



EXECUTIVE SUMMARY

MEETING DATE: April 12, 2024

HCR24-044

SUBJECT: Final Bond Authorization and Tax, Equity and Fiscal Responsibility Act Hearing and Resolution for Sea Breeze Gardens Apartments

COUNCIL DISTRICT: 4

ORIGINATING DEPARTMENT: Real Estate Division

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 \$75,000,000 to facilitate Sea Breeze Gardens Preservation LP's acquisition and rehabilitation of Sea Breeze Gardens, a 268-unit affordable housing development at 4808-4888 Logan Ave. in the Chollas Valley neighborhood in Council District 4, which will consist of 266 units that will remain affordable for 55 years for families earning 30 percent to 60 percent of the San Diego Area Median Income (AMI) and two unrestricted managers' unit.

EXECUTIVE SUMMARY OF KEY FACTORS:

- On July 21, 2023, the Housing Commission (Report No. HCR23-082) approved taking preliminary steps to authorize the issuance of up to \$75,000,000 of tax-exempt Multifamily Housing Revenue Bonds to facilitate the acquisition and rehabilitation of Sea Breeze Gardens.
- On December 6, 2023, the California Debt Limit Allocation Committee (CDLAC) approved a \$75,000,000 tax-exempt bonds allocation, and the California Tax Credit Allocation Committee (CTCAC) approved a 4 percent tax credits allocation.
- Sea Breeze Gardens is steps away from a public bus stop, and within walking distance to parks, schools and convenience stores. It was originally constructed in 1968 and underwent a Low-Income Housing Tax Credit (LIHTC) rehabilitation in 2008. In addition, 100 percent of the affordable units are covered by a Project-Based Section 8 contract administered by Los Angeles LOMOD Corporation.
- The proposed rehabilitation will be in excess of the repairs categorized as immediate and short-term (one to three years) within the Physical Conditions Report, as the developer is proposing approximately \$22 million of renovations to extend the property's useful life and preserve the affordability term for a new 55 years.
- The scope will include, but is not limited to, new in-unit appliances, plumbing and lighting fixtures, flooring, cabinet and countertop replacement, full roof replacement, renovated community amenities, landscaping, and general site work repairs, including updates to meet current accessibility requirements under the Americans with Disabilities Act (ADA).
- Sea Breeze Gardens residents will continue to have access to a range of community services provided by Pacific Housing Inc, at no cost to the residents, including the After School Connect program for children ages 7 to 12 and the Living Out Loud program for teens ages 13 to 17.
- The development budget includes a \$1,500,000 budget to temporarily relocate residents during rehabilitation at no cost to residents. The renovations will be moving sequentially from Building 1 to Building 36, with six units completed per week over 41 weeks.
- The development has an estimated total development cost of \$156,407,947 (\$583,612/unit).



REPORT

DATE ISSUED: April 4, 2024

REPORT NO: HCR24-044

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of April 12, 2024

SUBJECT: Final Bond Authorization and Tax, Equity and Fiscal Responsibility Act Hearing and Resolution for Sea Breeze Gardens Apartments

COUNCIL DISTRICT: 4

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 April 12, 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 and 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 \$75,000,000 to facilitate Sea Breeze Gardens Preservation LP's acquisition and rehabilitation of Sea Breeze Gardens, a 268-unit affordable housing development at 4808-4888 Logan Ave. in the Chollas Valley neighborhood in Council District 4, which will consist of 266 units that will remain affordable for 55 years for families earning 30 percent to 60 percent of the San Diego Area Median Income (AMI) and two unrestricted managers' 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

- 1) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an aggregate amount not to exceed \$75,000,000 to facilitate Sea Breeze Gardens Preservation LP's acquisition and rehabilitation of Sea Breeze Gardens, a 268-unit affordable housing development at 4808-4888 Logan Ave. in the Chollas Valley neighborhood in Council District 4, which will consist of 266 units that will remain affordable for 55 years for families earning 30 percent to 60 percent of the San Diego Area Median Income (AMI) and two unrestricted managers' unit.
- 2) Approve an updated financing team to include Jones Hall as Bond Counsel.

Housing Authority

- 1) Authorize the issuance of tax-exempt Multifamily Housing Revenue Bonds in an aggregate amount not to exceed \$75,000,000 to facilitate Sea Breeze Gardens Preservation LP's acquisition and rehabilitation of Sea Breeze Gardens, a 268-unit affordable housing development at 4808-4888 Logan Ave. in the Chollas Valley neighborhood in Council District 4 which will consist of 266 units that will remain affordable for 55 years for families earning between 30 percent to 60 percent of the San Diego Area Median Income (AMI) and two unrestricted manager's units.
- 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 aggregate amount not to exceed \$75,000,000 to facilitate Sea Breeze Gardens Preservation LP's acquisition and rehabilitation of Sea Breeze Gardens, a 268-unit affordable housing development at 4808-4888 Logan Ave. in the Chollas Valley neighborhood in Council District 4, which will consist of 266 units that will remain affordable for 55 years for families earning 30 percent to 60 percent of the San Diego Area Median Income (AMI) and two unrestricted managers' units.

SUMMARY

Table 1 –Development Details

Address	4808-4888 Logan Ave., San Diego, CA 92113
Council District	Council District 4
Community Plan Area	Chollas Valley Neighborhood
Developer	Lincoln Avenue Capital (LAC)
Development Type	Preservation; Acquisition and Rehabilitation
Construction Type	Wood Frame (Type V), 36 two-story buildings, 1 commercial building, 1 community clubhouse & 6 standalone laundry facilities.
Parking Type	292 parking spaces in a surface lot (255 residential stalls, 25 accessible stalls for people with disabilities, 6 van accessible stalls for people with disabilities, and 6 commercial stalls).
Local Amenities	Mass Transit: Stop ID #11000 is immediately adjacent to the property's parking lot. Stop ID #10629 is directly across the street. Grocery: Sundance market (0.2 miles from the property) Schools: Porter Elementary School (0.4 miles from the property) Harley Knox Middle School (0.1 miles from the property)

	Lincoln High School (1.0 mile from the property)
Housing Type	Affordable for low-income families
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	15.72 Acres (684,763 square feet)
Units	266 affordable units and two unrestricted managers' units
Density	17 dwelling units per acre (268 units ÷ 15.72 acres)
Unit Mix	100 two-bedroom and 168 three-bedroom units
Gross Building Area	271,809 square feet
Net Rentable Area	250,600 square feet
Affordable Units in Service by Council District	Council District 4 includes 2,806 affordable rental housing units currently in service, which represents 11 percent of the 25,642 affordable rental housing units in service citywide.

Background

On July 21, 2023, the Housing Commission (Report No. HCR23-082) approved taking preliminary steps to authorize the issuance of up to \$75,000,000 of tax-exempt Multifamily Housing Revenue Bonds to facilitate the acquisition and rehabilitation of Sea Breeze Gardens and held a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986. If bonds are not issued within 12 months of the TEFRA hearing, a new TEFRA hearing is required. If, for any reason, an extension to the bond issuance date is requested, Bond Counsel has advised the Housing Commission to hold a new TEFRA hearing.

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

On December 6, 2023, the California Debt Limit Allocation Committee (CDLAC) approved a \$75,000,000 tax-exempt bonds allocation, and the California Tax Credit Allocation Committee (CTCAC) approved a 4 percent tax credits allocation.

The Development

Sea Breeze Gardens Apartments at 4808-4888 Logan Ave. is an existing multifamily affordable development on approximately 15.7 acres in the Chollas Valley neighborhood of San Diego. A site map is at Attachment 1. It is about 6.5 miles east of downtown San Diego, just east of Interstate 805, steps away from a public bus stop, and within walking distance to parks, schools and convenience stores. Sea Breeze Gardens Apartments was originally constructed in 1968 and underwent a Low-Income Housing Tax Credit (LIHTC) rehabilitation in 2008. In addition, 100 percent of the affordable units are covered by a Project-Based Section 8 contract administered by Los Angeles LOMOD Corporation. The development consists of 268 units (two- and three-bedroom units) across 36 two-story, garden-style buildings, as well as a standalone clubhouse, playground, six laundry facilities, and a commercial space occupied by Children of the Rainbow. Children of the Rainbow is a childcare provider that operates Monday – Friday from 6 a.m. – 6 p.m. and accepts children up to 5 years old. The commercial space improvements will include accessible site path and roofing improvements. No bond proceeds will be used for the rehabilitation of the commercial space. All rehabilitation of the commercial space will be funded by the Seller Carryback Note.

