



EXECUTIVE SUMMARY

MEETING DATE: January 19, 2024

HCR24-011

SUBJECT: Final Bond Authorization and Tax, Equity and Fiscal Responsibility Act (TEFRA) Hearing and Resolution for Cerro Pueblo Apartments

COUNCIL DISTRICT: 2

ORIGINATING DEPARTMENT: Real Estate

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

REQUESTED ACTION:

Authorize the issuance of tax-exempt Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds, in the aggregate amount not to exceed \$10,000,000 and taxable bonds in an amount not to exceed \$5,000,000 to facilitate Cerro Pueblo Housing Partners, LP's rehabilitation and preservation of Cerro Pueblo Apartments, an affordable rental housing development at 2835 Clairemont Drive, San Diego, CA 92117. Centrally positioned in the Clairemont neighborhood, Cerro Pueblo consists of 45 units that will remain affordable for 55 years for individuals earning 30 percent to 60 percent of the San Diego Area Median Income (AMI), and one unrestricted manager's unit.

EXECUTIVE SUMMARY OF KEY FACTORS:

- On January 12, 2023, the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) approved taking preliminary steps to authorize the issuance of up to \$13,000,000 of tax-exempt Multifamily Housing Revenue Bonds to finance the rehabilitation and preservation of Cerro Pueblo Apartments.
- No Housing Commission cash loan funds are proposed for Cerro Pueblo Apartments.
- On December 6, 2023, the California Debt Limit Allocation Committee (CDLAC) approved a \$10,000,000 tax-exempt bonds allocation, and the California Tax Credit Allocation Committee (CTCAC) approved a 4 percent tax credits allocation.
- Cerro Pueblo is a 46-unit, acquisition and rehabilitation project in the Clairemont Mesa Community Plan Area of San Diego.
- The Cerro Pueblo development currently has a Housing Assistance Payment (HAP) contract directly with U.S. Department of Housing and Urban Development (HUD) that is expected to expire within five years. The property is considered "at risk" of becoming market rate, per CTCAC regulations. With the tax-exempt bonds allocation through CDLAC, the project will be subject to applicable tax credit and bond regulatory agreements that will restrict affordability of 45 units for an additional 55 years.
- Interior unit renovations will include new flooring, paint, kitchen cabinets, countertops, appliances, bathroom fixtures, tubs, sinks and vanities.
- Building upgrades will include new roofs, upgraded landscaping, parking lot resurfacing, laundry room upgrades, common area upgrades (including a recreation room with kitchen, seating, flat screen TV and restrooms), elevator modernization, site-wide lighting, paint and fire system upgrades.
- Senior tenants will benefit from the proposed grab bars in the bathroom, wheelchair access to the main entrance and leading to the parking area, security access, services provided by the nonprofit partner Catholic Charities, and 17 parking spaces in the open, on-grade lot.
- Several bus stops are within 0.6 miles, including one stop 100 feet away.
- The development has an estimated total development cost of \$17,635,270 (\$383,375/unit).



REPORT

DATE ISSUED: January 11, 2024

REPORT NO: HCR24-011

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of January 19, 2024.

SUBJECT: Final Bond Authorization and Tax, Equity and Fiscal Responsibility Act (TEFRA)
Hearing and Resolution for Cerro Pueblo Apartments

COUNCIL DISTRICT: 2

A Tax Equity and Fiscal Responsibility Act (TEFRA) hearing is scheduled to be heard by the San Diego Housing Commission (Housing Commission) Board of Commissioners on January 19, 2024, at 9 a.m. Any two members of the Housing Authority of the City of San Diego (Housing Authority) or San Diego City Council (City Council) may request that this hearing not take place and instead be heard by the Housing Authority and City Council by giving notice to the Housing Commission's President & Chief Executive Officer, or designee, within seven days of the date of this notice.

REQUESTED ACTION

Authorize the issuance of tax-exempt Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds, in the aggregate amount not to exceed \$10,000,000 and taxable bonds in an amount not to exceed \$5,000,000 to facilitate Cerro Pueblo Housing Partners, LP's rehabilitation and preservation of Cerro Pueblo Apartments, an affordable rental housing development at 2835 Clairemont Drive, San Diego, CA 92117. Centrally positioned in the Clairemont neighborhood, Cerro Pueblo consists of 45 units that will remain affordable for 55 years for individuals earning 30 percent to 60 percent of the San Diego Area Median Income (AMI), and one unrestricted manager's unit.

STAFF RECOMMENDATION

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

Housing Commission Board

- 1) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing approving the Housing Authority's issuance of a tax-exempt Multifamily Housing Revenue Bonds in an aggregate amount not to exceed \$10,000,000 to fund Cerro Pueblo Housing Partners, LP's rehabilitation and preservation of Cerro Pueblo Apartments, an affordable rental housing development at 2835 Clairemont Drive, San Diego, CA 92117. Centrally positioned in the Clairemont neighborhood, Cerro Pueblo consists of 45 units that will remain affordable for 55 years for individuals earning 30 percent to 60 percent of the San Diego Area Median Income (AMI), and one unrestricted manager's unit.

Housing Authority

- 1) Authorize the issuance of tax-exempt Multifamily Housing Revenue Bonds in an aggregate amount not to exceed \$10,000,000 and taxable bonds in an amount not to exceed \$5,000,000 to facilitate Cerro Pueblo Housing Partners, LP’s rehabilitation and preservation of Cerro Pueblo Apartments, an affordable rental housing development at 2835 Clairemont Drive, San Diego, CA 92117. Centrally positioned in the Clairemont neighborhood, Cerro Pueblo consists of 45 units that will remain affordable for 55 years for individuals earning 30 percent to 60 percent of the San Diego Area Median Income (AMI), and one unrestricted manager’s unit.

- 2) Authorize the Housing Commission’s President and Chief Executive Officer (President and CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by the General Counsel of the Housing Authority and of the Housing Commission and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel.

City Council

Adopt a Tax Equity and Fiscal Responsibility Act (TEFRA) resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$13,000,000 to facilitate the rehabilitation and preservation of Cerro Pueblo Apartments, an affordable rental housing development at 2835 Clairemont Drive, San Diego, CA 92117. Centrally positioned in the Clairemont neighborhood, Cerro Pueblo consists of 45 units that will remain affordable for 55 years for individuals with low income, earning 30 percent to 60 percent of the San Diego Area Median Income (AMI), and one unrestricted manager’s unit.

