042
Title Unit No. : 48
Your File No. : 23000480042
Buyer/Borrower Name : Wakeland Housing & Development Corporation, a California non-profit corporation
Seller Name : Ocean Beach Community Development Corp., a California non-profit corporation

Property Address: 2147 Abbott Street, San Diego, CA 92107

In response to the above referenced application for a Policy of Title Insurance, Stewart Title Guaranty Company Commercial Services (San Diego) hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Stewart Title Guaranty Company Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referenced to as an Exception on Schedule B or not excluded from coverage pursuant to the printed Schedules, Conditions, and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on covered Risks of said policy or policies are set forth in Exhibit A attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limits of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters, which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report, (and any supplements or amendments thereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance a binder or commitment should be requested.

Dated as of January 06, 2023 at 7:30 a.m.

Frank Green, Title Officer

When replying, please contact: Frank Green, Title Officer

IF ANY DECLARATION, GOVERNING DOCUMENT (FOR EXAMPLE, COVENANT, CONDITION OR RESTRICTION) OR DEED IDENTIFIED AND/OR LINKED IN THIS TITLE PRODUCT CONTAINS ANY RESTRICTION BASED ON AGE, RACE COLOR, RELIGION, SEX, GENDER, GENDER IDENTITY, GENDER EXPRESSION, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, VETERAN OR MILITARY STATUS, GENETIC INFORMATION, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN SUBDIVISION (p) OF SECTION 12955, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.2 OF THE GOVERNMENT CODE BY SUBMITTING A “RESTRICTIVE COVENANT MODIFICATION” FORM, TOGETHER WITH A COPY OF THE ATTACHED DOCUMENT WITH THE UNLAWFUL PROVISION REDACTED TO THE COUNTY RECORDER’S OFFICE. THE “RESTRICTIVE COVENANT MODIFICATION” FORM CAN BE OBTAINED FROM THE COUNTY RECORDER’S OFFICE AND MAY BE AVAILABLE ON ITS WEBSITE. THE FORM MAY ALSO BE AVAILABLE FROM THE PARTY THAT PROVIDED YOU WITH THIS DOCUMENT. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.

PRELIMINARY REPORT

The form of Policy of Title Insurance contemplated by this report is:

- ☒ Standard Coverage Owner's Policy
- ☐ Extended Coverage Owner's Policy
- ☐ CLTA/ALTA Homeowner's Policy
- ☐ Standard Coverage Loan Policy
- ☐ Extended Coverage Loan Policy
- ☐ Short Form Residential Loan Policy
- ☐

SCHEDULE A

The estate or interest in the land hereinafter described or referred to covered by this report is:

Fee Simple

Title to said estate or interest at the date hereof is vested in:

[Ocean Beach community Development Corporation, a California non-profit corporation](#)

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of San Diego, City of San Diego and described as follows:

Parcel 1:

Lots 1, 2 and 3 in Block 92 of Ocean Bay Beach, in the City of San Diego, County of San Diego, State of California, according to [Map thereof No. 1189](#), filed in the Office of the County Recorder of San Diego County, June 22, 1909.

Parcel 2:

That portion of Lot 1, in Block 87 of Ocean Beach Extension No. 2, in the City of San Diego, County of San Diego, State of California, according to [Map thereof No. 1079](#), filed in the office of the County Recorder of San Diego County, August 28, 1907, described as follows:

Beginning at the Northwest corner of said Lot 1; thence 40 feet Southwesterly along the Westerly line of said lot; thence at right angles 40 feet Southeasterly to the Easterly line of said lot; thence 40 feet Northeasterly along the Easterly line to the Northeast corner of said lot; thence Northwesterly 40 feet along the Northerly line to said lot to the point of beginning.

[APN: 448-124-15-00](#)

APN: 448-124-15-00
(End of Legal Description)

THE MAP ATTACHED THROUGH THE HYPERLINK ABOVE IS BEING PROVIDED AS A COURTESY AND FOR INFORMATION PURPOSES ONLY; THIS MAP SHOULD NOT BE RELIED UPON. FURTHERMORE, THE PARCELS SET OUT ON THIS MAP MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES. THERE WILL BE NO LIABILITY, RESPONSIBILITY OR INDEMNIFICATION RELATED TO ANY MATTERS CONCERNING THE CONTENTS OR ACCURACY OF THE MAP.

SCHEDULE B

At the date hereof, exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy or policies would be as follows:

Taxes:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes, to be levied for the fiscal year 2023 - 2024.
- B. General and special city and/or county taxes, and any assessments collected with taxes, for the fiscal year 2022 - 2023:
 - 1st Installment : \$5,309.33
 - Status 1st: Paid
 - 2nd Installment : \$5,309.33
 - Status 2nd: Open
 - Parcel No. : 448-124-15-00
 - Code Area / Tracer No. : 08001
- C. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the revenue and taxation code of the State of California.
- D. Taxes and/or assessments affecting the land, if any, for Community Facility Districts including Mello Roos Districts which may exist by virtue of assessment maps or notices filed by said districts. Said taxes and/or assessments are typically collected with the County taxes; however, some districts may remove these taxes and/or assessment from the County taxes and assess and collect them separately.
- E. Prior to recording, the final amount due for taxes must be confirmed with tax collector.

Exceptions:

- 1. Taxes or assessments which are not shown as existing liens by the records of the taxing authority that levies taxes or assessments on real property or by the public records.

Proceeding by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- 2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
- 3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- 4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or other facts which a correct survey would disclose, and which are not shown by the public records.
- 5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
- 6. Any lien or right to a lien for services, labor or material unless such lien is shown by the public records at Date of Policy.
- 7. Water rights, claims or title to water in or under the property, whether or not shown by the public records.

8. Ownership of, or rights to, minerals or other substances, subsurface and surface, of whatsoever kind, including, but not limited to coal, ores, metals, lignite, oil, gas, geothermal resources, brine, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether the ownership or rights arise by lease, grant, exception, conveyance, reservation or otherwise, and whether or not appearing in the Public Records or listed in Schedule B. Stewart Title Guaranty Company and its issuing agent make no representation as to the present ownership of any such interests. There may be leases, grants, exceptions, or reservations of interests that are not listed.

9. Covenants, conditions and restrictions as set forth in a document recorded March 9, 1915 in [Book 675 Page 176](#), of Deeds.

Said covenants, conditions, and restrictions provide that a violation thereof shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value.

10. Covenants, conditions and restrictions as set forth in a document recorded April 8, 1997 as [Instrument No. 1997-0161294](#), of Official Records.

Said covenants, conditions, and restrictions provide that a violation thereof shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value.

Said covenants, conditions and restrictions have been modified by a document, recorded December 22, 2008 as [Instrument No. 2008-0648763](#), of Official Records.

11. Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby:

Amount : \$140,000.00

Trustor : Ocean Beach Community Development Corporation, a California nonprofit public benefit corporation

Trustee : Chicago Title Company, a California corporation

Beneficiary : San Diego Housing Commission, a public agency

Recorded : April 8, 1997, as [Instrument No. 1997-0161295](#), of Official Records.

The above instrument has been subordinated to Deed of Trust recorded April 8, 2021, as [Instrument No. 2021-0274620](#) by that certain agreement recorded on April 8, 2021, as [Instrument No. 2021-0274621](#), of Official Records.

12. Financing Statement executed by Ocean Beach Community Development Corporation, a California nonprofit public benefit corporation to Glendale Federal Bank, Federal Savings Bank, a United States corporation recorded April 8, 1997 as [Instrument No. 1997-0161296](#), of Official Records.

13. Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby:

Amount : \$267,000.00

Trustor : Ocean Beach Community Development Corporation, a California non-profit corporation

Trustee : Home Bank of California

Beneficiary : Home Bank of California

Recorded : April 8, 2021, as [Instrument No. 2021-0274620](#), of Official Records.