Westview Garden Partners Ltd. acquired Sea Breeze Gardens Apartments in December 2021. At the proposed resyndication closing, Sea Breeze Preservation LP will purchase Sea Breeze Gardens Apartments. FPI Management Company manages the property, and Pacific Housing Inc. provides resident services. Sea Breeze Gardens Apartments has been well-managed and is currently 95% occupied; however, rehabilitation is necessary to preserve the quality of property's affordable housing units, as stated in the Physical Conditions Report (PCR) dated June 30, 2023.

The proposed rehabilitation will be in excess of the repairs categorized as immediate and short-term (one to three years) within the PCR, as the developer is proposing approximately \$22 million of renovations to extend the property's useful life and preserve the affordability term for a new 55 years. The scope will include, but is not limited to, new in-unit appliances, plumbing and lighting fixtures, flooring, cabinet and countertop replacement, full roof replacement, renovated community amenities, landscaping, and general site work repairs, including updates to meet current accessibility requirements under the Americans with Disabilities Act (ADA). Sea Breeze Gardens Apartments currently provides ample on-site amenities, including a playground, six laundry facilities, controlled gated access, security patrol, and standalone leasing office with clubhouse. As part of the rehabilitation, all current amenities will be updated. Each unit is assigned one parking stall, while the remainder are first come, first serve for guests and staff. The entire parking lot will be slurry sealed and striped and will include 292 total parking spaces. A scope of proposed rehabilitation work is included as Attachment 2.

Services

Sea Breeze Gardens Apartments residents will continue to have access to a range of community services provided by Pacific Housing Inc, at no cost to the residents. The After School Connect (ASC) Program for children ranging from 7 to 12 years old includes tutoring, mentoring, homework assistance, music and art appreciation, arts and crafts, outdoor games and sports, cooking and nutritional education, pen pals and letter-writing skills, etiquette and social skill development, and confidence-building exercises. The ASC Program will be available on weekdays throughout the school year. The Living Out Loud (LOL) program for teens ranging from 13 to 17 years old includes homework assistance, leadership development, community awareness, recreation, social skill development, and healthy lifestyles. Lastly, depending on needs and interests of the member of the community, on-site instruction will be offered throughout the year.

Pacific Housing Inc.'s service coordinators will continue to work with residents individually through the use of a needs assessment/survey to determine how they can best be assisted. Residents are provided with information regarding accessibility of available services in the community, such as utility discounts, clothing, food assistance, and help residents in accessing those services through advocacy.

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

An appraisal of the subject site with an effective date of June 30, 2023, valued the property at \$116,400,000. The appraisal was obtained by the developer and was conducted by CBRE Inc.

Relocation

In accordance with CTCAC regulation 10322(H)(28), the developer utilized a relocation consultant, Revival Development Services, to complete a comprehensive relocation plan to ensure no resident of Sea Breeze Gardens Apartments will be permanently displaced due to this rehabilitation. The development budget includes a \$1,500,000 budget to temporarily relocate residents during rehabilitation at no cost to residents.

The relocation team from Revival Development Services will meet regularly with site property management and construction teams to ensure current and accurate information regarding renovation status and timing is communicated to residents. Each tenant will be interviewed to gather useful information for structuring each tenant's individual relocation plan. This will help the relocation team determine if reasonable accommodations will be needed during the temporary relocation. Reasonable accommodations may include the provision of transportation assistance, relocation to physically accessible sites near public transportation, and modifications to policies to allow individuals with disabilities to reside with a live-in aide. Expenses related to providing reasonable accommodations and meal stipends during the temporary relocation are included in the relocation plan.

The renovations will be moving sequentially from Building 1 to Building 36, with six units completed per week over 41 weeks. Units will be started two at a time, with the top and bottom floor done simultaneously. It is estimated that work on the typical unit will take up to 15 days per unit to complete, while fully accessible ADA units will take up to 30 days per unit to complete. The substantial rehabilitation will result in the temporary on-site and off-site relocation and/or possible transfer to an already completed vacant unit. The clubhouse and other common spaces will be furnished for the daytime use of the tenants who are temporarily displaced during the unit renovation, effectively serving as "hospitality suites" that will provide tenants access to a bathroom, television, and refreshments and entertainment options. It is estimated that no residents will be permanently relocated, and all will return to their original apartment home or another on-site comparable unit after the rehabilitation.

As an alternative relocation solution, some residents may identify another household, such as a relative or friend, with whom they can reside during the rehabilitation period, which would allow them to effectuate their own relocation plan.

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 Sea Breeze Gardens Apartments units will be accessible in accordance with the ADA and Section 504.

Project Sustainability

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

Development Team

The developer, Lincoln Avenue Communities (LAC), is an owner, developer, and investor in affordable housing. LAC's mission and goal is to provide and preserve affordable housing throughout communities across the country. LAC currently owns and operates over 26,000 units across 119 different properties. LAC has experience with numerous tax credit rehabilitations, taking part in the re-syndication and accompanying rehabilitation of over 4,000 units. All have utilized 4 percent Low Income Housing Tax Credits and issuances of tax-exempt bonds, with a variety of financing sources.

During the tax credit compliance period, Sea Breeze Gardens Apartments will be owned by Sea Breeze Gardens Preservation LP, a California limited partnership (a single-asset limited partnership) consisting of PacH Sea Breeze Holdings, LLC, an affiliate of Pacific Housing, Inc., as the Managing General Partner and Sea Breeze Gardens GP LLC as the Co-General Partner. The tax credit limited partner will be Berkadia Affordable Tax Credit Solutions or its affiliate, with Berkadia Affordable Manager, LLC as a Special Limited Partner. (Attachment 3 – Organization Chart).

Table 2 Development Team Summary

ROLE	FIRM/CONTACT
Developer	Lincoln Avenue Communities
Owner/Borrower	Sea Breeze Gardens Preservation, LP
Managing General Partner	PacH Sea Breeze Holdings, LLC, an affiliate of Pacific Housing, Inc.
Administrative General Partner	Sea Breeze Gardens GP LLC
Tax Credit Investor Limited Partner	Berkadia Affordable Tax Credit Solutions
Architect	Ebersoldt +Associates
General Contractor	Paragon Construction Company
Property Management	FPI Management Company (FPI)
Bond Issuance Underwriter	Stifel, Nicolaus & Company, Incorporated
Construction and Permanent Lender	Berkadia Commercial Mortgage LLC servicing on behalf of Freddie Mac
Tenant Services Providers	Pacific Housing, Inc.

Property Management

Sea Breeze Gardens Apartments is managed by FPI Management Company. Established in 1968, FPI is a nationwide management company, with a management portfolio totaling approximately 74,000 units in 18 states. It is experienced in property management, marketing, maintenance, renovations and tax credit developments. FPI currently manages affordable housing developments for Lincoln Avenue Capital.

FINANCING STRUCTURE

Sea Breeze Gardens Apartments has an estimated total development cost of \$156,407,947 (\$583,612 per unit). Financing will include a combination of sources as described in Table 3. The developer's pro forma is included as Attachment 4 and summarized below. No Housing Commission cash loan funds are proposed for Sea Breeze Gardens.

Table 3 – Sea Breeze Gardens Estimated Permanent Sources and Uses

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts	Per Unit
Bond Financed Perm Loan (Tax-Exempt)	\$75,000,000	Acquisition	\$116,400,000	\$434,328
Direct Taxable First Mortgage (Freddie Mac)	19,546,793	Construction Costs	22,271,688	83,103
Seller Carryback Note (Residential)	6,766,583	Project Soft Cost	2,524,173	9,419
Federal Tax Credit Equity	53,339,674	Tax Credit Fees	169,995	634
GP Contribution	100	Bond Costs	519,250	1,938
Deferred developer fee	1,526,797	Bridge Loan Costs	4,365,095	16,288
Seller Carryback Note (Commercial)	228,000	Permanent Loan Costs	1,468,648	5,480
		Closing Costs	289,040	1,079
		Escrows and Reserves	2,185,261	8,154
		Developer Fee	6,214,797	23,189
Total Development Cost	\$156,407,947	Total Development Cost	\$156,407,947	\$583,612

Developer Fee

\$6,214,797 – Gross developer fee

-1,526,797 – Minus deferred developer fee

\$4,688,000– Net cash developer fee

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	$\$156,407,947 \div 268 \text{ units} =$	\$583,612
Housing Commission Subsidy Per Unit	$\$0 \div 268 \text{ units} =$	\$0
Land Cost Per Unit	$\$116,400,000 \div 268 \text{ units} =$	\$434,328
Gross Building Square Foot Hard Cost	$\$22,271,688 \div 271,809 \text{ sq. ft.} =$	\$82
Net Rentable Square Foot Hard Cost	$\$22,271,688 \div 250,600 \text{ sq. ft.} =$	\$89

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 preservation, rehabilitation, and construction type and are provided as a comparison to the subject development.