SUMMARY

A development Summary is as follows:

Table 1 –Development Details

Address	2835 Clairemont Drive, San Diego, CA 92117
Council District	2
Community Plan Area	Clairemont Mesa Community Plan
Developer	RAHD Group LLC
Development Type	Acquisition & Rehabilitation
Construction Type	Type V, one 2-story building and two 1-story buildings
Parking Type	Surface (17 parking spaces)
Local Amenities	<p><u>Mass Transit:</u> There are several bus stops within 0.60 miles. The closest (Stop ID 94094) is 100 feet away at Clairemont Drive and Hartford Court.</p> <p><u>Grocery:</u> Sprouts (0.5 miles away), Food City Market (2.2 miles away)</p> <p><u>Schools:</u> Bay Park Elementary (0.5 miles away), Marston Middle (1.5 miles away), Clairemont High (1.5 miles away)</p>
Housing Type	At-Risk Senior; 55+ (HUD), 62+ (CDLAC / CTCAC)

Accessibility	Wheelchair accessibility in 10 percent of the units, and 4 percent of the units accessible to residents with visual and/or hearing impairment.
Lot Size	1.64 Acres
Units	45 affordable units; 1 unrestricted manager’s unit.
Density	27.44 units per acres
Unit Mix	46 one-bedroom units @ 520 square feet
Gross Building Area	37,326 square feet
Net Rentable Area	25,300 square feet
Project Based Housing Vouchers (PBV)	N/A
Affordable Units in Service by Council District	Council District 2 includes 1,714 affordable rental housing units currently in service, which represents 6.7 percent of the 25,601 affordable rental housing units in service citywide.

Background

On January 12, 2023, the Housing Commission Board (Report No. HCR23-009; Resolution No. HC-1971) approved taking preliminary steps to authorize the issuance of up to \$13,000,000 of tax-exempt Multifamily Housing Revenue Bonds to finance the rehabilitation and preservation of Cerro Pueblo Apartments and held a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986.

The Housing Commission Board is authorized to hold TEFRA hearings pursuant to Multifamily Mortgage Revenue Bond Program Policy Amendments the Housing Authority approved March 9, 2021 (Report No. HAR20-043; Resolution No. HA-1906).

On December 6, 2023, the California Debt Limit Allocation Committee (CDLAC) approved a \$10,000,000 tax-exempt bonds allocation, and the California Tax Credit Allocation Committee (CTCAC) approved a 4 percent tax credits allocation.

The Development

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

January 11, 2024

Final Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing and Resolution for Cerro Pueblo Apartments

Page 4

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

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

The site is near several bus stops, a grocery store, a health clinic, the Western Hills Park and the Clairemont Branch library. A site map is at Attachment 1.

Services

Catholic Charities Diocese of San Diego (CCDSD) has been providing various services in the San Diego community for over 100 years. The classes and activities provided by CCDSD foster residents' physical and mental well-being. CCDSD has been contracted to provide the residents at Cerro Pueblo with a positive environment that promotes independence, healthy lifestyles, and the ability to remain contributing members of society by providing access to health care services, social services, and spiritual and recreational activities.

Examples of the on-site social services CCDSD provides free of charge to the residents of Cerro Pueblo include:

Assistance Service Coordinators will provide:

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

Service Specialists will help residents apply to the following programs:

- CalFresh
- Medicare Savings Program
- Medi-Cal

CCDSD will provide health and wellness classes, primarily in English and Spanish. Monthly schedules will be shared with residents in advance. Examples of activities include:

- Gentle Yoga
- Beading
- Language class

January 11, 2024

Final Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing and Resolution for Cerro Pueblo Apartments

Page 5

Prevailing Wages

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

Appraisal

Citi Community Capital obtained a third-party appraisal of the subject property. Cressner & Associates performed the appraisal with an effective date of October 25, 2022. This third-party appraisal valued the property using three different scenarios, which created three different values. The first value of \$9,000,000 is a simple “as-is” evaluation. The second scenario, with a value of \$11,420,000, assumed current HUD contract rents, ground payment rent payment and 100 percent property tax exemption. The third valuation of \$16,710,000 assumed all previously identified factors with the addition of mark-to-market HUD rents.

Relocation

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

Accessibility

CTCAC requires wheelchair accessibility in 10 percent of the units, and an additional 4 percent of the units are required to have communication features for residents with visual and/or hearing impairment. The same units can satisfy both of these accessibility requirements. The Cerro Pueblo Apartments units are accessible in accordance with the Americans with Disabilities Act and Section 504.

Project Sustainability

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

Development Team

During the tax credit compliance period, Cerro Pueblo will be owned by Cerro Pueblo Housing Partners, LP, a California limited partnership (a single-asset limited partnership), which will have Cerro Pueblo Housing LLC as the Managing General Partner and Cerro Pueblo Housing Management LLC as the Administrative General Partner. Additionally, DAL Development, LLC, Sinergia Housing, LLC and C&C Development Group LLC (The RAHD Group) hold an indirect interest in the borrower. The tax credit limited partner is the Candeur Group (Attachment 2 – Organization Chart). The developer, RAHD Group, LLC, is a combination of real estate professionals with more than 60 years of combined experience who own more than 1,500 units, have developed over 8,000 units and have completed over 130 affordable housing transactions.

Table 2 Development Team Summary

ROLE	FIRM/CONTACT
Developer	RAHD Group, LLC
Owner/Borrower	Cerro Pueblo Housing Partners, LP
Managing General Partner	Cerro Pueblo Housing LLC
Administrative General Partner	Cerro Pueblo Housing Management LLC
Tax Credit Investor Limited Partner	Candeur Group
Architect	KPI Incorporated
General Contractor	Prevost – A Skyline Company
Property Management	Royal Property Management
Construction and Permanent Lender	Citi Bank
Tenant Services Providers	Catholic Charities

Property Management

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

FINANCING STRUCTURE

Cerro Pueblo Apartments has an estimated total development cost of \$17,635,270 (\$383,375 per unit). Financing will include a combination of sources as described in Table 3. The developer’s pro forma is included as Attachment 3 and summarized below. No Housing Commission cash loan funds are proposed for Cerro Pueblo Apartments.

Table 3 – Cerro Pueblo Apartments Estimated Permanent Sources and Uses

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts	Per Unit
Bond Financed Permanent Loan (Tax-Exempt)	\$10,000,000	Property Acquisition	\$9,000,000	\$195,652
Bond Financed Permanent Loan (Taxable)	\$1,100,000	Renovation Costs	\$4,775,200	\$103,809
Tax Credit Equity	\$6,526,869	Third Party Reports	\$96,200	\$2,091
Deferred Developer Fee	\$8,301	Financing Placement	\$474,860	\$10,323
		Capitalized Interest	\$175,000	\$3,804
		Accounting Fees	\$15,000	\$326
		Legal & Organizations Fees	\$200,000	\$4,348
		Relocation Allowance	\$312,000	\$6,783
		Tax Credit Reservation Fees	\$59,750	\$1,299
		Other Fees and Costs	\$300,000	\$6,522
		Developer Fee	\$2,227,260	\$48,419
Total Development Cost	\$17,635,270	Total Development Cost (TDC)	\$17,635,270	\$383,375

Developer Fee

\$2,227,260 – Gross developer fee
 - 8,301 – Minus deferred developer fee
 \$2,218,959 – Net cash developer fee

The proposed developer fee complies with the Housing Commission’s developer fee guidelines.