14. Any facts, rights, interests or claims which would be disclosed by an inspection of the Land.

15. Rights of parties in possession whether or not recorded in the public records.

(End of Exceptions)

NOTES AND REQUIREMENTS

- A. In order to insure, you must provide full copies of any unrecorded leases, together with all supplements, assignments and amendments. Additional requirements or items may be requested upon review of the required documents.
- B. In order to insure a conveyance, acquisition or encumbrance by the corporation or unincorporated association named below you must provide the following:
Entity: Ocean Beach community Development Corporation, a California non-profit corporation
 - (a) A copy of the corporation By-Laws or Articles.
 - (b) An original or certified copy of the Resolution authorizing the subject transaction.
 - (c) If the By-Laws or Articles require approval by a "parent" organization, a copy of that entities' By-Laws or Articles.
 - (d) If an unincorporated association, a statement pursuant to applicable law (such as California Corporation Code Section 20002).Additional requirements or items may be requested upon review of the required documents set forth above.
- C. There are no items in this preliminary report that will cause Stewart Title Guaranty Company to decline to attach the CLTA Endorsement Form 116.01-06 (or similar ALTA 22-06 equivalent), indicating that there is located a Multi Family Dwelling known as 2147 Abbott Street, San Diego, California.
- D. There are no transfers or conveyances shown in the public records within 24 months of the date of this Preliminary Report. If you have knowledge of any transfers or conveyances, please contact your title officer immediately for further requirements.
- E. If an Owner's Policy of title insurance is requested, a CLTA Standard Coverage Owner's Policy will be issued unless instructed otherwise. If a different form of policy is desired, please contact your Title Officer.
- F. All Transactions - Seller(s) and Buyer(s) or Borrowers are provided, as attachments, the document entitled "Acknowledgement of Receipt, Understanding and Approval of STG Privacy Notice for Stewart Title Companies and Stewart's Affiliated Business Arrangement Disclosure Statement" and the individually named documents, for review and acknowledgment prior to closing.
- G. All Transactions - Buyer(s)/Seller(s)/Borrower(s) are provided the Preliminary Report for review and acknowledgment prior to closing. Buyer(s) approval shall include the Preliminary Report items that are to remain as exceptions to the title policy.
- H. All Transactions - Seller(s)/Owner(s) are provided Stewart Title Guaranty Company's Owner's Affidavit and Indemnity for completion and submission prior to closing.

CALIFORNIA "GOOD FUNDS" LAW

California Insurance Code Section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds received by Stewart Title Guaranty Company Commercial Services (San Diego) via wire transfer may be disbursed upon receipt. Funds received via cashier's checks or teller checks drawn on a California Bank may be disbursed on the next business day after the day of deposit. If funds are received by any other means, recording and/or disbursement may be delayed, and you should contact your title or escrow officer. All escrow and sub-escrow funds received will be deposited with other escrow funds in one or more non-interest bearing escrow accounts in a financial institution selected by Stewart Title Guaranty Company Commercial Services (San Diego). Stewart Title Guaranty Company Commercial Services (San Diego) may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with the financial institution, and Stewart Title Guaranty Company Commercial Services (San Diego) shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by Stewart Title Guaranty Company Commercial Services (San Diego). Such benefits shall be deemed additional compensation to Stewart Title Guaranty Company Commercial Services (San Diego) for its services in connection with the escrow or sub-escrow.

If any check submitted is dishonored upon presentation for payment, you are authorized to notify all principals and/or their respective agents of such nonpayment.

OWNER'S AFFIDAVIT AND INDEMNITY

Order Number: 23000480042

Address/Location: 2147 Abbott Street, San Diego, CA 92107

APN: 448-124-15-00

In connection with the request of the Undersigned ("Affiant") for the preparation and issuance of insurance, Affiant makes the following statements and representations for the benefit of, and reliance by, title insurer STEWART TITLE GUARANTY COMPANY (hereafter referred to as "TITLE"):

1. Affiant owns and holds title to the land described in Schedule A of the Preliminary Report or Commitment issued in connection with the above referenced Order Number (the "Land").
2. The Affiant's ownership and/or possession of the Land has been peaceful and undisturbed, and title thereto has never been disputed, questioned or rejected, nor has the issuance of title insurance ever been refused, except as follows: **(If none, please state "none")**

3. Other than the Affiant, there are no parties entitled to possession of the Land other than the following: **(If none, please state "none")**

4. There are no leases, licenses, options, rights of first refusal, or contracts to sell, affecting the Land, or any parties currently in possession, of the Land, except the following: **(If none, please state "none")**

5. All assessments by a management company or owners' association, or for common area or building maintenance, if any, are paid current or are not yet due and payable except for the following **(If none, please state "none")**

6. There are no pending contemplated repairs/improvements to the Land, except the following: **(If none, please state "none")**

7. There has been no construction, building materials, repairs, improvements or remodeling performed, provided, furnished or delivered within the last 12 months, except as follows: **(If none, please state "none")**

This work performed, as detailed above, was completed on _____ (date of completion).

8. Affiant is not aware of the existence of any of the following:
 - a. Improvements, including fences, encroaching into any easements on the Land, or over any boundary lines of the Land.
 - b. Adjoining property improvements encroaching onto the Land.
 - c. Liens against the Land and/or judgments or tax liens against Affiant or any other property owner currently in title, except those described in the Preliminary Report or Commitment issued in connection with the above referenced Order Number.
 - d. Outstanding claims or persons entitled to claims for mechanics' or materialman liens against the Land.
 - e. Pending repairs/improvements to any adjacent street(s) or any assessments related to road maintenance.
 - f. Any pending litigation involving the Land, the Affiant or any other property owner currently in title.
 - g. Recent improvements completed or being made to any common area(s) located within the subdivision in which the Land is located.
 - h. Violations of building permits, zoning laws or recorded covenants, conditions and/or restrictions imposed on the Land.
 - i. Any pending assessments for Community Facility Districts.
 - j. Any new, pending or existing obligation or loan including any home improvements on the Land pursuant to the PACE or HERO program, or any other similar type program.

- k. Any unrecorded or recorded easements, covenants, conditions, or restrictions affecting the Land, other than those listed in the Preliminary Report or Title Commitment.
- l. Any use of the property for the production, sale, warehousing or transporting of fresh fruits, vegetables, livestock or poultry (e.g., supermarkets, restaurants, wineries, breweries and meat packing plants).

With regard to 8a.-8l, except as follows: (If none, please state "none")

- 9. No proceedings in bankruptcy or receivership have been instituted or filed by, or against, the Affiant or any other property owner currently in title.
- 10. There are no unpaid taxes, assessments or utility type bills including but not limited to bills for water, sewer, hazardous waste, recycling, storm drain and/or rubbish and there are no liens related to such utilities from or on the Land, with the exception of the following: **(If none, please state "none")**

- 11. There are no financial obligations secured by trust deeds, mortgages, financing statements, vendor's liens, security agreements or otherwise, against the Land, except as set forth in the Preliminary Report, proforma and/or Commitment, and as set forth below: **(If none, please state "none")**

<u>Creditor</u>	<u>Approximate Balance</u>

- 12. There has been no harvesting or production of any oil, gas, geothermal materials or other minerals from or on the Land and there are no oil, gas, geothermal and/or mineral leases, licenses, options, rights of first refusal, and/or contracts to sell, affecting the mineral rights associated with the Land, or other parties currently in possession, of the mineral rights on the Land, except the following: **(If none, please state "none")**
- 13. Other than the Affiant, there are no other parties currently in possession of the Land, including but not limited to, any possessory interest associated with the harvesting of any oil, gas, geothermal materials or other minerals, except the following: **(If none, please state "none")**
- 14. Affiant has not executed and will not execute any documents or instruments related to the title to, or interest in, the Land prior to the recordation of the documents in this transaction.
- 15. By signing below, Affiant agrees to cooperate with TITLE and, upon request from TITLE, to promptly provide and/or execute, any corrective or curative information or documentation requested.

This is a sworn affidavit and is made for the purpose of inducing TITLE to provide certain insurance coverage to a purchaser and/or lender, and the representations contained herein are material to such insurance coverage. The undersigned hereby indemnifies and holds TITLE harmless from any loss or damage, liability, costs, expenses and attorneys' fees which it may sustain under its policies of title insurance or commitments to the extent any representation contained herein is incorrect. The undersigned understands that TITLE may decide not to provide the requested title insurance despite the information and affirmations contained herein.