Table 5 - Comparable Development Projects

New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
Proposed Subject – Sea Breeze Gardens	2024	268	\$156,407,947 (w/out prevailing wage)	\$583,612	\$0	\$82
Cerro Pueblo	2024	46	\$17,635,270 (w/out prev. wage)	\$383,375	\$0	\$128
Hacienda Townhomes	2023	52	\$27,896,931 (with prev. wage)	\$536,479	\$103,827	\$196

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 July 21, 2023, prior to submitting applications to CDLAC, the proposed development was presented to the Housing Commission Board of Commissioners. A bond inducement resolution was obtained prior to the application submittal to CDLAC. On September 6, 2023, an application was submitted to CDLAC for a bond allocation of up to \$75,000,000. On December 6, 2023, CDLAC approved the \$75,000,000 bond allocation, and CTCAC approved an allocation of 4 percent tax credits. The tax-exempt bonds will be issued in one series in the amount of \$75,000,000 (expected to be designated Series 2024 E). It is also anticipated that the Borrower will need a taxable loan in the estimated amount of \$25,654,355 and that this amount will be funded directly to the Borrower by Freddie Mac or one of its lender-partners. The taxable loan will be subordinate to the Bond Regulatory Agreement.

The bonds will be sold initially through a public offering and will be structured as rated, credit-enhanced, and publicly offered construction-to-permanent bonds that will be marketed by Stifel, Nicolaus & Company, Incorporated, or a related entity, as Underwriter

The Bonds will be credit-enhanced through a Freddie Mac Credit Enhancement Agreement to be entered into between Freddie Mac and a to-be-selected Fiscal Agent, as Trustee on behalf of the bondholders, pursuant to which Freddie Mac will guarantee all principal and interest due on the Bonds. The bonds are expected to be secured by a first lien position on the property.

Financing Documents for the Bonds:

Trust Indenture – The bonds will be issued pursuant to an Indenture between the Housing Authority and a to-be-selected Fiscal Agent as Trustee. The Indenture sets forth the terms of the bonds, including interest rate, final maturity, and redemption provisions. The Indenture establishes accounts for deposit of bond proceeds and repayment sources. Based upon instructions contained in the Indenture, the Trustee will disburse bond proceeds for eligible costs, collect project revenues, and make payments to the bondholders. The bonds are structured as construction-to-permanent bonds and therefore, after

conversion of the project to the permanent financing period following completion of the rehabilitation, the bonds are expected to remain outstanding until they are repaid at their scheduled maturities.

Financing Agreement – Under the terms of the Financing Agreement between the Housing Authority and the Borrower, the Housing Authority will loan the proceeds of the bonds to the Borrower to develop the project. The loan is evidenced by a note or notes in an aggregate amount corresponding to the principal amount of the bonds. With the Financing Agreement, the Housing Authority assigns its rights to receive note payments to the Trustee. Berkadia, a large national mortgage lender and loan servicer, has been engaged to underwrite the project on behalf of Freddie Mac and to provide servicing of the loan represented by the Financing Agreement.

Regulatory Agreement and Declaration of Restrictive Covenants – A Regulatory Agreement will be recorded against the property to ensure the long-term use of the project as affordable housing. The Regulatory Agreement will also ensure that the project complies with all applicable federal and state laws. The Regulatory Agreement restricts the rental of the 266 affordable apartments (the managers' units are exempted) to low-income residents for at least 55 years.

Bond Purchase Agreement – This Agreement is among the Housing Authority, the Borrower and the underwriter of the bonds. It sets forth the conditions under which the underwriter will purchase the Bonds.

Official Statement - During the bonds' marketing period, an Official Statement (to be prepared by counsel to the Underwriter), in preliminary form, will be used. After the Bonds are sold, final pricing information will be included, and the Official Statement will become final. The Official Statement, in preliminary form, will be used to market the bonds to investors. It describes the terms, financing structure, flow of funds, the development, and the security for the bonds during the construction period. The Official Statement, which will be executed by the Borrower, will contain limited information about the Housing Authority as issuer. This information verifies that the Housing Authority is an appropriate issuer of the bonds and that there is not existing or threatened litigation that would jeopardize the validity of the bonds. Financial statements of the Housing Commission or Housing Authority are not included in the Official Statement.

Financial Advisor's Recommendation

Jones Hall is the Bond Counsel and PFM Financial Advisors LLC is the Bond Financial Advisor to work on the bonds issuance. After evaluating the terms of the proposed financing and the public benefits to be achieved, it is the Financial Advisor's recommendation that the Housing Authority should proceed with the bond issuance. The Financial Advisor's analysis and recommendation is at Attachment 6.

AFFORDABLE HOUSING IMPACT

The Sea Breeze Gardens Apartments development will be subject to applicable tax credit and bond regulatory agreements, which will preserve the property's affordable status and restrict affordability of 266 units for a new 55-year term. CTCAC-required rent and occupancy restrictions will apply.

As shown in tables 6 and 7 below, the developer proposes to:

A) Revise the affordability level of two-bedroom units to:

- a. 30% of AMI for 10 units
- b. 50% of AMI for 10 units
- c. 60% of AMI for 80 units

B) Revise the affordability levels of three-bedroom units to:

- a. 30% of AMI for 17 units
- b. 50% of AMI for 17 units
- c. 60% of AMI for 132 units

Table 6 – Current Affordability & Monthly Estimated Rent Table

Unit Type	AMI	Units	CTCAC Gross Rents
Two bedrooms	50% (\$62,050/year for three-person household)	10	\$1,551
Two bedrooms	60% (\$74,460/year for three-person household)	90	\$1,861
Subtotal Two Bedroom Units	--	100	--
Three bedrooms	50% (\$68,900/year for four-person household)	17	\$1,791
Three bedrooms	60% (\$82,680/year for four-person household)	150	\$2,150
Subtotal Three Bedroom Units	--	167	--
Manager's three bedrooms unit	--	1	
Total Units	--	268	--

Table 7 – Proposed Affordability & Monthly Estimated Rent Table

Unit Type	AMI	Units	CTCAC Gross Rents
Two bedrooms	30% (\$37,250/year for three-person household)	10	\$930
Two bedrooms	50% (\$62,050/year for three-person household)	10	\$1,551
Two bedrooms	60% (\$74,460/year for three-person household)	80	\$1,861
Subtotal Two Bedroom Units	--	100	--
Three bedrooms	30% (\$41,350/year for four-person household)	17	\$1,075
Three bedrooms	50% (\$68,900/year for four-person household)	17	\$1,791
Three bedrooms	60% (\$82,680/year for four-person household)	132	\$2,150
Subtotal Three Bedroom Units	--	166	--
Manager's three bedrooms unit	--	2	
Total Units	--	268	--

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 – (\$75,000,000 (Tax-exempt bonds)) X 0.0025 = \$187,500

Total Funding Sources – up to \$187,500

Funding uses approved by this action

Administrative costs - \$187,500
Total Funding Uses - up to \$187,500

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">• May 21, 2024• June 3, 2024• June 3, 2024• December 2025

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

Lincoln Avenue Capital reported that it is committed to advancing equity and inclusion throughout the development and operation of the project. Lincoln Avenue Capital demonstrates a commitment to this effort by planning to use the Global Diversity, Equity & Inclusion Benchmarks assessment checklist to assess current racial equity and inclusion (REI) efforts and ensure that REI policies, initiatives, and practices are intentionally embedded in all that they do.

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

Lincoln Avenue Capital is working with the Chollas Valley Community Planning Group. The proposed development was presented as an information item at the January 29, 2024, meeting.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include Lincoln Avenue Capital as the developer, the Housing Authority as the bond issuer, Berkadia as a lender and the Chollas Valley neighborhood. Sea Breeze Gardens Apartments will continue to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and preserve 266 affordable rental homes for low-income families.

STATEMENT for PUBLIC DISCLOSURE

The developer’s Disclosure Statement is at Attachment 7.

April 4, 2024

Final Bond Authorization and Tax Equity and Fiscal Responsibility Act Resolution for Sea Breeze Gardens

Page 12

ENVIRONMENTAL REVIEW

The proposed activity to authorize the issuance of tax-exempt Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds to facilitate Sea Breeze Gardens Preservation LP's acquisition and rehabilitation of Sea Breeze Gardens has been reviewed for consistency with and is covered in the Final Program Environmental Impact Report (PEIR) for the Southeastern San Diego and Encanto Neighborhoods Community Plan Updates (Project No. 386029/SCH No. 2014051075) which was certified by City Council Resolution No. R-310077 on December 2, 2015. This activity is a subsequent discretionary action within the scope of the development program analyzed in the PEIR 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.