Development Cost Key Performance Indicators

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

Table 4 - Key Performance Indicators

Development Cost Per Unit	\$17,635,270 ÷ 46 units =	\$383,375
Housing Commission Subsidy Per Unit	--	\$0
Land Cost Per Unit	\$9,000,000 ÷ 46 units =	\$195,652
Gross Building Square Foot Hard Cost	\$4,775,200 ÷ 37,326 sq. ft. =	\$128
Net Rentable Square Foot Hard Cost	\$4,775,200 ÷ 25,300 sq. ft. =	\$189

Project Comparison Chart

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

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

Table 5 - Comparable Development Projects

New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
Proposed Subject – Cerro Pueblo	2024	46	\$17,635,270 (w/o prevailing wage)	\$383,375	\$0	\$128
Casa Nueva	2023	52	\$27,896,931 (with prev. wage)	\$536,479	\$103,827	\$196
Grant Heights II	2020	42	\$17,968,471 (without prev. wage)	\$427,821	\$31,769	\$130
Serenade on 43 rd	2023	65	\$33,784,749 (with prev. wage)	\$519,765	\$30,769	\$330

TAX EXEMPT AND TAXABLE MULTIFAMILY HOUSING REVENUE BONDS

Proposed Housing Bonds Financing

The Housing Commission utilizes the Housing Authority’s tax-exempt borrowing status to pass on lower interest rate financing (and make 4 percent low-income housing tax credits available) to developers of affordable rental housing. The Housing Authority’s ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first submit an application to CDLAC for a bond allocation. On January 12, 2023, prior to submitting applications to CDLAC, the proposed development was presented to the Housing Commission Board. A bond inducement resolution was obtained prior to the application submittal to CDLAC. On

January 11, 2024

Final Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing and Resolution for Cerro Pueblo Apartments

Page 8

September 6, 2023, an application was submitted to CDLAC for a bond allocation of up to \$13,000,000. On December 6, 2023, CDLAC approved the \$10,000,000 bond allocation, and CTCAC approved an allocation of 4 percent tax credits. The developer proposes that the bonds be issued through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego's (City) ordinance on bonds disclosure. In addition, the developer proposes that the Housing Authority issue up to \$5,000,000 in taxable bonds, which do not require an allocation from CDLAC.

The financing amount that will ultimately be set will be based upon development costs, revenues and interest rates prevailing at the time of the bonds issuance. The financing proceeds will be used for both construction financing and permanent financing. Attachment 4 provides a general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings.

Public Disclosure and Bond Authorization

The tax-exempt debt will be issued in the form of a bond (issuance Series D-1) and will be sold through a direct purchase by Citi N.A. (Citi). The taxable debt will be in the form of a bond (issuance D-2), which Citi will also purchase. Citi is a "qualified institutional buyer" within the meaning of the U.S. securities laws. At closing, Citi will sign an "Investor's Letter" certifying, among other things, that it is buying each of the bonds for their own account and not for public distribution. Because such bonds are being sold through a private placement, an Official Statement will not be used. In addition, the bonds will be neither subject to continuing disclosure requirements, nor credit enhanced, nor rated.

Under the direct purchase structure for the bonds, Citi will make a tax-exempt and taxable loan to the Housing Authority pursuant to the terms of a Funding Loan Agreement among Citi, the Housing Authority, and a to-be-selected Fiscal Agent. The loan made by Citi to the Housing Authority (Funding Loan) will be evidenced by separate bonds, which will obligate the Housing Authority to pay Citi the amounts it receives from the Borrower, as described below. The Housing Authority and the Borrower will enter into a Borrower Loan Agreement, pursuant to which the proceeds of the Funding Loan will be advanced to the Borrower. In return, the Borrower agrees to pay the Fiscal Agent amounts sufficient for the Fiscal Agent to make payments on the Bonds.

Under the direct purchase structure for the bonds, bonds will be issued under a Trust Indenture between the Housing Authority and a to-be-selected Trustee (which will be the same institution as the Fiscal Agent for the bonds). The bonds will be payable from residual project revenues. Bond proceeds will be loaned by the Housing Authority to the Borrower under a Loan Agreement.

The Housing Authority's obligation to make payments on the bonds is limited to amounts the Fiscal Agent and Trustee receive from the Borrower under the Borrower Loan Agreement with respect to the bonds and the Loan Agreement with respect to the bonds, and no other funds of the Housing Authority are pledged to make payments on the bonds. The transfer of the bonds to any subsequent purchaser will comply with Housing Commission's "Bond Issuance and Post-Issuance Compliance Policy" (policy number PO300.301). Moreover, any subsequent bond holder will be required to represent to the Housing Authority that it is a qualified institutional buyer or accredited investor who is buying such

bonds for investment purposes and not for resale, and it has made due investigation of any material information necessary in connection with the purchase of the bonds.

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

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

Financial Advisor’s Recommendation

Orrick, Herrington and Sutcliffe, LLP will be the Bond Counsel. CSG Advisors will be the Bond Financial Advisor. The Financial Advisor’s analysis and recommendation is at Attachment 5.

AFFORDABLE HOUSING IMPACT

Affordability

The Cerro Pueblo development currently has a HAP contract directly with HUD that expires on November 30, 2027. As a result, the property is considered “at risk” of becoming market rate per CTCAC’s regulations. The project has been awarded bonds through CDLAC and is subject to applicable tax credit and bond regulatory agreements, which will restrict affordability of 45 units for an additional 55 years. CTCAC’s required rent and occupancy restrictions will apply.

Table 6 – Affordability and Monthly Estimated Rent Table

Unit Type	AMI	Units	CTCAC Gross Rents
One bedroom	30% (Currently \$33,100/year for a two-person household)	5	\$732

One bedroom	50% (Currently \$55,150/year for a two-person household)	5	\$1,220
One bedroom	60% (Currently \$66,180/year for a two-person household)	35	\$1,464
Subtotal One Bedroom Units	--	45	--
Manager's one-bedroom unit	--	1	
Total Units	--	46	--

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this proposed action are included in the Housing Authority-approved Fiscal Year (FY) 2024 Housing Commission Budget.

Funding sources approved by this action will be as follows

Bond Issuer Fee – (\$10,000,000 [Tax-exempt] + \$5,000,000 [Taxable]) X 0.0025 = \$37,500

Total Funding Sources – up to \$37,500

Funding uses approved by this action

Administrative costs - \$37,500

Total Funding Uses - up to \$37,500

The bonds will not constitute a debt of the City of San Diego. If the bonds are ultimately issued for the project, the bonds will not financially obligate the City, the Housing Authority, nor the Housing Commission because security for the repayment of the bonds will be limited to specific project-related revenue sources. Neither the faith and credit nor the taxing power of the City, nor the faith and credit of the Housing Authority will be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission’s issuer fee, annual bond administration fee, as well as the Housing Commission’s Bond Counsel fee and Financial Advisor’s fee.