PLEASE READ, COMPLETE AND RESPOND TO ALL STATEMENTS CONTAINED IN THIS OWNER'S AFFIDAVIT AND INDEMNITY BEFORE SIGNING IN THE PRESENCE OF A NOTARY PUBLIC. THE NOTARY PUBLIC WILL EXECUTE THE ACKNOWLEDGMENT ON THE FOLLOWING PAGE. HOWEVER, IF YOU DO NOT UNDERSTAND OR HAVE ANY QUESTIONS ABOUT THIS AFFIDAVIT, YOU SHOULD SEEK THE ASSISTANCE OF YOUR INDEPENDENT FINANCIAL AND/OR LEGAL ADVISOR BEFORE SIGNING.

Ocean Beach Community Development Corp., a
California non-profit corporation

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)
) ss.
County of _____)

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 20____,
by _____, proved to
me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Notary Signature



Frank Green
Senior Underwriter

Stewart Title Guaranty Company
Commercial Services (San Diego)
7676 Hazard Center Drive, Ste 1400
San Diego, CA 92108
(619) 398-8035 Phone
(619) 615-2389 Fax
sdcomm@stewart.com

Date : January 12, 2023
Escrow Officer : Carla Burchard
Escrow No. : 23000480042
Title Order No. : 23000480042
Property Address : 2147 Abbott Street, San Diego, CA 92107

SELLER ACKNOWLEDGEMENT OF RECEIPT, UNDERSTANDING AND APPROVAL OF PRELIMINARY REPORT

The undersigned Seller(s) hereby acknowledge receipt of a copy of the Preliminary Report issued by Stewart Title Guaranty Company - Commercial Services under Order No. 23000480042, dated January 06, 2023 and hereby approves the legal description of subject property shown on Schedule A of the report.

Seller(s) Acknowledgement: Seller(s) herein warrant and confirm that, to Seller(s) knowledge, all Deeds of Trusts (e.g., mortgages, loans and lines of credit), liens, judgments and/or encumbrances affecting Seller(s) and subject property are reflected in the Preliminary Report. If not, Seller(s) will provide Escrow Holder with information to facilitate the pay-off and/or removal of any such items before or at the close of escrow.

The undersigned have received a copy of this acknowledgement as evidenced by the signature below.

Seller(s):

Ocean Beach Community Development Corp., a
California non-profit corporation



Frank Green
Senior Underwriter

Stewart Title Guaranty Company
Commercial Services (San Diego)
7676 Hazard Center Drive, Ste 1400
San Diego, CA 92108
(619) 398-8035 Phone
(619) 615-2389 Fax
sdcomm@stewart.com

Date : January 12, 2023
Escrow Officer : Carla Burchard
Escrow No. : 23000480042
Title Order No. : 23000480042
Property Address : 2147 Abbott Street, San Diego, CA 92107

BUYER ACKNOWLEDGEMENT OF RECEIPT, UNDERSTANDING AND APPROVAL OF PRELIMINARY REPORT

The undersigned Buyer(s) hereby acknowledge receipt of a copy of the Preliminary Report issued by Stewart Title Guaranty Company - Commercial Services under Order No. 23000480042, dated January 06, 2023 and hereby approves the legal description of subject property shown on Schedule A of the report.

Buyer(s) Approval of Preliminary Report: Buyer(s) herein hereby approves Items * of Schedule B of the report to be included in the Policy of Title Insurance as exceptions when written. Further, Buyer(s) hereby acknowledge receipt and approval of the Covenants, Conditions and Restrictions, and any and all Schedule B exceptions detailed above, for example, easements, right-of-ways, and restrictions, if any.

The undersigned have received a copy of this acknowledgement as evidenced by the signature below.

Buyer(s):

Wakeland Housing & Development Corporation, a
California non-profit corporation

EXHIBIT "A"
LEGAL DESCRIPTION

Order No.: 23000480042
Escrow No.: 23000480042

The land referred to herein is situated in the State of California, County of San Diego, City of San Diego and described as follows:

Parcel 1:

Lots 1, 2 and 3 in Block 92 of Ocean Bay Beach, in the City of San Diego, County of San Diego, State of California, according to [Map thereof No. 1189](#), filed in the Office of the County Recorder of San Diego County, June 22, 1909.

Parcel 2:

That portion of Lot 1, in Block 87 of Ocean Beach Extension No. 2, in the City of San Diego, County of San Diego, State of California, according to [Map thereof No. 1079](#), filed in the office of the County Recorder of San Diego County, August 28, 1907, described as follows:

Beginning at the Northwest corner of said Lot 1; thence 40 feet Southwesterly along the Westerly line of said lot; thence at right angles 40 feet Southeasterly to the Easterly line of said lot; thence 40 feet Northeasterly along the Easterly line to the Northeast corner of said lot; thence Northwesterly 40 feet along the Northerly line to said lot to the point of beginning.

[APN: 448-124-15-00](#)

APN: 448-124-15-00

(End of Legal Description)

AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT

Date: January 12, 2023

Escrow No.: 23000480042

Property: 2147 Abbott Street, San Diego, CA 92107

From: Stewart Title Guaranty Company - Commercial Services

This is to give you notice that Stewart Title Guaranty Company - Commercial Services ("Stewart Title") has a business relationship with Stewart Solutions, LLC, DBA – Stewart Specialty Insurance Services, LLC ("Stewart Insurance"). Stewart Information Services Corporation owns 100% of Stewart Insurance and Stewart Title of California. Because of this relationship, this referral may provide Stewart Title a financial or other benefit.

Set forth below is the estimated charge or range of charges for the settlement services listed. You are NOT required to use the listed provider(s) as a condition for purchase, sale, or refinance of the subject Property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

<i>Stewart Insurance Settlement Service</i>	<i>Charge or range of charges</i>
Hazard Insurance	\$400.00 to \$6,500.00
Home Warranty	\$255.00 to \$ 780.00
Natural Hazard Disclosure Report	\$ 42.50 to \$ 149.50

CALIFORNIA LAND TITLE ASSOCIATION

**STANDARD COVERAGE POLICY – 1990
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the Public Records at Date of Policy

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division;
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

* For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

Except as provided in Schedule B - Part II, this policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

PART I

1. (a) taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
(b) proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the Public Records at Date of Policy.

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the Public Records at Date of Policy..

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY - ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys fees or expenses which arise by reason of:

1. a. Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protectionor the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**PROCEDURES TO ACCOMPANY THE
RESTRICTIVE COVENANT MODIFICATION FORM**

The law prohibits unlawfully restrictive covenants based upon:

“...age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry... Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.”

As the individual holding or acquiring an interest in the property, you may elect to have any unlawfully restrictive covenants “removed”, which means “redacted.”

To have the unlawfully restrictive covenant removed, you may prepare and submit to the county recorder’s office, a “Restrictive Covenant Modification” form (RCM) together with a copy of the attached document with the unlawfully restrictive covenant redacted. This request must be submitted to the county recorder’s office and must include your return address so the county recorder can notify you of the action taken by the county counsel.

NOTE: The RCM provided with your title product MAY NOT be the same form required by your county recorder’s office; please double check your county recorder’s office before completing this form.

The process at the county recorder’s office is as follows:

- The county recorder takes the RCM with the redacted document and the original document attached and submits it to the county counsel for review to determine if, from a legal standpoint, the language was an unlawfully restrictive covenant and thus the redacted version should be indexed and recorded.
- The county counsel shall inform the county recorder of his/her determination within a reasonable amount of time, not to exceed three months from the date of your request.
- If county counsel determined that the redacted language was unlawful then, once recorded, the redacted document is the only one that effects the property and this modified document has the same effective date as the original document.
- If county counsel determined that the redacted language was not unlawful then county counsel will return the RCM package to the county recorder and the county recorder will advise the requestor that same the request has been denied and the redacted document has not been recorded.
- The modification document shall be indexed in the same manner as the original document and shall contain a recording reference to the original document.

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

NAME

ADDRESS

CITY
STATE & ZIP

TITLE ORDER NO.

ESCROW NO.

APN NO.

RESTRICTIVE COVENANT MODIFICATION

(Unlawfully Restrictive Covenant Modification Pursuant to Government Code Section 12956.2)

I(We)_____ have or are acquiring an ownership interest of record in the property located at _____ that is covered by the document described below.