Respectfully submitted,



Jennifer Kreutter

Vice President Multifamily Housing Finance
Real Estate Division

Approved by,



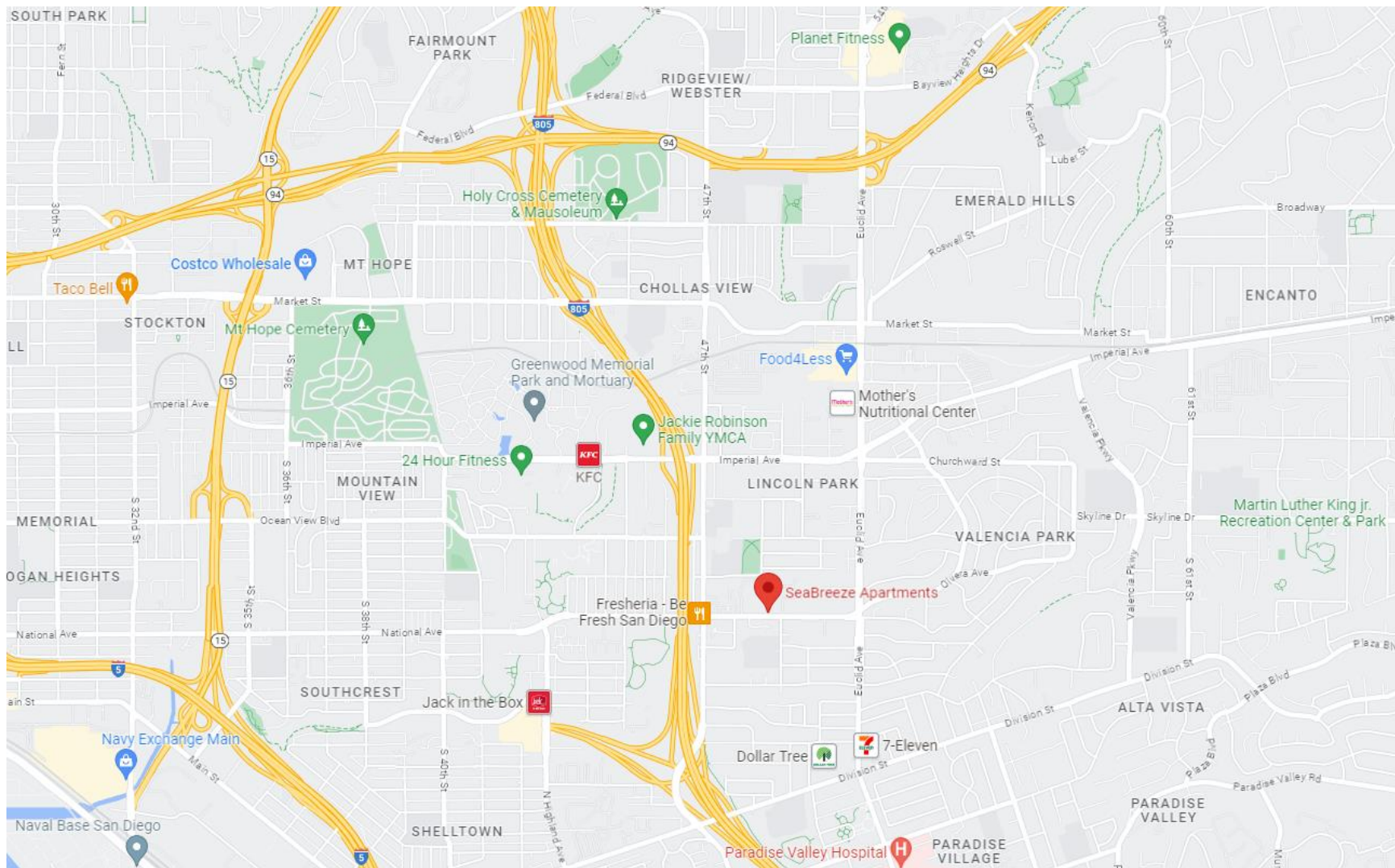
Jeff Davis

Deputy Chief Executive Officer
San Diego Housing Commission

Attachments: 1) Site Map
2) Scope of Proposed Rehabilitation Work
3) Organization Chart
4) Developer's Project Pro Forma
5) Bond Program Summary
6) Financial Advisor's Analysis
7) 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



Attachment 2 – Rehabilitation Summary

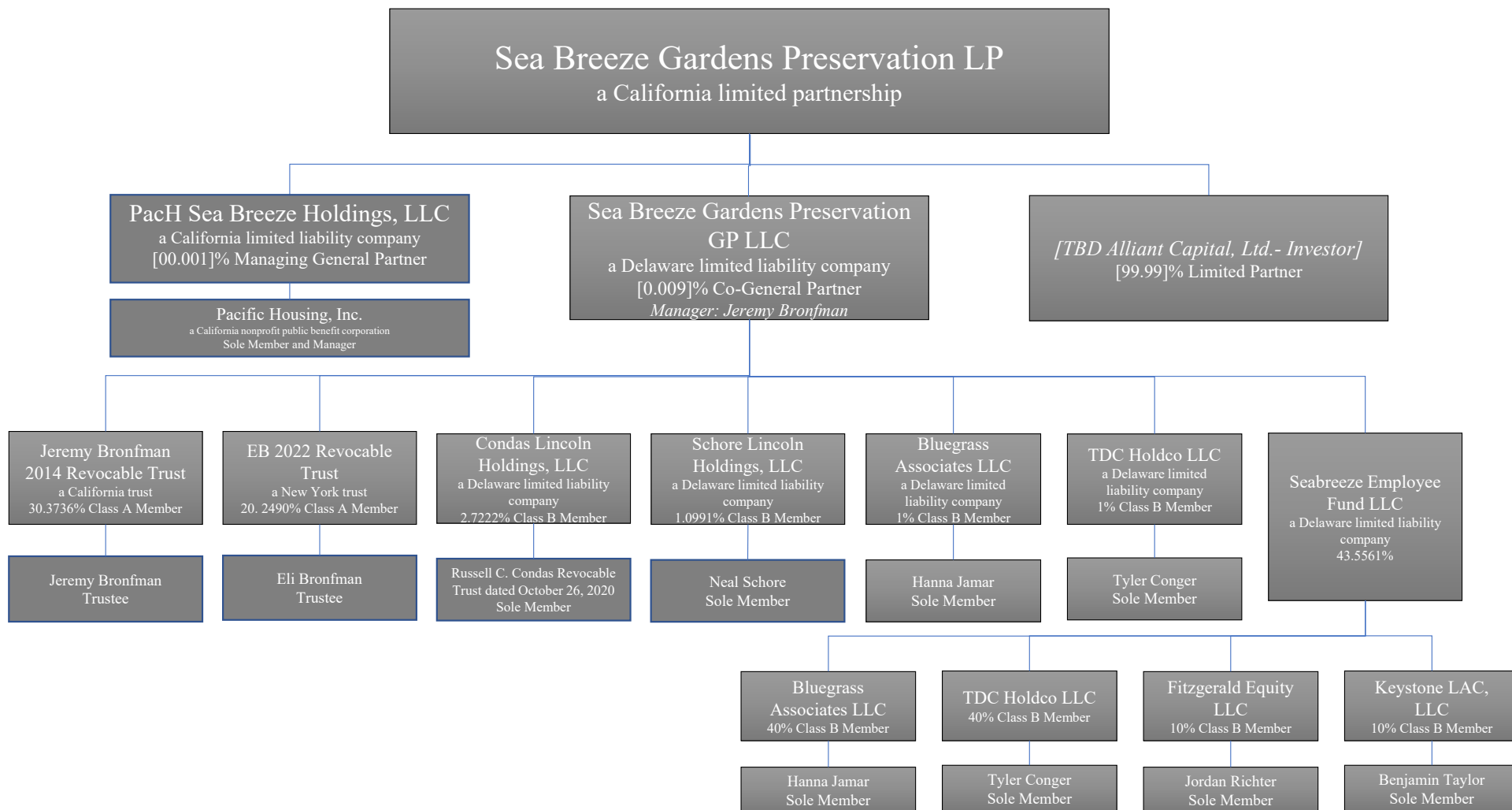
Rehabilitation Summary

Sea Breeze Gardens Apartments

Please see below for our scope of repairs.