Development Schedule

The estimated development timeline is as follows:

Milestones	Estimated Dates
<ul style="list-style-type: none"> • Housing Authority consideration of bond authorization • Estimated bond issuance and escrow/loan closing • Estimated start of construction work • Estimated completion of construction work 	<ul style="list-style-type: none"> • February 13, 2024 • February 2024 • March 2024 • December 2024

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

The Housing Commission’s Strategic Plan for Fiscal Year (FY) 2022-2024 includes the following statement regarding the Housing Commission’s commitment to equity and inclusivity: “At SDHC, we are about people. SDHC embraces diverse approaches and points of view to improve our programs, projects and policies. We believe in delivering programs and services in innovative and inclusive ways. We are committed to advancing equity and inclusion both internally and externally.”

January 11, 2024

Final Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing and Resolution for Cerro Pueblo Apartments

Page 11

HOUSING COMMISSION STRATEGIC PLAN

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

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

On February 21, 2023, RAHD Group presented the proposed development as an informational item to the Clairemont Mesa Community Planning Group.

KEY STAKEHOLDERS and PROJECTED IMPACTS

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

STATEMENT for PUBLIC DISCLOSURE

The developer's Disclosure Statement is at Attachment 6.

ENVIRONMENTAL REVIEW

California Environmental Quality Act

The proposed activity to authorize the issuance of tax-exempt Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds to fund Cerro Pueblo Housing Partners, LP's rehabilitation and preservation of Cerro Pueblo Apartments, an affordable rental housing development has been reviewed for consistency with and are covered in the Final Negative Declaration (ND) for the Clairemont Mesa Community Plan Update (EQD No. 87-0224) which was adopted by City Council Resolution No. R-274464 on September 26, 1989. This activity is a subsequent discretionary action and is not considered to be a separate project for the purposes of CEQA review pursuant to CEQA Guidelines Sections 15378(c) and 15060(c)(3). Pursuant to Public Resources Code Section 21166 and CEQA Guidelines Section 15162, there is no change in circumstance, additional information, or project changes to warrant additional environmental review for this action.

National Environmental Policy Act

Processing under the National Environmental Policy Act is not required because no federal funds are included in the proposed activity.

Respectfully submitted,

Jennifer Kreutter

Jennifer Kreutter

Vice President

Multifamily Housing Finance

Real Estate Division

Approved by,

Jeff Davis

Jeff Davis

Deputy Chief Executive Officer

San Diego Housing Commission

January 11, 2024

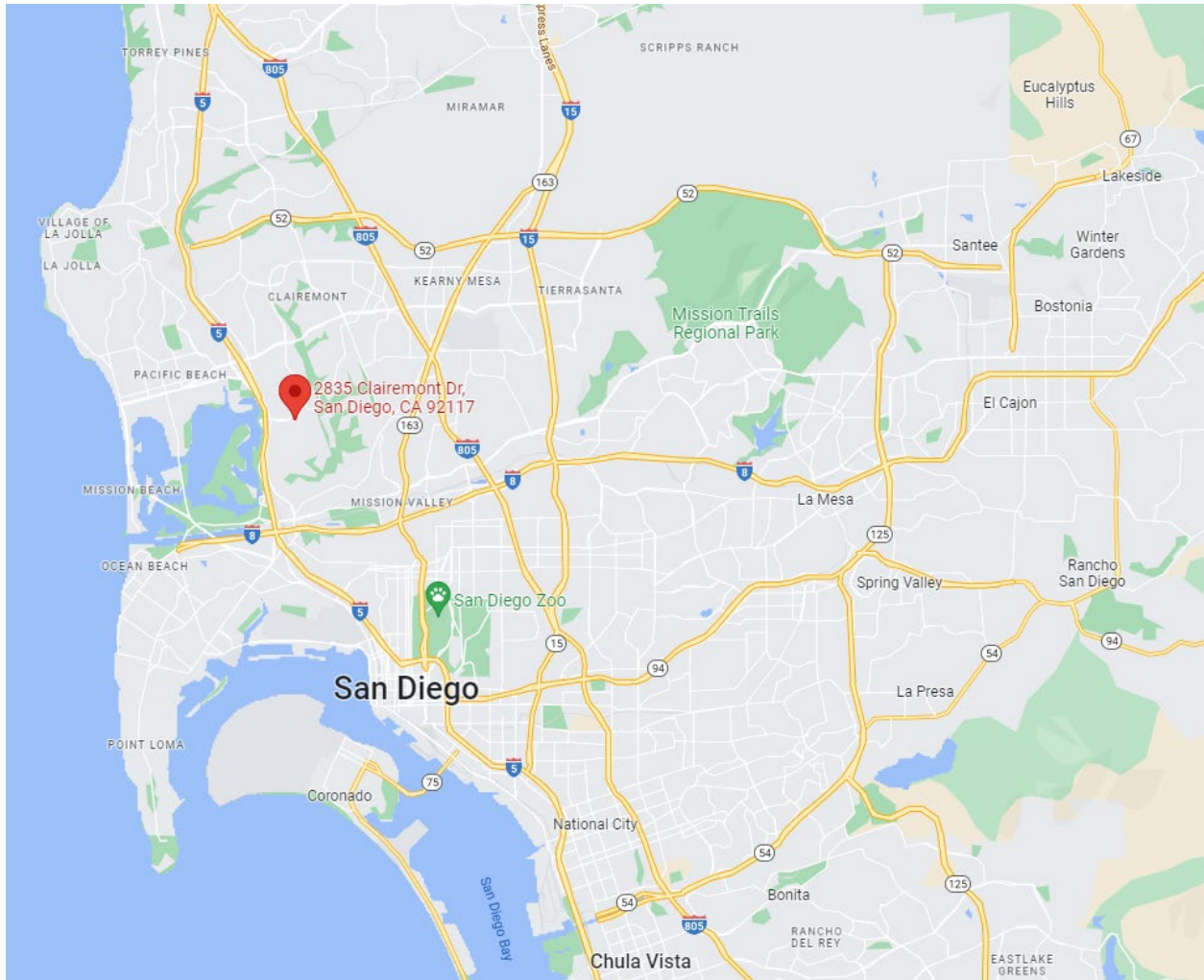
Final Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing and Resolution for
Cerro Pueblo Apartments