The following reference document contains a restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in Section 12955 of the Government Code, or ancestry, that violates state and federal fair housing laws and is void. Pursuant to Section 12956.2 of the Government Code, this document is being recorded solely for the purpose of eliminating that restrictive covenant as shown on page(s)___ of the document recorded on _____ in book _____ and page _____ or instrument number _____ of the official records of the County of _____, State of California.

Attached hereto is a true, correct and complete copy of the document referenced above, with the unlawful restrictive covenant redacted.

This modification document shall be indexed in the same manner as the original document pursuant to subdivision (d) of Section 12956 of the Government.

The effective date of the terms and conditions of the modification document shall be the same as the effective date of the original document.

(Signature of Submitting Party)

(Printed Name)

(Signature of Submitting Party)

(Printed Name)

_____ County Counsel, or their designee, pursuant to Government Code Section 12956.2, hereby states that it has been determined that the original document referenced above _____ Does _____ Does Not contain an unlawful restriction and this modification may be recorded.

County Counsel
By: _____

Date: _____

STEWART TITLE GUARANTY COMPANY PRIVACY NOTICE

This Stewart Title Guaranty Company Privacy Notice ("Notice") explains how Stewart Title Guaranty Company and its subsidiary title insurance companies (collectively, "Stewart") collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of your information. Pursuant to Title V of the Gramm-Leach Bliley Act ("GLBA") and other Federal and state laws and regulations applicable to financial institutions, consumers have the right to limit some, but not all sharing of their personal information. Please read this Notice carefully to understand how Stewart uses your personal information.

The types of personal information Stewart collects, and shares depends on the product or service you have requested.

Stewart may collect the following categories of personal and financial information from you throughout your transaction:

1. Identifiers: Real name, alias, online IP address if accessing company websites, email address, account name, unique online identifier, social security number, driver's license number, passport number, or other similar identifiers;
2. Demographic Information: Marital status, gender, date of birth.
3. Personal Information and Personal Financial Information: Name, signature, social security number, physical characteristics or description, address, telephone number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, credit reports, or any other information necessary to complete the transaction.

Stewart may collect personal information about you from:

1. Publicly available information from government records.
2. Information we receive directly from you or your agent(s), such as your lender or real estate broker;
3. Information about your transactions with Stewart, our affiliates, or others; and
4. Information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Stewart may use your personal information for the following purposes:

1. To provide products and services to you or in connection with a transaction.
2. To improve our products and services.
3. To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

Stewart may use or disclose the personal information we collect for one or more of the following purposes:

- a. To fulfill or meet the reason for which the information is provided.
- b. To provide, support, personalize, and develop our website, products, and services.
- c. To create, maintain, customize, and secure your account with Stewart.
- d. To process your requests, purchases, transactions, and payments and prevent transactional fraud.
- e. To prevent and/or process claims.
- f. To assist third party vendors/service providers who complete transactions or perform services on Stewart's behalf pursuant to valid service provider agreements.
- g. As necessary or appropriate to protect the rights, property or safety of Stewart, our customers or others.
- h. To provide you with support and to respond to your inquiries, including to investigate and address your concerns and monitor and improve our responses.
- i. To help maintain the safety, security, and integrity of our website, products and services, databases and other technology-based assets, and business.
- j. To respond to law enforcement or regulator requests as required by applicable law, court order, or governmental regulations.
- k. Auditing for compliance with federal and state laws, rules and regulations.
- l. Performing services including maintaining or servicing accounts, providing customer service, processing or fulfilling orders and transactions, verifying customer information, processing payments.
- m. To evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all of our assets, whether as a going concern or as part of bankruptcy, liquidation, or similar proceeding, in which personal information held by us is among the assets transferred.

Stewart will not collect additional categories of personal information or use the personal information we collected for materially different, unrelated, or incompatible purposes without providing you notice.

Disclosure of Personal Information to Affiliated Companies and Nonaffiliated Third Parties

Stewart does not sell your personal information to nonaffiliated third parties. Stewart may share your information with those you have designated as your agent throughout the course of your transaction (for example, a realtor, broker, or a lender). Stewart may disclose your personal information to a non-affiliated third party for a business purpose. Typically, when we disclose personal information for a business purpose, we enter in a contract that describes the purpose and requires the recipient to both keep that personal information confidential and not use it for any purpose except performing the contract.

We share your personal information with the following categories of third parties:

- a. Non-affiliated service providers and vendors we contract with to render specific services (For example, search companies, mobile notaries, and companies providing credit/debit card processing, billing, shipping, repair, customer service, auditing, marketing, etc.)
- b. To enable Stewart to prevent criminal activity, fraud, material misrepresentation, or nondisclosure.
- c. Stewart's affiliated and subsidiary companies.
- d. Non-affiliated third-party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you.
- e. Parties involved in litigation and attorneys, as required by law.
- f. Financial rating organizations, rating bureaus and trade associations.
- g. Federal and State Regulators, law enforcement and other government entities to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order.

The law does not require your prior authorization or consent and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with non-affiliated third parties, except as required or permitted by law.

Right to Limit Use of Your Personal Information

You have the right to opt-out of sharing of your personal information among our affiliates to directly market to you. To opt-out of sharing to our affiliates for direct marketing, you may send an "opt out" request to Privacyrequest@stewart.com, or contact us through other available methods provided under "Contact Information" in this Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

How Stewart Protects Your Personal Information

Stewart maintains physical, technical and administrative safeguards and policies to protect your personal information.

Contact Information

If you have questions or comments about this Notice, the ways in which Stewart collects and uses your information described herein, your choices and rights regarding such use, or wish to exercise your rights under law, please do not hesitate to contact us at:

Phone: Toll Free at 1-866-571-9270

Email: Privacyrequest@stewart.com

Postal Address: Stewart Information Services Corporation
Attn: Mary Thomas, Chief Compliance and Regulatory Officer
1360 Post Oak Blvd., Ste. 100, MC #14-1
Houston, TX 77056

Privacy Notice at Collection for California Residents

Pursuant to the California Consumer Privacy Act of 2018 (“CCPA”) and the California Privacy Rights Act of 2020, effective January 1, 2023 (“CPRA”), Stewart Information Services Corporation and its subsidiary companies (collectively, “Stewart”) are providing this **Privacy Notice at Collection for California Residents** (“CCPA & CPRA Notice”). This CCPA & CPRA Notice supplements the information contained in Stewart’s existing privacy notice and applies solely to all visitors, users, and consumers and others who reside in the State of California or are considered California Residents as defined in the CCPA & CPRA (“consumers” or “you”). All terms defined in the CCPA & CPRA have the same meaning when used in this Notice.

Personal and Sensitive Personal Information Stewart Collects

- Publicly available information from government records.
- Deidentified or aggregated consumer information.
- Certain personal information protected by other sector-specific federal or California laws, including but not limited to the Fair Credit Reporting Act (FCRA), Gramm Leach Bliley Act (GLBA) and California Financial Information Privacy Act (FIPA).

Specifically, Stewart has collected the following categories of **personal and sensitive personal information** from consumers within the last twelve (12) months:

Category	Examples	Collected
A. Identifiers	A real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, Social Security number, driver's license number, passport number, or other similar identifiers	YES
B. Personal information categories listed in the California Customer Records statute (Cal. Civ. Code § 1798.80(e)).	A name, signature, Social Security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, or health insurance information. Some personal information included in this category may overlap with other categories.	YES
C. Protected classification characteristics under California or federal law	Age (40 years or older), race, color, ancestry, national origin, citizenship, religion or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status, genetic information (including familial genetic information).	YES
D. Commercial information	Records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.	YES
E. Biometric information.	Genetic, physiological, behavioral, and biological characteristics, or activity patterns used to extract a template or other identifier or identifying information, such as, fingerprints, faceprints, and voiceprints, iris or retina scans, keystroke, gait, or other physical patterns, and sleep, health, or exercise data.	YES
F. Internet or other similar network activity.	Browsing history, search history, information on a consumer's interaction with a website, application, or advertisement.	YES

G. Geolocation data.	Physical location or movements.	YES
H. Sensory data.	Audio, electronic, visual, thermal, olfactory, or similar information.	YES
I. Professional or employment-related information.	Current or past job history or performance evaluations.	YES
J. Non-public education information (per the Family Educational Rights and Privacy Act (20 U.S.C. Section 1232g, 34 C.F.R. Part 99)).	Education records directly related to a student maintained by an educational institution or party acting on its behalf, such as grades, transcripts, class lists, student schedules, student identification codes, student financial information, or student disciplinary records.	YES
K. Inferences drawn from other personal information.	Profile reflecting a person's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities, and aptitudes.	YES

Stewart obtains the categories of personal and sensitive information listed above from the following categories of sources:

- Directly and indirectly from customers, their designees, or their agents (For example, realtors, lenders, attorneys, brokers, etc.)
- Directly and indirectly from activity on Stewart's website or other applications.
- From third-parties that interact with Stewart in connection with the services we provide.