- Solid surface flooring (LVP) throughout all unit interiors.
- In unit light fixture package. High efficiency systems will be installed to promote less consumption of natural resources and decrease utility costs.
- Energy Star appliance replacements throughout units and common areas.
- In Unit Cabinet and countertop replacement as needed.
- Low Flow Bath accessory package throughout units and common areas.
- HVAC replacement as needed.
- Address all accessibility requirements and required accessible path of travel.
- Full roof replacement.
- 100% add or replace gutter, downspout, splash blocks.
- Parking lot seal and stripe.
- General Landscaping and Site work.
- Common area amenity Renovations
 - Clubhouse
 - Playgrounds
 - FFE for clubhouse
- Fresh Exterior Paint

Attachment 3



Sea Breeze Gardens - San Diego, CA

Sources		
	Construction	Permanent
First Mortgage (tax-exempt)	75,000,000	\$ 75,000,000
First Mortgage (taxable)	19,546,793	\$ 19,546,793
Seller Note	6,994,583	6,994,583
LIHTC Equity	8,000,951	53,339,674
GP Capital Contribution	100	100
Deferred Developer Fee	—	1,526,797
Equity Bridge Loan	39,633,391	—
Total Sources	\$149,175,818	\$156,407,948
(GAP)/SURPLUS	—	—
Uses		
	Construction	Permanent
Acquisition	116,400,000	\$ 116,400,000
Construction Hard Costs	22,271,688	22,271,688
Project Soft Costs	2,524,173	2,524,173
Tax Credit Fees	60,115	169,995
Bond Costs	519,250	519,250
Bridge Loan Costs	4,365,095	4,365,095
Permanent Loan Costs	1,468,648	1,468,648
Closing Costs	289,040	289,040
Escrows and Reserves	105,810	2,185,261
Developer Fee	1,172,000	6,214,797
Total Uses	\$149,175,818	\$156,407,948
(GAP)/SURPLUS	—	—

Development Budget							
				Total Costs	Qualifying Costs		Non Qual Cost
	Qualifying Cost Percentage	Assumptions	Per unit	Total Project Costs	Acquisition	Construction	Total Non- Qualifying Costs
Acquisition							
Purchase Price - Building	96 %	94.2%		\$ 102,705,417	\$ 98,317,417	–	\$ 4,388,000
Land Allocation	–	5.8%		\$ 6,700,000	–	–	\$ 6,700,000
Installment Sale - Seller Note	100 %			\$ 6,994,583	\$ 6,994,583	–	–
Total Purchase Price				\$ 116,400,000	\$ 105,312,000	–	\$ 11,088,000
Hard Costs							
Construction Hard Costs	98.8%		\$64,000	\$ 17,152,000	–	\$ 16,952,000	\$ 200,000
General Requirement	98.8%	6.0%		1,029,120	–	1,017,120	\$ 12,000
Overhead	98.8%	2.0%		343,040	–	339,040	\$ 4,000
Builders Profit	98.8%	6.0%		1,029,120	–	1,017,120	\$ 12,000
Hard Cost Contingency	100.0%	10.0%		1,955,328	–	1,955,328	–
Building Permits	100.0%	–		172,618	–	172,618	–
Builders Risk Insurance	100.0%	0.8%		172,857	–	172,857	–
Procore Startup Fee	100.0%	\$900	\$19,358	19,358	–	19,358	–
FFE	100.0%	\$ 750		201,000	–	201,000	–
GC P&P Bond	100.0%	1.15%		197,248	–	197,248	–
Soft Costs							
Architect Design	100.0%			\$ 269,440	–	\$ 269,440	–
Architect Supervision	100.0%		\$ 60,490	–	60,490	–	
Architect Reimbursable	100.0%		\$ 20,000	–	20,000	–	
Market Research	100.0%		\$ 1,000	–	1,000	–	
Survey	100.0%		\$ 30,000	–	30,000	–	
Appraisal	100.0%		\$ 8,000	–	8,000	–	
Environmental	100.0%		\$ 16,640	–	16,640	–	
Physical Needs Assessment	100.0%		\$ 12,600	–	12,600	–	
RCS	100.0%		\$ 14,553	–	14,553	–	
Hessel - MU2M	50.0%		\$ 80,000	–	40,000	40,000	
ACM Report	100.0%		\$ 49,850	–	49,850	–	
Energy Assessment	100.0%		\$ 10,000	–	10,000	–	
Tenant Relocation	–		\$ 1,500,000	–	–	1,500,000	
Consulting fees	100.0%		\$ 26,600	–	26,600	–	
Cost Certification / Audit	–		\$ 15,000	–	–	15,000	
Borrower Counsel - Partnership	50.0%		\$ 225,000	–	112,500	112,500	
Borrower Counsel - Local	–		\$ 50,000	–	–	50,000	
Lender - Inspecting Architect	100.0%		\$ 10,000	–	10,000	–	
Tax Credit Application Consulting Fees	–		\$ 15,000	–	–	15,000	
CSC Legal	100.0%	\$ 10,000	–	10,000	–		
Soft Cost Contingency	50.0%	\$ 100,000	–	50,000	50,000		

Tax Credit Costs							
Compliance Monitoring fee	—	\$410	28	\$ 109,880	—	—	109,880
TCAC Application Fee	—	—	—	\$ 1,500	—	—	1,500
Reservation Fee	—	1.0 %	—	\$ 58,615	—	—	58,615
Bond Issuance Costs							
Bond and Issuer Counsel	—	—	—	\$ 80,000	—	—	80,000
Bond Filing Fee - 2nd installment	—	—	—	\$ 25,050	—	—	25,050
Upfront Admin Fee - SDHC	—	0.250 %	—	\$ 187,500	—	—	187,500
Ongoing Admin Fee	—	0.125 %	—	\$ 62,500	—	—	62,500
Performance Deposit - CDLAC	—	0.500 %	—	\$ 100,000	—	—	100,000
Bond Application Fee - SDHC	—	—	—	\$ 3,000	—	—	3,000
SHDC Deposit	—	—	—	\$ 10,000	—	—	10,000
Trustee and Financial Advisor Fee	—	—	—	\$ 50,000	—	—	50,000
CDLAC Application Fee - 1st installment	—	—	—	\$ 1,200	—	—	1,200
Equity Bridge Loan Costs & Reserve							
EBL Interest Reserve	79.1%	21 Month Res	—	\$ 3,930,261	—	\$ 3,107,788	\$ 822,473
Lender Counsel	100.0%	—	—	25,000	—	25,000	—
Appraisal & Other 3rd Party Reports	100.0%	—	—	13,500	—	13,500	—
EBL Origination Fee	100.0%	1.00 %	—	396,334	—	396,334	—
Permanent Financing Costs							
Lender Legal	—	—	—	\$ 105,000	—	—	105,000
Application Fee (Freddie)	—	0.10 %	—	94,547	—	—	94,547
Third Parties	—	—	—	30,000	—	—	30,000
Bond Underwriter Counsel	—	0.55 %	—	412,500	—	—	412,500
Delivery Fee	—	0.05 %	—	37,500	—	—	37,500
Bond Unverwriter Fee	—	—	—	55,000	—	—	55,000
Construction Monitoring	—	—	—	15,000	—	—	15,000
Misc. Financing Costs	—	—	—	10,000	—	—	10,000
Origination Fee	—	0.75 %	—	709,101	—	—	709,101
Closing Costs							
Title Filing Fee	—	—	—	\$ 161,000	—	—	161,000
Transfer Tax	—	—	—	\$ 128,040	—	—	128,040
Escrow & Reserves							
		Funding Month					
RE Tax/Insurance Escrow (Months)	—	28	6	\$ 105,810	—	—	105,810
Operating Reserve (Months)	—	28	3	2,079,452	—	—	2,079,452
Developer Fee							
Acquisition Portion	—	5.00%	—	\$ 3,551,314	\$ 3,551,314	—	—
Construction Portion	—	15.00%	—	\$ 2,663,484	—	\$ 2,663,484	—
Total Development Costs				\$ 156,407,948	\$ 108,863,314	\$ 28,991,467	\$ 18,553,167

ATTACHMENT 5

HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM SUMMARY

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

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

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

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

Approval Process:

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

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

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

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

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

Memorandum

To: Jennifer Kreutter, Matt Granum - San Diego Housing Commission

From: Nick Jones, Jaime Trejo - PFM Financial Advisors LLC

RE: Actions related to the proposed issuance of up to \$75,000,000 tax-exempt Multifamily Housing Revenue Bonds (Sea Breeze Gardens) Series 2024

Dear Ms. Kreutter and Mr. Granum,

You have asked PFM Financial Advisors LLC (“PFM”) to review the proposed financing and recommend whether, in our judgment, it is reasonable for the Housing Authority of the City of San Diego (the “Housing Authority”) to issue the Multifamily Housing Revenue Bonds (the “Bonds”) in connection with Sea Breeze Gardens (the “Project”) by Lincoln Avenue Communities (the “Borrower” or the “Developer”). In preparing this report, we have reviewed financial projections and background information provided by the Developer and the San Diego Housing Commission (the “Housing Commission” or “SDHC”).