Page 12

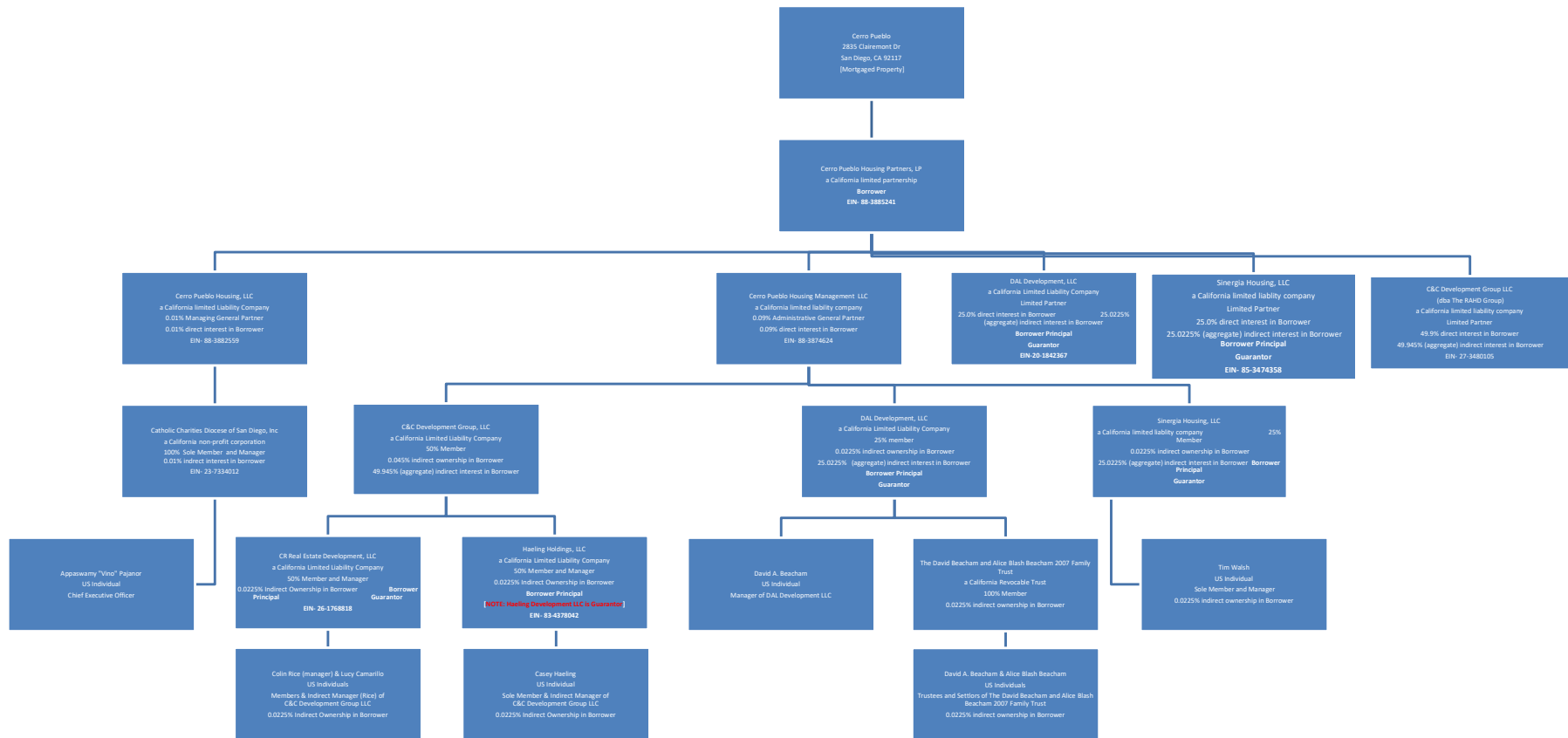
- Attachments:
- 1) Site Map
 - 2) Organization Chart
 - 3) Developer's Project Pro Forma
 - 4) Bond Program Summary
 - 5) Financial Advisor's Analysis
 - 6) Developer's Disclosure Statement

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.

ATTACHMENT 1 – SITE MAP



CERRO PUEBLO ORG CHART



LIHTC ACQUISITION-REHAB FINANCIAL MODEL

Page 1 - Project Summary

2nd Team Conf Call
December 5, 2023 08:49 AM

Cerro Pueblo
San Diego, California

Unit Mix and Utility Allowances	Total Units	Net Rentable		Utility	Max. Rents per Affordability Commitments			Project Rents		
		Square Feet	Allowances	Group B: 60% AMG	Group C: 50%	Group D: 30%	Current	New, At Closing	HUD FMR	
Studio, HUD HAP	0	0	30	0	0	0	0	0	0	0
Studio	0	0	30	0	0	0	0	0	0	0
One bedroom, HUD HAP	46	650	32	1,518	1,260	743	1,660	2,545	2,545	2,545
One bedroom (one employ is 2bdrm)	0	0	32	0	0	0	0	0	0	0
Studio, TBV	0	0	30	0	0	0	0	0	0	0
One bedroom, TBV	0	0	32	0	0	0	0	0	0	0
Totals	Units = 46			Avg = 1,518	Avg = 1,260	Avg = 743	Avg = 1,660	Avg = 2,545	Avg = 2,545	Avg = 2,545

Operations Summary			
	Total \$	Per Unit	Per SF
Gross Rental Income	1,374,300	29,876	45.96
HUD Social Services Grant	0	0	0.00
Other Income @ \$9.06 per unit per month	5,000	109	0.17
Vacancy @ 3.00%	(41,229)	(896)	-1.38
Effective Gross Income	1,338,071	29,089	44.75
Operating Expenses, including \$433 per unit reser	(412,675)	(8,971)	-13.80
Net Operating Income	925,396	20,117	30.95
Total Debt Service (excluding cash flow-based loans)	(798,453)	(17,358)	-26.70
Net Cash Flow (before partnership-level expenses)	126,943	2,760	4.25

Affordability Commitments and Other Tax Credit Assumptions			
	% of AMG	% of Project	Statistical Area: San Diego, CA
"A" – Market	n/a	0%	Effective AMG: \$137,800
"B" – Affordat	60%	80%	Last AMG Increase: 2023
"C" – Affordal	50%	10%	DDA or QCT: Yes
"D" – Affordal	30%	10%	Applicable Percentage: 4.00%, as of September

Affordability
Weighted Average Set-Aside Commitment = 56.0% of Median Income
Average Post-Rehab Gross Rent = 99.7% of Median Income

Sources and Uses of Funds			
Debt:			
Perm Loan #1 (6.68% interest & fees, 1.16 DCR, 40-year	11,100,000	(Citibank combo TEB and Ta	
Perm Loan #2	0		
Deferred Developer Fee (payable from cash flow over 2 ye	8,301	(deferred fee = 0% of total fe	
Equity:			
Tax Credit Equity @ \$0.8650 (99.99% of available credits)	6,526,869	(equity = \$141,888 per LI unit	
AGP Equity	100		
Additional Equity	0		
TOTAL SOURCES	17,635,270		
		Per Unit	Per SF
Property Acquisition (asking price is \$9,000,000)	9,000,000	195,652	301.00
Renovation Costs	4,775,200	103,809	159.71
Indirect Costs:			
Third Party Reports	96,200	2,091	3.22
Financing Placement	474,860	10,323	15.88
Capitalized Interest	175,000	3,804	5.85
Accounting Fees	15,000	326	0.50
Legal & Organizational Fees	200,000	4,348	6.69
Relocation Allowance	312,000	6,783	10.43
Initial Deposits to Reserves	0	0	0.00
Tax Credit Reservation Fees	59,750	1,299	2.00
Other Fees and Costs	300,000	6,522	10.03
Developer Fee (non-deferred portion = \$2,218,959)	2,227,260	48,419	74.49
TOTAL USES	17,635,270	383,375	589.81

Feasibility Indices	
LIHTC Equity Subsidy (of next eligible reh:	45.0%
Cash Flow/Operating Expense Ratio	30.8%
Capitalization Rate on Stabilized NOI	10.28%
NPV of Sponsor Benefits, per unit	\$109,890
Project Timing Assumptions	
Acquisition Closing	28-Feb-24
Renovation Start	29-Feb-24
Start of Credit Period (First Unit Qualifie	01-Apr-24
Last Unit Qualified	30-Apr-24