Use of Personal and Sensitive Personal Information

Stewart may use or disclose the personal or sensitive information we collect for one or more of the following purposes:

- To fulfill or meet the reason for which the information is provided.
- To provide, support, personalize, and develop our website, products, and services.
- To create, maintain, customize, and secure your account with Stewart.
- To process your requests, purchases, transactions, and payments and prevent transactional fraud.
- To prevent and/or process claims.
- To assist third party vendors/service providers who complete transactions or perform services on Stewart's behalf pursuant to valid service provider agreements.
- As necessary or appropriate to protect the rights, property or safety of Stewart, our customers or others.
- To provide you with support and to respond to your inquiries, including to investigate and address your concerns and monitor and improve our responses.
- To personalize your website experience and to deliver content and product and service offerings relevant to your interests, including targeted offers and ads through our website, third-party sites, and via email or text message (with your consent, where required by law).
- To help maintain the safety, security, and integrity of our website, products and services, databases and other technology-based assets, and business.
- To respond to law enforcement or regulator requests as required by applicable law, court order, or governmental regulations.
- Auditing for compliance with federal and state laws, rules and regulations.
- Performing services including maintaining or servicing accounts, providing customer service, processing or fulfilling orders and transactions, verifying customer information, processing payments, providing advertising or marketing services or other similar services.
- To evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all of our assets, whether as a going concern or as part of bankruptcy, liquidation, or similar proceeding, in which personal information held by us is among the assets transferred.

Stewart will not collect additional categories of personal or sensitive information or use the personal or sensitive information we collected for materially different, unrelated, or incompatible purposes without providing you notice.

Disclosure of Personal Information to Affiliated Companies and Nonaffiliated Third Parties

Stewart does not sell your personal information to nonaffiliated third parties. Stewart may share your information with those you have designated as your agent throughout the course of your transaction (for example, a realtor, broker, or a lender). Stewart may disclose your personal information to a third party for a business purpose. Typically, when we disclose personal information for a business purpose, we enter into a contract that describes the purpose and requires the recipient to both keep that personal information confidential and not use it for any purpose except performing the contract.

We share your personal information with the following categories of third parties:

- a. Service providers and vendors we contract with to render specific services (For example, search companies, mobile notaries, and companies providing credit/debit card processing, billing, shipping, repair, customer service, auditing, marketing, etc.)
- b. Affiliated Companies.
- c. Parties involved in litigation and attorneys, as required by law.
- d. Financial rating organizations, rating bureaus and trade associations.
- e. Federal and State Regulators, law enforcement and other government entities

In the preceding twelve (12) months, Stewart has disclosed the following categories of personal information for a business purpose:

Category A:	Identifiers
Category B:	California Customer Records personal information categories
Category C:	Protected classification characteristics under California or federal law
Category D:	Commercial Information
Category E:	Biometric Information
Category F:	Internet or other similar network activity
Category G:	Geolocation data
Category H:	Sensory data
Category I:	Professional or employment-related information
Category J:	Non-public education information
Category K:	Inferences

Your Consumer Rights and Choices Under CPPA and CPRA

Your Rights Under CCPA

The CCPA provides consumers (California residents as defined in the CCPA) with specific rights regarding their personal information. This section describes your CCPA rights and explains how to exercise those rights.

Access to Specific Information and Data Portability Rights

You have the right to request that Stewart disclose certain information to you about our collection and use of your personal information over the past 12 months. Once we receive and confirm your verifiable consumer request, Stewart will disclose to you:

- The categories of personal information Stewart collected about you.
- The categories of sources for the personal information Stewart collected about you.
- Stewart's business or commercial purpose for collecting that personal information.
- The categories of third parties with whom Stewart shares that personal information.
- The specific pieces of personal information Stewart collected about you (also called a data portability request).
- If Stewart disclosed your personal data for a business purpose, a listing identifying the personal information categories that each category of recipient obtained.

Deletion Request Rights

You have the right to request that Stewart delete any of your personal information we collected from you and retained, subject to certain exceptions. Once we receive and confirm your verifiable consumer request, Stewart will delete (and direct our service providers to delete) your personal information from our records, unless an exception applies.

Stewart may deny your deletion request if retaining the information is necessary for us or our service providers to:

1. Complete the transaction for which we collected the personal information, provide a good or service that you requested, take actions reasonably anticipated within the context of our ongoing business relationship with you, or otherwise perform our contract with you.
2. Detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity, or prosecute those responsible for such activities.
3. Debug products to identify and repair errors that impair existing intended functionality.

4. Exercise free speech, ensure the right of another consumer to exercise their free speech rights, or exercise another right provided for by law.
5. Comply with the California Electronic Communications Privacy Act (Cal. Penal Code § 1546 seq.)
6. Engage in public or peer-reviewed scientific, historical, or statistical research in the public interest that adheres to all other applicable ethics and privacy laws, when the information's deletion may likely render impossible or seriously impair the research's achievement, if you previously provided informed consent.
7. Enable solely internal uses that are reasonably aligned with consumer expectations based on your relationship with us.
8. Comply with a legal obligation.
9. Make other internal and lawful uses of that information that are compatible with the context in which you provided it.

Your Rights Under CPRA

CPRA expands upon your consumer rights and protections offered by the CCPA. This section describes your CPRA rights and explains how to exercise those rights.

Opt-Out of Information Sharing and Selling

Stewart does not share or sell information to third parties, as the terms are defined under the CCPA and CPRA. Stewart only shares your personal information as commercially necessary and in accordance with this CCPA & CPRA Notice.

Correction of Inaccurate Information

You have the right to request that Stewart correct any inaccurate information maintained about.

Limit the Use of Sensitive Personal Information

You have the right to limit how your sensitive personal information, as defined in the CCPA and CPRA is disclosed or shared with third parties.

Exercising Your Rights Under CCPA and CPRA

To exercise the access, data portability, deletion, opt-out, correction, or limitation rights described above, please submit a verifiable consumer request to us by the available means provided below:

1. Calling us Toll Free at 1-866-571-9270
2. Emailing us at Privacyrequest@stewart.com; or
3. Visiting <http://stewart.com/ccpa>.

Only you, or someone legally authorized to act on your behalf, may make a verifiable consumer request related to your personal information. You may also make a verifiable consumer request on behalf of your minor child, if applicable.

To designate an authorized agent, please contact Stewart through one of the methods mentioned above.

You may only make a verifiable consumer request for access or data portability twice within a 12-month period. The verifiable consumer request must:

- Provide sufficient information that allows us to reasonably verify you are the person about whom we collected personal information or an authorized representative.
- Describe your request with sufficient detail that allows us to properly understand, evaluate, and respond to it.

Stewart cannot respond to your request or provide you with personal information if we cannot verify your identity or authority to make the request and confirm the personal information relates to you.

Making a verifiable consumer request does not require you to create an account with Stewart.

Response Timing and Format

We endeavor to respond to a verifiable consumer request within forty-five (45) days of its receipt. If we require more time (up to an additional 45 days), we will inform you of the reason and extension period in writing.

A written response will be delivered by mail or electronically, at your option.

Any disclosures we provide will only cover the 12-month period preceding the verifiable consumer request's receipt. The response we provide will also explain the reasons we cannot comply with a request, if applicable. For data portability requests, we will select a format to provide your personal information that is readily useable and should allow you to transmit the information from one entity to another entity without hindrance.