The specific findings this report addresses are:

- Whether the financing will achieve a public purpose by creating or preserving affordable housing
- Whether the Housing Authority will avoid undue financial risk in undertaking the financing
- Whether the Project will be able to meet debt service payments after the proposed financing

As described below, we find that all of the conditions are met and therefore recommend that the Housing Authority authorize the issuance of the Bonds.

Description of the Project

The Sea Breeze Gardens project consists of acquisition and rehabilitation of a 268-unit affordable housing development located at 4808-4888 Logan Avenue in the City of San Diego. After rehabilitation, the Project will consist of 266 units affordable for 55 years for families earning 30% to 60% of San Diego’s Area Median Income, in addition to 2 restricted manager’s units.

The current estimates of site acquisition and hard rehabilitation costs are \$116,400,000 (\$434,328 per unit) and \$22,271,688 (\$83,103 per unit), respectively. Funds for the development of the Project will be raised through various sources including equity capital and the issuance of the Bonds. The proposed development pro-forma estimates that there are \$156,407,947 in total project costs (\$583,612 per unit).



The Developer

Lincoln Avenue Communities is serving as the developer for the Project. Lincoln Avenue Communities was founded in 2016 as a nonprofit corporation with a focus on financing, developing and operating affordable housing that meets the needs of the communities in which it operates. It has developed, acquired and/or rehabilitated more than 22,000 units across 26 states, serving over 50,000 residents.

The Financing

An aggregate amount not exceeding \$75,000,000 of Housing Authority Bonds will initially be issued to facilitate Sea Breeze Gardens Preservation LP's acquisition and rehabilitation of the Project. Berkadia will serve as the equity investor. Stifel will serve as bond underwriter to execute the public offering and sale of the Bonds, which will be rated and credit enhanced through Freddie Mac's Bond Credit Enhancement program. Tax-exempt Private Activity Bond allocation of \$75,000,000 and Low Income Housing Tax Credits were allocated to the project by the California Debt Limit Allocation Committee ("CDLAC") and the California Tax Credit Allocation Committee ("CTCAC"), respectively, at their meetings on December 6th, 2023. The CDLAC closing deadline for the Project is June 17th, 2024.

The Bonds will bear fixed interest at a rate estimated at 5.26% for a 16-year term and a 40-year amortization. In addition to the Bonds, the Project will be financed by other Permanent Sources, detailed in Table 1 below:

Table 1 Permanent Financing Sources and Uses of Funds	
Sources:	
Tax-Exempt Bonds	\$75,000,000
Taxable Loan	19,546,793
Seller Note	6,994,583
LIHTC Equity	53,339,674
GP Capital Contribution	100
Deferred Developer Fee	1,526,797
Total Sources	\$156,407,947

Achieving Public Purpose

Through the proposed bond issuance, the Project will improve housing for low-income households. The Project proposes to restrict all 266 non-manager units for households earning no greater than 60% of Area Median Income ("AMI"), with 27 of the units targeted at households earning no greater than 30% of AMI and 27 at households earning no greater than 50% of AMI. The affordability term of the Project



is 55 years. Restricted rents for the Project are summarized in Table 2 below:

Table 2
Rent Comparison

Unit Type	Area Median Income	Units	Unit Size (sqft)	Proposed Gross Rents	Estimated Market Rents	Savings
2 Bedroom	30%	10	750	930	2,540	1,610
	50%	107	750	1,551	2,540	989
	60%	80	750	1,861	2,540	679
3 Bedroom	30%	17	1,050	1,075	3,180	2,105
	50%	170	1,050	1,791	3,180	1,389
	60%	132	1,050	2,150	3,180	1,030
Manager	N/A	2	750	0	N/A	N/A
Total		268		\$5064,212532	\$78177,880400	\$2752,668868
Total Annual for All Units				\$6,0754,544384	\$9,38228,560800	\$3,308274,016416

Meeting Debt Service After Financing

As shown in Table 3 below, the Project will have ample cash flow to meet debt service upon completion. Based upon our review of the Developer's proposed rents and estimated costs, there will be \$7,359,886 of net income available for the first full year of debt service in 2025. Debt service coverage in this first full year is estimated at 1.25x. By the fifth full year of debt service, assuming a 2.0% annual increase in gross income and a 3.0% annual increase in operating expenses, debt service coverage is projected to increase to 1.36x.



Table 3
Estimated Cash Flow

Year:	2025	2026	2027	2028	2029
Gross Potential Rent	\$10,221,880	\$10,426,318	\$10,634,844	\$10,847,541	\$11,064,492
Less: Vacancy @ 5%	(511,094)	(521,316)	(531,742)	(542,377)	(553,225)
Less: Model/Employee	(81,945)	(83,584)	(85,256)	(86,961)	(88,700)
Miscellaneous Income	226,228	233,015	240,005	240,005	240,005
Effective Gross Income	\$9,855,069	\$10,054,432	\$10,257,851	\$10,458,208	\$10,662,572
Less: Operating Expenses	(1,985,722)	(1,956,590)	(2,015,288)	(2,075,747)	(2,138,019)
Less: Taxes	(5,410)	(5,573)	(5,740)	(5,912)	(6,089)
Less: Reserves	(82,713)	(85,194)	(87,750)	(90,383)	(93,094)
Less: Insurance	(212,297)	(218,666)	(225,226)	(231,983)	(238,942)
Less: Management Fee	(209,040)	(209,040)	(209,040)	(209,040)	(209,040)
Net Income	\$7,359,886	\$7,579,369	\$7,714,807	\$7,845,144	\$7,977,387
Permanent Bond Debt Service	(4,556,511)	(4,556,511)	(4,556,511)	(4,556,511)	(4,556,511)
Permanent Loan Debt Service	(1,330,045)	(1,330,045)	(1,330,045)	(1,330,045)	(1,330,045)
Total Permanent Debt Service	(\$5,886,556)	(\$5,886,556)	(\$5,886,556)	(\$5,886,556)	(\$5,886,556)
Debt Service Coverage ¹	1.25	1.29	1.31	1.33	1.36

¹Calculated by dividing Net Income by Permanent Debt Service

Conclusion

The proposed financing will create no undue risk for the Housing Authority. The Borrower has agreed to pay all Costs of Issuance for the financing and to indemnify the City, the Housing Authority and the Housing Commission regarding matters relating to the financing. It should be noted that the Borrower will have no significant assets or sources of income other than the Project and neither the Borrower nor the Housing Authority would be required under most circumstances to make up any cash flow shortfalls.

Based upon our review, we recommend that the Housing Authority proceed with the financing. This recommendation is based upon the following findings:

- The financing would achieve a public purpose by improving 266 affordable units, all affordable at 60% of AMI, with 27 targeted at 30% of AMI and 27 at 50% AMI, for a period of 55 years.
- The Borrower has agreed to indemnify the City, the Housing Authority and the Housing Commission regarding any matters related to the financing. The Borrower will pay all costs of the financing.



- Based upon estimates by the Developer, there are sufficient funds to complete the Project, and the Project provides adequate debt service coverage.

If there is any additional information you require concerning this matter, we will be glad to provide it as a supplement to this report.

Sincerely,
PFM Financial Advisors, LLC

Nick Jones
Senior Managing Consultant



Attachment 7 - Developer's Disclosure Statements

SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

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

Statement for Public Disclosure

1. Name of CONTRACTOR: _____
2. Email: _____
2. Address and Zip Code: _____
3. Telephone Number: _____
4. Name of Principal Contact for CONTRACTOR: _____
5. Federal Identification Number or Social Security Number of CONTRACTOR: _____
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as (*select and upload requested documents*):

- ☐ A corporation (*Upload* Articles of Incorporation) See Exhibit C
- ☐ A nonprofit or charitable institution or corporation. (*Upload* copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status)
- ☐ A partnership known as (Name): _____

Check one:

- ☐ General Partnership (*Upload* statement of General Partnership)
- ☐ Limited Partnership (*Upload* Certificate of Limited Partnership)
- ☐ A business association or a joint venture known as: _____
(*Upload* joint venture or business association agreement)
- ☐ A Federal, State or local government or instrumentality thereof.
- ☐ Other (*Please explain*): _____

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



Attachment 7 - Developer's Disclosure Statements

SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

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:
- If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
 - 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.
 - 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.
 - 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.
 - 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 Exhibit A	
Address:	
Name: See Exhibit A	
Address:	
Name: See Exhibit A	
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.