Annual Federal Credits	
Stabilized	754,634
Year 1 – 2024	565,976
Year 2 – 2025	754,634
Year 3 – 2026	754,634
LP Capital Account	
Cap Acct EOY 1	(36,937)
Cap Acct EOY 1	(2,232,901)
Years 1-10 Losses/Cre	77%
Years 1-15 Losses/Cre	111%

Equity and Developer Fee Installments; Estimated Yield				
	Estimated Date	Equity Percent	Equity Installment	Developer Fee
At Closing	28-Feb-24	10.0%	652,687	325,000
Second Installm	31-Jul-24	26.0%	1,696,986	0
Third Installment	31-Jan-25	31.0%	2,023,329	0
Fourth Installme	31-Jul-25	16.0%	1,044,299	0
Fifth Installment	31-Jan-26	17.0%	1,109,568	1,893,959
	n/a	0.0%	0	0
			6,526,869	2,218,959
Leveraged Yield = 13.66% (compounded quarterly)				
Maximum Equity Timing Gap During Pay-In Period = \$0				

ATTACHMENT 4 HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM SUMMARY

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

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

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

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

Approval Process:

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

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

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

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

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

January 09, 2024

Mr. Matt Granum
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, California 92101

RE: Cerro Pueblo Apartments

Dear Mr. Granum:

The San Diego Housing Commission (the "Commission") has retained CSG Advisors, Inc. to analyze the feasibility of the proposed tax-exempt financing for the Cerro Pueblo Apartments (the "Project"). Our findings are organized as follows:

- Current Project Status and the Proposed Project
- The Proposed Financing
- Project's Projected Financial Status
- Benefits and Risks to the Commission
- Public Purpose
- Negotiation of Additional Public Benefit
- Recommendations

We have based our analysis of the proposed financing on documents provided by RAHD Group LLC (the "Developer"), and on additional conversations and documents provided by representatives of the Developer and Commission staff. The documents examined included the Developer's proposed financial schedules and financing commitments from the proposed lender and investor. CSG has not visited the site of the proposed Project.

CURRENT PROJECT STATUS AND THE PROPOSED DEVELOPMENT

The Project will consist of the acquisition and rehabilitation of a 46-unit development (the "Development") located at 2835 Clairemont Drive, San Diego, 92117 (the "Site"). Project would be financed from, among other sources, equity raised from the sale of 4% low-income housing tax credits and tax-exempt and taxable debt issued by the Housing Authority of the City of San Diego (the "Housing Authority"). 45 units (i.e., excluding one manager's units) will be subject to affordability restrictions as further described herein. 45 of the units are subject to an existing Housing Assistance Payment (HAP) contract that is subject to expiration within the next 5 years. The HAP contract will be extended for another 20 years as part of this financing.

The land is owned by the Lessor, Randeman, LLC. The Borrower, Cerro Pueblo Housing Partners, LP, will lease the land from the Lessor, subject to a ground lease expiring December 31, 2079.

On January 12, 2023, the Commission adopted a resolution (no. HC-1971) evidencing the official intent, on behalf of the Housing Authority of the City of San Diego, to conduct a tax-exempt issuance in the not-to-exceed amount of \$13,000,000 for the Project. The resolution also approved submittal of the application to the California Debt Limit Allocation Committee (“CDLAC”) for an allocation of private activity tax-exempt authority for the Project.

As the Commission is authorized to hold TEFRA hearings pursuant to Multifamily Mortgage Revenue Bond Program Policy Amendments the Housing Authority approved March 9, 2021 (Report No. HAR20-043; Resolution No. HA-1906), the public hearing required pursuant to Section 147(f) of the Internal Revenue Code for tax-exempt issuances (“TEFRA”) was held by the Commission – also on January 12, 2023. The TEFRA hearing remains valid through one year after the hearing date.

On September 06, 2023, the Housing Authority submitted an application to CDLAC for \$10,000,000 in private activity tax-exempt issuance authority for the Project.

On December 06, 2023, CDLAC awarded \$10,000,000 in private activity tax-exempt allocation to the Housing Authority for the Project.

THE PROPOSED FINANCING

The Developer proposes that the Housing Authority issue up to \$10,000,000 in a tax-exempt note (the “Tax-Exempt Note”)¹ and up to \$5,000,000 in taxable note (“Taxable Note”, together with the Tax-Exempt Note, the “Notes”) for the Project. Pursuant to the Preliminary Application for Financing, dated November 20, 2023, from Citibank, the Notes would be issued in three “tranches” pursuant to Funding Loan Agreement and Borrower Loan Agreement:

- Tranche A – fully funded at Close, consisting of the \$10,000,000 Tax-Exempt Note;
- Tranche B – fully funded at Close, consisting of approximately \$1,206,385 of the Taxable Note; and
- Tranche C – funded on a drawdown basis, consisting of the balance of the Taxable Note.

Citibank would remain the as permanent lender for the Project upon stabilization and conversion to permanent financing.

¹ The financing would occur through the issuance of tax-exempt “Notes” under a “Back-to-Back” loan structure. The Back-to-Back structure and a bond issuance structure with an Indenture are functionally equivalent. In the Back-to-Back Structure, a Bank Loan Agreement (between the Lender, Issuer and the Fiscal Agent) replaces the Indenture and a Borrower Loan Agreement (between the Issuer and the Borrower) replaces the Loan Agreement from an Indenture structure. A “Fiscal Agent” replaces the Trustee. Certain lenders prefer the Back-to-Back structure in order to obtain beneficial treatment under the Community Reinvestment Act.

According to projections provided by the Developer, the total development cost (“TDC”) totals approximately \$17,741,655.

Cerro Pueblo Apartments: Construction and Permanent Source Summary²

	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Note	10,000,000	10,000,000
Taxable Note ³	2,600,000	1,206,385
Tax Credit Equity (Federal)	4,373,330	6,526,870
Deferred Developer Fee	0	8,300
MGP Contributions	<u>110</u>	<u>100</u>
Total Sources⁴	16,973,440	17,741,655

Cerro Pueblo Apartments: Permanent Use Summary⁵

	<u>Permanent</u>
Land and Acquisition Costs	9,000,000
Construction Costs	4,389,500
Construction Contingency	385,700
Developer Fee	2,227,260
Operating Reserve	0
Capitalized Construction Loan Interest	175,000
Other Hard and Soft Costs	<u>1,457,810</u>
Total Uses	17,635,270

Ownership

The Project will be owned by the Borrower. The Borrower will consist of Cerro Pueblo Housing LLC as the Managing General Partner and Cerro Pueblo Housing Management LLC as the Administrative General Partner. Additionally, DAL Development, LLC, Sinergia Housing, LLC and C&C Development Group LLC (The RAHD Group) hold an indirect interest in the Borrower. An entity of the Candeur Group (the “Tax Credit Investor”) will be the tax credit investor limited partner.