Stewart does not charge a fee to process or respond to your verifiable consumer request unless it is excessive, repetitive, or manifestly unfounded. If we determine that the request warrants a fee, we will tell you why we made that decision and provide you with a cost estimate before completing your request.

Non-Discrimination

Stewart will not discriminate against you for exercising any of your CCPA and CPRA rights. Unless permitted by the CCPA or CPRA, we will not:

- Deny you goods or services.
- Charge you a different prices or rates for goods or services, including through granting discounts or other benefits, or imposing penalties.
- Provide you a different level or quality of goods or services.
- Suggest that you may receive a different price or rate for goods or services or a different level or quality of goods or services.

Record Retention

Your personal information will not be kept for longer than is necessary for the business purpose for which it is collected and processed. We will retain your personal information and records based on established record retention policies pursuant to California law and in compliance with all federal and state retention obligations. Additionally, we will retain your personal information to comply with applicable laws, regulations, and legal processes (such as responding to subpoenas or court orders), and to respond to legal claims, resolve disputes, and comply with legal or regulatory recordkeeping requirements

Changes to This CCPRA & CPRA Notice

Stewart reserves the right to amend this CCPA & CPRA Notice at our discretion and at any time. When we make changes to this CCPA & CPRA Notice, we will post the updated Notice on Stewart's website and update the Notice's effective date.

Link to Privacy Notice

Stewarts Privacy Notice can be found on our website at <https://www.stewart.com/en/privacy.html>.

Contact Information

If you have questions or comments about this notice, the ways in which Stewart collects and uses your information described herein, your choices and rights regarding such use, or wish to exercise your rights under California law, please do not hesitate to contact us at:

Phone: Toll Free at 1-866-571-9270

Website: <http://stewart.com/ccpa>

Email: Privacyrequest@stewart.com

Postal Address: Stewart Information Services Corporation
Attn: Mary Thomas, Chief Compliance and Regulatory Officer
1360 Post Oak Blvd., Ste. 100, MC #14-1
Houston, TX 77056

ADDENDUM D

Qualifications of Consultants

Qualifications of Partners & Key Personnel

STATEMENT OF PROFESSIONAL QUALIFICATIONS JAY A. WORTMANN, MAI

ASSOCIATION MEMBERSHIPS

Member of the Appraisal Institute with the MAI Designation, No. 519881

STATE CERTIFICATIONS

State of California Certified General Real Estate Appraiser (3001293)
State of Hawaii Certified General Real Estate Appraiser (CGA 1146)
State of Iowa Certified General Real Estate Appraiser (CG03319)
State of Minnesota Certified General Real Estate Appraiser (40392083)
State of Missouri Certified General Real Estate Appraiser (2013040219)
State of Nebraska Certified General Real Estate Appraiser (CG2014002)
State of New Mexico Certified General Real Estate Appraiser (03455-G)
State of Oklahoma Certified General Real Estate Appraiser (13111CGA)
State of Texas Certified General Real Estate Appraiser (TX 1380393 G)

EDUCATION

University of Nebraska, **Bachelor of Science** in Business Administration with an emphasis in Finance and Management, 2004

All educational requirements successfully completed for the Appraisal Institute MAI designation.

Consortium Institute of Management and Business Analysis (CIMBA) Undergraduate Program, Spring Semester 2004, Paderno del Grappa, Italy

EXPERIENCE

06/2018 to Present Kinetic Valuation Group, President
10/2015 to 06/2018 Lea & Company, President
01/2007 to 10/2015 Lea & Company, Director Midwest Offices
11/2006 to 5/2008 Assumption-Guadalupe Catholic School - South Omaha CORE Development Director
06/2004 to 10/2006 Novogradac & Company LLP, Real Estate Analyst

PROFESSIONAL TRAINING

Appraisal Courses Completed:

- Basic Appraisal Procedures 10/2008
- Basic Appraisal Principles 12/2008
- Income Approach Part I 07/2010
- Income Approach Part II 08/2010
- General Appraiser Sales Comparison Approach 04/2011
- Market Analysis & Highest & Best Use 05/2011
- Real Estate Finance Statistics and Valuation Modeling 08/2011
- Advanced Income Capitalization 09/2011
- General Appraiser Site Valuation & Cost Approach 10/2011
- General Appraiser Report Writing and Case Studies 12/2011
- National USPAP 15-Hour Course 01/2012
- Nebraska National Appraiser Examination 04/2012
- Advanced Concepts & Case Studies 11/2013
- MAI Comprehensive Exam Module II, III, & IV 04/2014

- MAI Comprehensive Exam Module I 11/2014
- MAI General Demonstration Report-Capstone Program – 11/2014

REAL ESTATE ASSIGNMENTS

A representative sample of various types of projects involved with includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Prepare appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Prepare appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Prepare appraisals of proposed new construction properties under the HUD Multifamily Accelerated Processing program.
- Prepare Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

Work assignments completed in various states include:

Arizona	Missouri
Arkansas	Montana
California	Nebraska
Colorado	New Mexico
Hawaii	North Dakota
Idaho	Pennsylvania
Indiana	Oklahoma
Iowa	Texas
Kansas	Utah
Michigan	Washington
Minnesota	Wisconsin
Mississippi	Wyoming

STATEMENT OF PROFESSIONAL QUALIFICATIONS

AMANDA M. BAKER, MAI

I. Professional Affiliation

Member of the Appraisal Institute with the MAI Designation, No. 511086

II. State Certifications

State of Arizona Certified General Real Estate Appraiser (32065)
State of California Certified General Real Estate Appraiser (3002360)
State of Colorado Certified General Real Estate Appraiser (CG.200000747)
State of Kansas Certified General Real Property Appraiser (G-2960)
State of Missouri Certified General Real Estate Appraiser (2014021680)
State of Nebraska Certified General Real Property Appraiser (CG2016006R)
State of Nevada Certified General Real Estate Appraiser (A.0207150-CG)
State of Washington Certified General Real Estate Appraiser (1102380)

III. Education

University of Nebraska-Omaha, **Bachelor of Science** in Business Administration
-Specialization in Real Estate and Land Use Economics
-Specialization in Marketing
-Secondary Specialization in Economics

IV. Professional Experience

-Vice President-Kinetic Valuation Group, June 2018-Present
-Manager-Lea & Company, November 2011-June 2018
-Senior Real Estate Analyst, Novogradac & Company LLP, April 2005–October 2011

V. Professional Training

-MAI General Demonstration Report-Capstone Program July 2016
-2016-2017 National USPAP Update March 2016
-MAI Comprehensive Exam August 2015
-Advanced Market Analysis and Highest & Best Use May 2015
-Advanced Income Capitalization October 2014
-Quantitative Analysis June 2014
-Advanced Concepts & Case Studies May 2014

VI. Real Estate Assignments

A representative sample of Due Diligence and Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Prepare appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.

- Prepare appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Prepare appraisals of proposed new construction properties under the HUD Multifamily Accelerated Processing program.
- Prepare Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

BYRON N. LEA, MAI

ASSOCIATION MEMBERSHIPS

Member of the Appraisal Institute with the MAI Designation, No. 10374

STATE CERTIFICATIONS

State of Colorado Certified General Appraiser (CG40039600)

State of California Certified General Appraiser (AG-008505)

EDUCATION

California State University Sacramento, Bachelor of Science in Business Administration, 1985

All educational requirements successfully completed for the Appraisal Institute MAI designation and 100-hour/five year continuing education cycles.

EXPERIENCE

06/2018 to Present	Consultant to Kinetic Valuation Group
10/2015 to 06/2018	Founder and Consultant to Lea & Company
8/2006/ to 10/2015	Re-establishment of Lea & Company, President of Firm. Commercial Valuation and Consulting Services within the Affordable Housing Industry.
8/2000 to 8/2006	Novogradac & Company LLP, Partner, established the Kansas City and Los Angeles Valuation Group offices.
7/94 to 8/2000	Relocated to Kansas City, Senior Appraiser, Nunnink & Associates, Inc., which transformed into Integra Realty Resources. Performed narrative appraisals and review of appraisals.
8/88 - 7/94	Commercial Fee Appraiser, Lea & Associates, Sacramento, California Principal of firm. Performed narrative appraisals on fee basis.
8/86 - 5/88	Commercial Appraiser, Urban Pacific Services, Newport Beach, California Performed narrative appraisals.
1/86 - 8/86	Commercial Appraiser, Bank of America, Orange County, California Staff commercial appraiser.
4/85 - 9/85	Financial Analyst, Financial Investment Advisors Associates (FIA), Inc., Sacramento, California. Financial analysis of multi-million dollar institutional grade real estate.