Attachment 7 - Developer's Disclosure Statements

SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

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 Exhibit A	
Address:	
Name: See Exhibit A	
Address:	
Name: See Exhibit A	
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: See Exhibit A	
Address:	
Name: See Exhibit A	
Address:	
Name: See Exhibit A	
Address:	



Attachment 7 - Developer's Disclosure Statements

SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

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: Lincoln Avenue Capital Management LLC	Corporate operating entity for Lincoln Avenue Capital
Address: (See Exhibit B)	LLC and its affiliates
Name:	
Address:	
Name:	
Address:	

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

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:

Lincoln Avenue Capital plans to perform a substantial rehabilitation of the property using 4% Low-Income Housing Tax Credits allocated through the California Tax Credit Allocation Committee and an issuance of Private Activity Bonds through California Debt Limit Allocation Committee. The Project rehabilitation will be financed with Tax Credit Equity, an equity bridge loan, Citi Community Capital construction and permanent loan, seller carryback note, and deferred developer fee.

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: _____

Address: _____

Amount: \$ _____

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

Name: _____

Address: _____

Amount: \$ _____



Attachment 7 - Developer's Disclosure Statements

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HOUSING
COMMISSION

Real Estate Department

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

Description	Market Value (\$)	Mortgages or Liens (\$)
LACM LLC affiliated entity line of credit with Keybank	\$8.25MM undrawn as of 5/31	
LACM LLC affiliated entity cash balance at Citibank as of 5/31	\$4,266,119.86 as of 5/31	

Additional Information, as needed: _____

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

Name and Address	Contact Name
Name: See Exhibit D	
Address:	
Name: See Exhibit D	
Address:	
Name: See Exhibit D	
Address:	

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

☐ Yes ☐ No

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

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

☐ Yes ☐ No

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



Attachment 7 - Developer's Disclosure Statements

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Case 1: _____

Case 2: _____

Case 3: _____

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

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

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:	



Attachment 7 - Developer's Disclosure Statements

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- 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: \$_____

General description of such work: _____

Complete one table for each project:

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



Attachment 7 - Developer's Disclosure Statements

SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

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

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



Attachment 7 - Developer's Disclosure Statements

SAN DIEGO
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Real Estate Department

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

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

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:



Attachment 7 - Developer's Disclosure Statements

SAN DIEGO
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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:

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

☐ Yes

☐ No

If yes, please explain:

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.

****See Exhibit E**

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

Check coverage(s) carried:

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

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

Check coverage(s) carried:

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



Attachment 7 - Developer's Disclosure Statements

SAN DIEGO
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Real Estate Department

- 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.



Attachment 7 - Developer's Disclosure Statements

SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

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

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)



Attachment 7 - Developer's Disclosure Statements

SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

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.

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.

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

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

☐ Yes ☐ No

If yes, please explain: _____

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

☐ Yes ☐ No

If yes, please explain: _____



Attachment 7 - Developer's Disclosure Statements

SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

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

1. Name: _____
Address: _____
Phone: _____
Project Name and Description: _____
2. Name: _____
Address: _____
Phone: _____
Project Name and Description: _____
3. Name: _____
Address: _____
Phone: _____
Project Name and Description: _____

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

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

Name	Experience

Attachment 7 - Developer's Disclosure Statements



SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

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 21 day of June, 2023, at San Diego, California.

CONTRACTOR

By: 
Signature


Title

Attachment 7 - Developer's Disclosure Statements



Real Estate Department

CERTIFICATION

The CONTRACTOR, Lincoln Avenue Capital LLC, 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: TJ

By: _____

Title: VP

Title: _____

Dated: 6/21/23

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.