Tax-Exempt Bond Structure and Credit Enhancement

Construction Loan

The Developer proposes that the Housing Authority issue tax-exempt Notes in the maximum amount of \$10,000,000 and up to \$5,000,000 in taxable Notes in order to finance the acquisition and construction of the Project. Solely revenues pledged under the Funding Loan Agreement

² Source: Developer projections. Rounding by CSG.

³ Taxable amount show is the maximum available under the Citibank Preliminary Application for Funding (11/21/2023), which is slightly higher than the amount shown in the Developer’s financial projections dated December 05, 2023.

⁴ Total Permanent Sources are greater than Total Uses because of maximum taxable perm loan available under the Citibank Preliminary Application for Funding (11/21/2023).

⁵ Source: Developer projections. Rounding by CSG.

and the Borrower Loan Agreement will secure the payment of principal and interest to the bondholder.

The Notes would be unrated – without credit enhancement – and would be purchased by Citibank on a private placement basis. Tranche A and Tranche B would be fully funded at financial Close. Tranche C would be funded on a draw-down basis through the construction period. Upon stabilization and conversion, Tranche C will be fully redeemed (from tax credit equity and other sources). Tranches A and B will continue as permanent financing to the Project.

As unrated, non-credit enhanced issuance sold on a private placement basis, the Notes must meet the minimum requirements of the Commission’s policies for such issues (e.g., maximum \$100,000 minimum denominations, no more than 15 Bondholders, etc).

The construction period would be approximately 24 months. The Citibank Preliminary Application for Financing (11/21/2023) indicates indicative rates of 6.5% for Tranche A; 7% for Tranche B, and a construction period variable interest rate for the Tranche C of 5.32%. Payments during the construction period would be interest-only. The rates for Tranche A and \$750,000 of Tranche B already have been locked at 6.09% and 6.59%, respectively. The rate for the balance of Tranche B will be locked proximate to financial Close.

Permanent Loan

Upon conversion to the permanent loan, the Borrower proposes to redeem Tranche C with available sources (e.g., tax credit equity). The remaining outstanding Tranches (A and B) will convert to a permanent loan.

According to the Citibank Preliminary Application for Financing, the permanent loan (Tranche A tax-exempt and Tranche B taxable) would have a term of 17 years following the Closing Date and an amortization period of 40 years. The permanent interest rates would be same as the construction period rates for these tranches. Tranche B would be subject to “hyper-amortization” i.e., all scheduled principal payments for Tranches A and B will be allocated to B, until repayment, in full, of the outstanding Tranche B principal.

Projected Issuance Date

The Developer proposes that the Housing Authority issue the Notes on or about February 19, 2024. The Authority received an allocation tax-exempt authority in the amount of \$10,000,000 from CDLAC at its December 06, 2023 allocation meeting date. The allocation expiration date provided by CDLAC is June 03, 2024.

Commission Financial Involvement

The Commission has no other financial involvement in the transaction

Affordability Restrictions

Upon implementing the proposed financing, the Project will be subject to the following regulatory restrictions and regulatory terms:

Source of Restriction	Restriction	Expiration Date
California Tax Credit Allocation Committee	5 units at 30% AMI 5 units at 50% AMI 35 units at 60% AMI	55 years
Tax-Exempt Bond (CDLAC)	10 units at 50% AMI 35 units at 60% AMI	55 years

PROJECT’S PROJECTED FINANCIAL STATUS

Under the proposed financing – according to information provided by the Developer and analysis by CSG – annual debt service on the proposed senior permanent loan of \$11,206,385 would total approximately \$753,485. According to preliminary information provided by the Developer and analysis by CSG, stabilized annual cash flow (before reserves) after construction and lease-up (including Issuer fees) would total approximately \$186,511 at a debt coverage ratio (DCR) of 1.25. Cash flow after reserves would total approximately \$165,991 at a DCR of 1.22. The Citibank debt coverage minimum is 1.15.

THE BENEFITS AND RISKS TO THE COMMISSION

The proposed financing provides for financing for the acquisition and rehabilitation of the Project. By approving a recommendation to the Housing Authority to move forward with the approval process for the proposed tax-exempt Note financing, the Commission will not obligate the Commission or the Housing Authority to issue the Bonds.

As proposed, the financing will create 45 affordable units in the City of San Diego. These units will remain long-term affordable for approximately 55 years under the CDLAC and CTCAC restrictions.

If the Authority issues the Note, the Commission would receive a fee at closing of 0.25% of the issue amount (approximately \$31,500) and an annual fee equal to the greater of \$10,000 and 0.125% of the outstanding Notes.

PUBLIC PURPOSE

The proposed financing will result in the creation of 45 affordable family housing units in the City of San Diego. The proposed financing will result in new CDLAC and CTCAC regulatory restrictions as follows (most restrictive) for 55 years:

- 5 units at 30% AMI
- 5 units at 50% AMI
- 35 units at 60% AMI

NEGOTIATION OF ADDITIONAL PUBLIC BENEFIT

As noted above, the financing will result in long-term affordability restrictions on 45 units within the Project.

RECOMMENDATIONS

Based upon analysis of the available information, we recommend that the Commission approve moving forward with the proposed issuance. Our recommendation is based upon the following:

- The financing will retain 45 affordable family units in the City of San Diego with long-term affordability covenants.
- The Commission has received tax-exempt authority of \$10,000,000 from CDLAC for the Project.
- Citibank and Candeur Group are currently underwriting the Project.
- The Commission will not be responsible for costs of issuance. The Commission will receive an issuance fee at closing of approximately \$31,500, and a long-term annual fee equal to the greater of \$10,000 and 0.125% the outstanding Notes.
- The net Tax-Exempt Note financing and tax credit equity will provide approximately \$8,733,255 for development costs.


Contingent Items

The Commission may choose to move forward with the financing subject to the following contingencies:

- As of this writing, neither Citibank nor Candeur has provided final credit approval for the financing. The Note cannot be issued without these final approvals.
- Final Note documents and approving resolution must be approved by the Housing Authority.

Should you require any further information or would like to discuss the Project or the proposed financing in additional detail, please do not hesitate to contact me.

Sincerely,
CSG Advisors



John Hamilton

Exhibit A

Cerro Pueblo

date of rev:

1/9/24

Long-Term Tax-Exempt Loan Loan

	Tranche A	Tranche B	Total
Principal Amount ¹	\$ 10,000,000	\$ 1,206,385	\$ 11,206,385
Mortgage Rate ^{2,3}	6.090%	6.590%	
Amortization Term (yrs) ¹	40	40	
Underwriting Monthly Debt Service ^{4,5}	\$ 55,650	\$ 7,140	\$ 62,790
Underwriting Annual Debt Service	\$ 667,800	\$ 85,684	\$ 753,485

¹ Source: Tranche A: Citibank Loan Application (11/21/2023)

² As of 01/09/2024, rates have been locked for Tranche A and \$750K of Tranche B. Balance of Tranche B to locked proximate to financial Close.