REPRESENTATIVE SAMPLE OF ASSIGNMENTS

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties.
- On a national basis, conduct market studies and appraisals for preservation of affordable housing properties involving USDA and HUD programs, oftentimes with renovation using Low-Income Housing Tax Credits and/or Historic Tax Credits. Programs include USDA 515 and 538, and HUD 221D4, 236, and MAP.
- Rent Comparability Studies of apartment properties for HUD programs nationally.
- Team member in the valuation of a U.S. Air Force Base closure located in Northern California.
- Rockhurst College, a Jesuit University located in Kansas City, Missouri.
- Student housing portfolios located in West Lafayette, Indiana, home of Purdue University.
- Fair Rental Market Analysis for General Services Agency consisting of a Federal Courthouse located in Kansas City, Kansas, Bannister Federal Complex, and Federal properties located in Leavenworth and Topeka, Kansas and Independence, Missouri.
- Industrial portfolio valuation of properties located throughout the United States.
- Residential subdivisions located in California and Midwest.
- Regional Malls located in California.

- Convenience Store properties located throughout the Midwest.
- Proposed Mixed Use Entertainment Center with Megaplex theaters and restaurant.
- Megaplex and Multiplex movie theaters.
- Proposed truck terminal facilities located in Kansas and Missouri.
- Bulk liquids transfer terminal located in Kansas.
- Assisted living and nursing home properties located in Kansas, Missouri, Alabama, and Mississippi.
- Institutional grade investment properties located throughout the United States.
- Portfolio valuation for Small Business Administration of properties located in California.
- Work assignments completed in various states include:

Alabama	Montana
Arizona	Nebraska
Arkansas	Nevada
California	New Mexico
Colorado	North Dakota
Hawaii	Ohio
Idaho	Oklahoma
Iowa	Oregon
Illinois	Pennsylvania
Indiana	South Dakota
Kansas	Tennessee
Louisiana	Texas
Michigan	Utah
Minnesota	Washington
Mississippi	Wisconsin
Missouri	Wyoming

STATEMENT OF PROFESSIONAL QUALIFICATIONS
CHARLES K. HAASE

STATE CERTIFICATIONS

State of California Certified General Real Estate Appraiser (3004234)
State of Ohio Certified General Real Estate Appraiser (2017003033)
State of Utah Certified General Real Estate Appraiser (10536692-CG00)
State of Oklahoma Certified General Real Estate Appraiser (13344CGA)

EDUCATION

University of Nebraska Omaha, **Bachelor of Arts** in International Studies
- Specialization in Global Strategic Studies.

EXPERIENCE

06/2018 to Present - Kinetic Valuation Group, Certified General Real Estate Appraiser

10/2011 to 06/2018 - Lea & Company, Certified General Real Estate Appraiser

06/2009 to 10/2011 - Nebraska Title Company – Escrow Closer/Title Agent/Searcher

PROFESSIONAL TRAINING

Certified General Real Property Appraisal Courses Completed:

- | | |
|---|---------|
| • Basic Appraisal Procedures | 05/2012 |
| • Basic Appraisal Principles | 10/2012 |
| • Statistics, Modeling, and Finance | 05/2013 |
| • General Site Valuation and Cost Approach | 07/2013 |
| • General Sales Comparison Approach | 08/2013 |
| • General Appraiser Income Approach Part I | 04/2014 |
| • General Appraiser Market Analysis
and Highest & Best Use | 08/2014 |
| • General Appraiser Report Writing and Case Studies | 10/2014 |
| • National USPAP 15-Hour Course | 11/2014 |
| • Business Practice and Ethics | 8/2015 |
| • General Appraiser Income Approach Part II | 9/2015 |
| • Advanced Income Capitalization | 10/2015 |

REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence and Valuation Engagements includes:

- On a national basis, assisted with market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Includes property screenings, market and demographic analysis, comparable rent surveys, and supply and demand analysis.
- On a national basis, prepare market studies and appraisals consulting services for preservation of affordable housing properties involving USDA and HUD programs, oftentimes with renovation using Low-Income Housing Tax Credits and/or Historic Tax Credits. Programs include Rental Assistance Demonstration (RAD) Program, USDA 515 and 538, and HUD 221D4, 236, and MAP.

- Prepare market studies for proposed new construction, conversion, and existing Low-Income Housing Tax Credit developments for family and age-restricted populations.
- Prepare appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties and Section 8 Mark-to-Market properties. Assistance includes rent comparability studies, determination of market rents and market analysis.
- Conduct Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

Work assignments completed in various states include:

Arizona	Nebraska
Arkansas	New Mexico
California	New York
Colorado	North Dakota
Florida	Ohio
Hawaii	Oklahoma
Iowa	Oregon
Kansas	Pennsylvania
Michigan	Texas
Missouri	Utah
Minnesota	West Virginia
Montana	Washington
Nevada	Wisconsin
	Wyoming

STATEMENT OF PROFESSIONAL QUALIFICATIONS

BRENT R. GRIFFITHS

STATE CERTIFICATIONS

State of Arkansas Certified General Real Estate Appraiser (CG-4379)

State of California Certified General Real Estate Appraiser (3004361)

State of Minnesota Certified General Real Estate Appraiser (40524536)

State of Montana Certified General Real Estate Appraiser (REA-RAG-LIC-9586)

EDUCATION

University of Nebraska-Lincoln, Bachelor of Science in Business Administration with an emphasis in Finance and Management

EXPERIENCE

06/2018 to Present: Kinetic Valuation Group, Certified General Real Estate Appraiser

03/2013 to 06/2018: Lea & Company, Senior Analyst

08/2011 to 03/2013: Pinnacle Bank, Real Estate Loan Assistant

04/2010 to 08/2011: Pinnacle Bank, Customer Service Representative

PROFESSIONAL TRAINING

Certified General Real Property Appraisal Courses Completed:

- | | |
|--|---------|
| • Basic Appraisal Procedures | 05/2013 |
| • National USPAP 15-Hour Course | 06/2013 |
| • Basic Appraisal Principles | 09/2013 |
| • Real Estate Finance, Statistics, and Valuation Modeling | 09/2013 |
| • General Appraiser Report Writing and Case Studies | 12/2013 |
| • General Appraiser Sales Comparison Approach | 04/2014 |
| • General Appraiser Income Approach/Part 1 | 07/2014 |
| • General Appraiser Market Analysis and Highest & Best Use | 08/2014 |
| • General Appraiser Income Approach/Part 2 | 12/2014 |
| • General Appraiser Site Valuation and Cost Approach | 10/2015 |
| • Advanced Income Capitalization | 09/2016 |
| • Advanced Concepts & Case Studies | 9/2018 |

REAL ESTATE ASSIGNMENTS

A representative sample of types of projects involved with includes:

- On a national basis, prepare market studies and appraisals consulting services for proposed Low-Income Housing Tax Credit properties.
- On a national basis, prepare market studies and appraisals consulting services for preservation of affordable housing properties involving USDA and HUD programs, oftentimes with renovation using Low-Income Housing Tax Credits and/or Historic Tax Credits. Programs include Rental Assistance Demonstration (RAD) Program, USDA 515 and 538, and HUD 221D4, 236, and MAP.
- Prepare market studies for proposed new construction, conversion, and existing Low-Income Housing Tax Credit developments for special needs and age-restricted populations.
- Prepare appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, Rental Assistance Demonstration (RAD) Program, and HUD Map Section 221D4 and 223f properties.
- Conduct rent comparable studies for properties encumbered by Section 8 contracts.

Work assignments completed in the following states:

- Alabama
- Arizona
- Arkansas
- California
- Colorado
- Florida
- Hawaii
- Illinois
- Indiana
- Iowa
- Kansas
- Louisiana
- Minnesota
- Missouri
- Montana
- Nebraska
- Nevada
- New Jersey
- New Mexico
- North Carolina
- North Dakota
- Oklahoma
- Oregon
- Rhode Island
- South Dakota
- Tennessee
- Texas
- Utah
- Washington
- Wyoming

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Sarah L Hauxwell

EDUCATION

University of Nebraska- Omaha, **Bachelor of Science** in Business Administration with a minor in Real Estate & Land Use, 2016

EXPERIENCE

06/2018 to Present: Kinetic Valuation Group, Real Estate Analyst

11/2016 to 06/2018: Lea & Company, Real Estate Analyst

PROFESSIONAL TRAINING

Certified General Real Property Appraisal Courses Completed:

- Basic Appraisal Procedures 10/2017
- Basic Appraisal Principles 8/2017
- National USPAP 15-Hour Course 12/10/2017

REAL ESTATE ASSIGNMENTS

A representative sample of types of projects involved with includes:

- On a national basis, assisted with market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Includes property screenings, market and demographic analysis, comparable rent surveys, and supply and demand analysis.
- On a national basis, assisted with market studies and appraisals for preservation of affordable housing properties involving USDA and HUD programs, oftentimes with renovation using Low-Income Housing Tax Credits and/or Historic Tax Credits. Programs include USDA 515 and 538.
- Prepare market studies for proposed new construction, conversion, and existing Low-Income Housing Tax Credit developments for family, senior, and assisted-living senior populations.
- Assist with appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties and Section 8 Mark-to-Market properties. Assistance includes rent comparability studies, determination of market rents and market analysis.
- Conduct rent comparable studies for properties encumbered by Section 8 contracts. Research included analysis of comparable properties and market analysis.

Work assignments completed in the following states:

Arizona	Nebraska
Arkansas	New York
California	Ohio
Colorado	Oklahoma
Hawaii	Utah
Iowa	West Virginia
Kansas	Washington
Missouri	
Minnesota	

Certificate of Professional Designation

This certificate verifies that

Jay A Wortmann
Kinetic Valuation Group

*Has completed NCHMA's Professional Designation Requirements
and is hence an approved member in good standing of:*



National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
202-939-1750

Membership Term
1/1/2023 to 12/31/2023



Kaitlyn Snyder
Managing Director, NCHMA

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF STATE FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670
P.O. Box 952054
Sacramento, CA 94252-2054
(916) 263-2771
www.hcd.ca.gov



September 26, 2023

Jeff Davis, Interim President and Chief Executive Officer
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, CA 92101

Dear Jeff Davis:

**RE: Award Announcement – Homekey Program
Notice of Funding Availability, Fiscal Year 2023/2024, Round 3
San Diego Housing Commission – Abbott Street Apartments
Contract No. 23-HK-17988**

The California Department of Housing and Community Development (Department) is pleased to announce that the San Diego Housing Commission (Awardee) have been awarded a Homekey Round 3 award in the amount of \$3,900,000. This letter constitutes notice of the designation of Homekey funds for the Awardee.

Awardee will be able to draw down funds when the Standard Agreement is fully executed, and any general and special conditions have been cleared in writing.

Your Ambassador will be in communication with you to develop the Standard Agreement and confirm any documents needed to execute this contract.

The Homekey Round 3 NOFA award is under a media and public announcement embargo until released by the Office of the Governor or otherwise notified by HCD staff. HCD will provide updates on the timing of the public award announcement and provide a social media toolkit and a quote from the HCD Director for use in local media releases.

Congratulations on your successful application. For further information, please contact Connor Leahy, Homekey Program Manager, Program Design and Implementation Branch, at (916) 820-1207 or Connor.Leahy@hcd.ca.gov.

Sincerely,

Jennifer Seeger
Deputy Director
Division of State Financial Assistance

RESOLUTION NO. HC-1986**A RESOLUTION OF THE GOVERNING BODY OF THE SAN DIEGO HOUSING COMMISSION AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE HOMEKEY PROGRAM****WHEREAS:**

- A. The Department of Housing and Community Development ("**Department**") has issued a Notice of Funding Availability, dated March 29, 2023 ("**NOFA**"), for the Homekey Program ("**Homekey**" or "**Program**"). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.).
- B. **The San Diego Housing Commission** ("**Co-Applicant**") desires to jointly apply for Homekey grant funds with Wakeland Abbott, LLC ("**Corporation**"). Therefore, Co-Applicant is joining Corporation in the submittal of an application for Homekey funds ("**Application**") to the Department for review and consideration with respect to the acquisition and rehabilitation of a 13-unit multifamily housing property at 2147 Abbott Street, San Diego, CA 92107.
- C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement ("**Standard Agreement**"), and all other legal requirements of the Homekey Program.

THEREFORE, IT IS RESOLVED THAT:

- 1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed **\$5,000,000** with respect to the acquisition and rehabilitation of a 13-unit multifamily housing property at 2147 Abbott Street, San Diego, CA 92107.
- 2. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed **\$5,000,000**, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the "**Homekey Documents**").
- 3. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard

Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

4. Jeff Davis, Interim President and CEO of the San Diego Housing Commission, or designee, is authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

Approved as to Form
Christensen & Spath

By


Walter F. Spath III

General Counsel

San Diego Housing Commission

I certify that the foregoing actions in this Resolution were approved by the San Diego Housing Commission Board of Commissioners at its meeting on May 12, 2023.

By:


Scott Marshall

Vice President, Communications &
Government Relations

Approved:


Jeff Davis

Interim President & Chief Executive Officer
San Diego Housing Commission

[NOTICE AND INSTRUCTIONS APPEAR ON THE FOLLOWING PAGE]

NOTICE AND INSTRUCTIONS

1. **Notice.** The Department is providing this template Authorizing Resolution as informational guidance only. The Department encourages each Co-Applicant to consult with professional legal counsel during the development of its own formal, legally binding statement that it is authorized to apply to and participate in the Homekey Program.
 - a. Please note, however, that any limitations or conditions on the authority of the signatory or signatories to execute the Application or the Homekey Documents may result in the Department rejecting the Authorizing Resolution.
2. **Accuracy, Verification.** The Department will verify that this Authorizing Resolution comports with the legal authority and composition of Co-Applicant's governing body. Co-Applicant must timely notify the Department, in writing, of any factors that limit its ability to provide an Authorizing Resolution which is materially in line with this template.
3. **Dollar Amounts of Grant Awards.** The Department recommends identifying an authorized dollar amount that is at least double the anticipated award (based on current formula calculations). Award amounts are subject to change. If Co-Applicant is ultimately awarded an amount in excess of the amount identified in the Authorizing Resolution, the Department will require a new Authorizing Resolution from Co-Applicant before execution of a Standard Agreement.
4. **Authorized Signatory or Signatories, Designee.** Co-Applicant, as a state, regional, or local public entity, may designate an authorized signatory by title only. In addition, Co-Applicant may authorize multiple signatories, so long as there is clarifying language as to whether the signatories are authorized to execute the Homekey Documents individually or collectively. In addition, Co-Applicant may authorize a designee of the authorized signatory to execute the Homekey Documents. In such case, Co-Applicant must append a supporting document (e.g., memorandum, meeting notes of official action), which indicates the name and title of the designee who is authorized to legally bind the governing body.
5. **Vote Count.** Please fill out the field by every voting category (i.e., Ayes, Nays, Abstain, Absent). If none, please indicate zero (0) for that field. The vote count must comport with the legal authority and membership of the Co-Applicant's governing body.
6. **Certification of Authorizing Resolution.** The individual who certifies the Authorizing Resolution cannot also be authorized to execute the Homekey Documents on behalf of Co-Applicant.

Passed and adopted by the San Diego Housing Commission on May 12, 2023, and finalized on May 19, 2023, pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(1), by the following vote:

	Yeas	Nays	Excused	Not Present
Stefanie Benvenuto	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Ryan Clumpner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Johanna Hester	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kellee Hubbard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Eugene "Mitch" Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Melinda K. Vásquez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

Jeff Davis

Interim President & Chief Executive Officer of the
San Diego Housing Commission

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of
RESOLUTION NO. 1986 passed and adopted by the San Diego Housing Commission on
May 12, 2023, and finalized on May 19, 2023.

By: _____



Scott Marshall
Secretary of the San Diego Housing Commission