³ Per Citibank's Loan Application (11/21/2023), the unlocked Tranche B rate would equal 17-yr SOFR Swap Rate + 2.40%. The current 15 year SOFR swap rate is 3.68% (and the 30yr is 3.5%). The indicative rate base on the 15 yr SOFR rate would be 6.08%.

⁴ Tranche B (Taxable) Tranche B is "hyperamortizing" i.e., all scheduled principal payments for Tranche A and B are allocated to B until Tranche B is repaid in full

⁵ Tranche A is interest only until the repayment in full of Tranche B.

Post-Financing Operations Analysis ¹

Income	Stabilized Year ²				
	1	2	3	4	5
Gross Tax Credit Rental Income ¹	\$ 1,458,420	\$ 1,487,588	\$ 1,517,340	\$ 1,547,687	\$ 1,578,641
Other Income	\$ 5,300	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,737
Gross Potential Income	\$ 1,463,720	\$ 1,492,994	\$ 1,522,854	\$ 1,553,311	\$ 1,584,378
Vacancy Collection Loss ^{3,4}	5.00% (73,186)	(74,650)	(76,143)	(77,666)	(79,219)
Effective Gross Income	\$ 1,390,534	\$ 1,418,345	\$ 1,446,712	\$ 1,475,646	\$ 1,505,159
Expenses					
Operating Expenses	3.00% Inflation \$ (435,150)	\$ (448,205)	\$ (461,651)	\$ (475,500)	\$ (489,765)
RE Taxes	2.00% Inflation \$ (130)	\$ (133)	\$ (135)	\$ (138)	\$ (141)
Issuer Fee	\$ 10,000 min 0.125%	\$ (14,008)	\$ (14,008)	\$ (14,008)	\$ (14,008)
Trustee Fee ⁵	\$ 1,250 min 0.004%	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)
Total Expenses	\$ (450,538)	\$ (463,595)	\$ (477,044)	\$ (490,896)	\$ (505,164)
Net Operating Income	\$ 939,996	\$ 954,750	\$ 969,668	\$ 984,750	\$ 999,995
Required Debt Service					
Senior					
Real Estate Loan	\$ (753,485)	\$ (753,485)	\$ (753,485)	\$ (753,485)	\$ (753,485)
Cash Flow before Reserves	\$ 186,511	\$ 201,265	\$ 216,183	\$ 231,265	\$ 246,510
Debt Coverage Ratio Before Reserves	1.25	1.27	1.29	1.31	1.33
Reserves ⁶	433 per unit	0% Inflation	\$ (20,520)	\$ (20,520)	\$ (20,520)
Cash Flow After Reserves	\$ 165,991	\$ 180,745	\$ 195,663	\$ 210,745	\$ 225,990
Overall Debt Coverage Ratio (DCR)	1.22	1.24	1.26	1.28	1.30
Cash Flow Including Commercial Income	165,991	180,745	195,663	210,745	225,990
Debt Coverage Ratio Including Commercial Income	1.22	1.24	1.26	1.28	1.30

¹Source: Developer Projections (12/05/2023)

² Beginning in 2027, per Developer projections (12/05/2023)

³ Developer projections show 3% vacancy

⁴ Of Gross Potential Income.

⁵ Estimate

⁶ Per Developer projections, at Stabilized Year. Minimum reserve deposit per Citibank Loan Application (11/21/2023) \$300/unit/year

Exhibit A

Cerro Pueblo Permanent Sources and Uses of Funds

Sources¹

Tax-Exempt Note	\$	10,000,000
Taxable Loan ²	\$	1,206,385
Tax Credit Equity (Federal)	\$	6,526,870
Deferred Developer Fee	\$	8,300
GP Capital Contribution	\$	<u>100</u>
Total Sources	\$	17,741,655

Uses¹

Land and Acquisition Costs	\$	9,000,000
Construction Costs	\$	4,389,500
Construction Contingency	\$	385,700
Developer Fee	\$	2,227,260
Operating Reserve ³	\$	-
Capitalized Construction Loan Interest	\$	175,000
Other Hard and Soft Costs	\$	<u>1,457,810</u>
Total Uses	\$	17,635,270

Surplus(Deficit) ⁴	\$	106,385
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¹ Source: Developer projections (12.05.2023) Rounding by CSG

² Uses max from Citibank Loan Application (11/21/2023)

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

1. Name of CONTRACTOR: **Cerro Pueblo Housing Partners, LP**
 2. Address and Zip Code: **Colin@RAHDGroup.com**
 3. Telephone Number: **619-750-8580**
 4. Name of Principal Contact for CONTRACTOR: **Colin Rice**
 5. Federal Identification Number or Social Security Number of CONTRACTOR: **88-3885241**
 6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:
 - A corporation (Attach Articles of Incorporation)
 - A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status)
 - A partnership known as: **Cerro Pueblo Housing Partners, LP**
(Name)
- Check one:
- General Partnership (Attach statement of General Partnership)
 - Limited Partnership (Attach Certificate of Limited Partnership)
 - A business association or a joint venture known as: _____
(Attach joint venture or business association agreement)
 - A Federal, State or local government or instrumentality thereof.
 - Other (explain)
7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
September 23, 2022
 8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
 - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
 - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

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

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

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

- 10. Is it *anticipated* that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.
Will Change with expectation to include Tax-Credit Investor.

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

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

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

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

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

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

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

N/A New Entity

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

LIHTC – 6,250,000

SDHC Bonds – 11,000,000

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

- a. In banks/savings and loans:

Name: UBS

Address: 600 West Broadway Ste. 2800

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

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

Name: N/A

Address:

Amount: \$

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

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

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

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

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

Yes No

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

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

Yes No

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

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

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

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

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

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

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

Yes No

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

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

General description of such work:

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

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

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

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

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

Awarding Agency	Amount	Date Opened
N/A		

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

N/A

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

Yes No

If yes, explain:

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

N/A

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

Yes No

If yes, explain:

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

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

Check coverage(s) carried:

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

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

Check coverage(s) carried:

- Comprehensive Form
 Owned
 Hired
 Non-Owned

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

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

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

Government Complaint	Entity Making	Date	Resolution
N/A			

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

Yes No

If yes, please explain, in detail,

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

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

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

N/A

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

N/A

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

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

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

Yes No

If yes, explain:

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

Yes No

If yes, explain:

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

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

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

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

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

Name	Experience
To Be Determined	

CERTIFICATION

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

By: 

By: _____

Title: Manager

Title: _____

Dated: 12/7/22

Dated: _____

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

JURAT

State of California

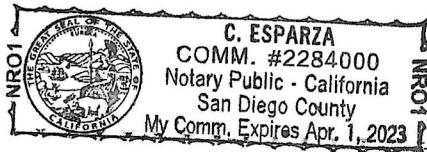
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 7 day of December, 2022

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


Signature of Notary

SEAL



CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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

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

Executed this 7th day of December, 20 22, at San Diego, California.

CONTRACTOR

By:  _____
Signature

Member of AGP of LP Cerro Pueblo Housing Partners, LP
Title