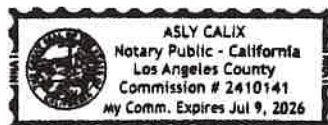
JURAT

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 21 day of June, 2023

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

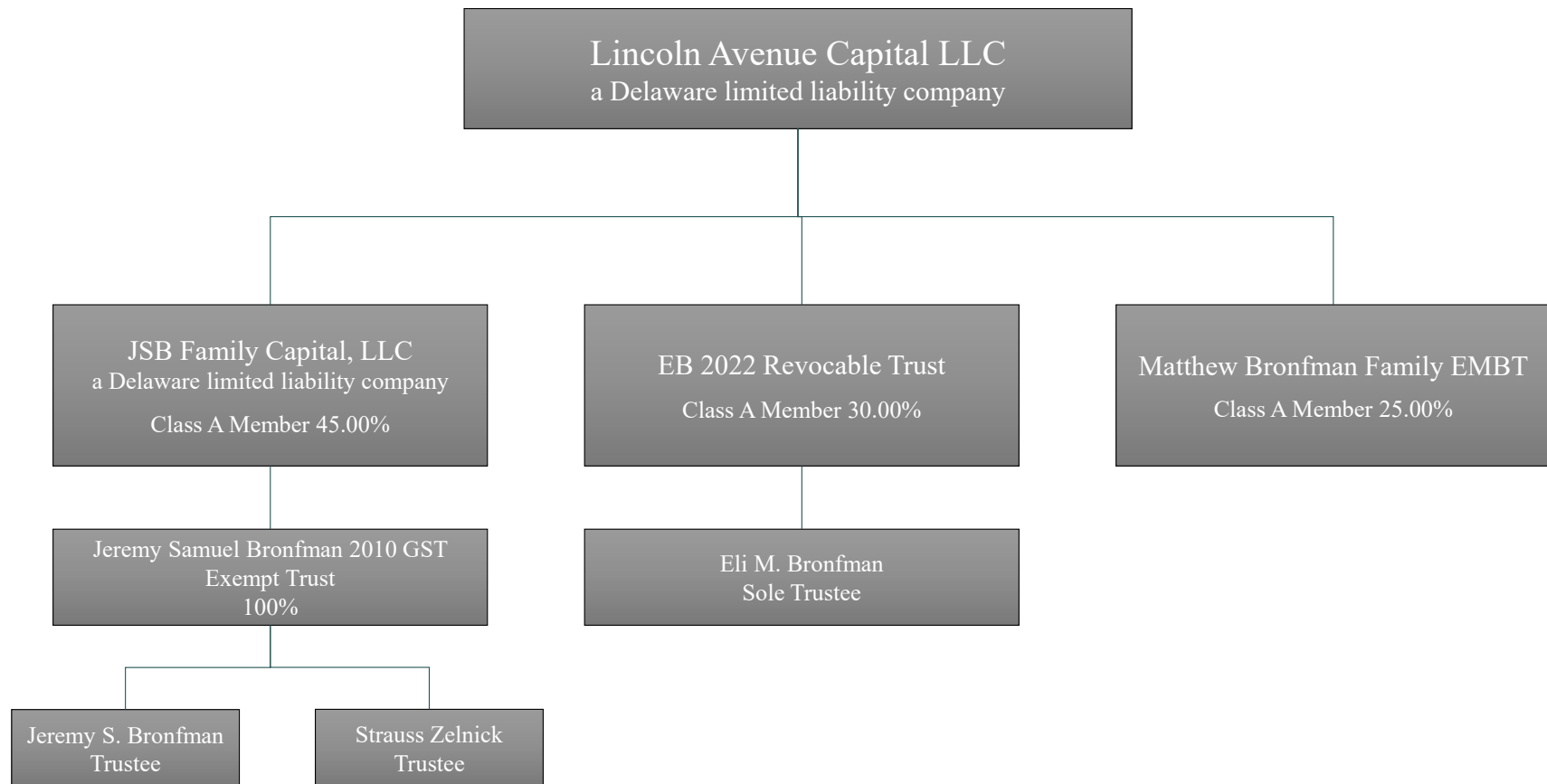


[Signature]
Signature of Notary

SEAL

Attachment 7 - Developer's Disclosure Statements

Exhibit A - Lincoln Avenue Capital LLC

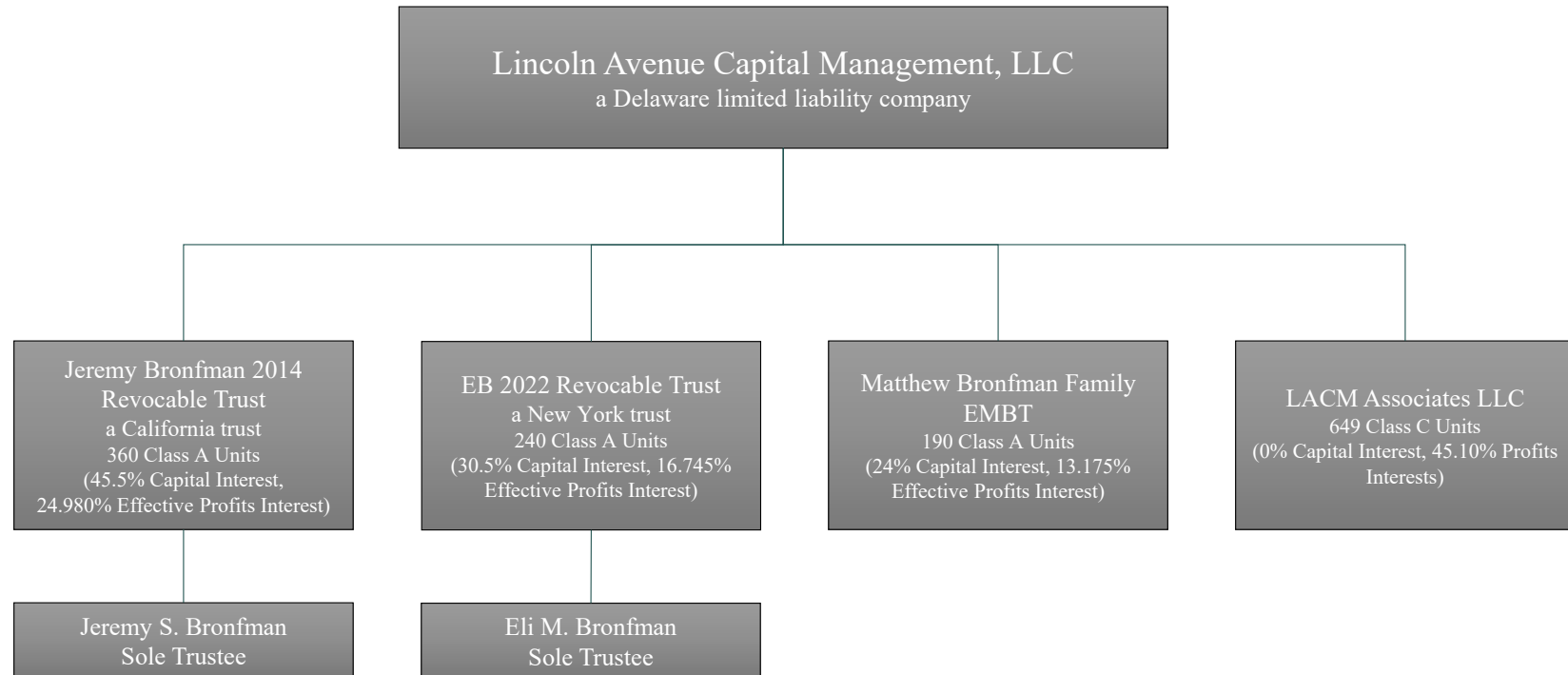


Address: 401 Wilshire Blvd Suite
1100 Santa Monica CA 90401

Phone Number: 424-222-8396

Attachment 7 - Developer's Disclosure Statements

Exhibit B - Lincoln Avenue Capital Management LLC



Address: 401 Wilshire Blvd Suite
1100 Santa Monica CA 90401

Phone Number: 424-222-8396

Delaware

The First State

Page 1

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF
DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT
COPY OF THE CERTIFICATE OF FORMATION OF "LINCOLN AVENUE CAPITAL
LLC", FILED IN THIS OFFICE ON THE FIFTH DAY OF APRIL, A.D.
2016, AT 10:01 O`CLOCK A.M.*

A handwritten signature in black ink, appearing to read "JBullock", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Jeffrey W. Bullock, Secretary of State

6008115 8100
SR# 20162075077

Authentication: 202093827
Date: 04-05-16

You may verify this certificate online at corp.delaware.gov/authver.shtml

Attachment 7 - Developer's Disclosure Statements

State of Delaware
Secretary of State
Division of Corporations
Delivered 10:01 AM 04/05/2016
FILED 10:01 AM 04/05/2016
SR 20162075077 - File Number 6008115

CERTIFICATE OF FORMATION OF LINCOLN AVENUE CAPITAL LLC

I.

The name of the limited liability company is Lincoln Avenue Capital LLC.

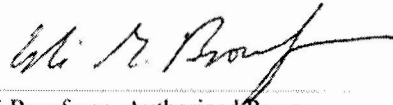
II.

The address of the company's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, in the City of Wilmington, State of Delaware, in the County of New Castle, 19808. The name of its registered agent at such address is Corporation Service Company.

III.

This Certificate of Formation shall be effective upon filing.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of April 5, 2016.



Eli Bronfman, Authorized Person

Exhibit D Attachment 7 - Developer's Disclosure Statements Bank Reference Contact Sheet

Entity: Lincoln Avenue Capital LLC

Reference# 1

Bank / Lender / Firm: Bridgewater Bank

Contact Name: Katie Klug

Contact Phone #: 651-605-2676

Contact Fax #:

Contact E-mail: katie.klug@bwbm.com

Reference Address: 370 Wabasha Street North St Paul MN 55102

Type of Account: Checking

Account Number: 81200834; 81201444

Reference# 2

Bank / Lender / Firm: JPMorgan Chase

Contact Name: Courtney Bogle

Contact Phone #: 212-270-6000

Contact Fax #:

Contact E-mail: courtney.w.bogle@jpmorgan.com

Reference Address:

Type of Account:

Attachment 7 - Developer's Disclosure Statements

Account Number:

Bank Reference Contacts

Page 1 of 2

Reference# 3

Bank / Lender / Firm:

KeyBank

Contact Name:

Brian Larsen

Contact Phone #:

206-343-6912

Contact Fax #:

Contact E-mail:

brian_j_larsen@keybank.com

Reference Address:

Type of Account:

Account Number:

Reference# 4

Bank / Lender / Firm:

Contact Name:

Contact Phone #:

Contact Fax #:

Attachment 7 - Developer's Disclosure Statements

Contact E-mail:

Reference Address:

Type of Account:

Account Number:

Reference# 5

Bank / Lender / Firm:

Contact Name:

Contact Phone #:

Contact Fax #:

Contact E-mail:

Reference Address:

Type of Account:

Account Number:

Attachment 7 - Developer's Disclosure Statements



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

06/20/2023

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

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

PRODUCER McGriff Insurance Services, LLC 3400 Overton Park Drive SE Suite 300 Atlanta, GA 30339	CONTACT NAME: PHONE (A/C, No, Ext): 404 497-7500 E-MAIL ADDRESS: michelle.barbre@mcgriff.com		FAX (A/C, No):
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Lincoln Avenue Capital Management LLC 401 Wilshire Blvd Ste 1070 Santa Monica, CA 90401	INSURER A : Texas Insurance Company		16543
	INSURER B : Arch Specialty Insurance Company		21199
	INSURER C : Allied World National Assurance Company		10690
	INSURER D :		
	INSURER E :		
INSURER F :			

COVERAGES **CERTIFICATE NUMBER:** K98Y2CF3 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			JT123PANN01432-02	03/31/2023	03/31/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$0			UXP1048032-01	03/31/2023	03/31/2024	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y / <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
C	Excess Liability			0311-7154	03/31/2023	03/31/2024	Each Occurrence \$ 8,000,000 Aggregate \$ 8,000,000 Retention \$ 0 \$

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

CERTIFICATE HOLDER

Lincoln Avenue Capital Management, LLC
 401 Wilshire Blvd
 Ste. 1070
 Santa Monica, CA 90401

CANCELLATION

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

AUTHORIZED REPRESENTATIVE



Attachment 7 - Developer's Disclosure Statements

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

Acct#: 2831423

6/16/2023

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

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

PRODUCER Lockton Companies, LLC 3657 Briarpark Dr., Suite 700 Houston, TX 77042	CONTACT NAME: 888-828-8365	FAX (A/C, No):	
	PHONE (A/C, No, Ext):	E-MAIL ADDRESS: INSPERITYCERTS@LOCKTONAFFINITY.COM	
INSURED LINCOLN AVENUE CAPITAL MANAGEMENT, LLC 401 WILSHIRE BLVD STE 1070 SANTA MONICA, CA 90401-1428	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Ace American Insurance Co.		22667
	INSURER B:		
	INSURER C:		
	INSURER D:		
INSURER E:			
INSURER F:			

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE \$
	<input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$
							MED EXP (Any one person) \$
							PERSONAL & ADV INJURY \$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$
	OTHER:						\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB						EACH OCCURRENCE \$
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> OCCUR					AGGREGATE \$
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$	<input type="checkbox"/> CLAIMS-MADE					\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			C51643525	10/1/2022	10/1/2023	X PER STATUTE <input type="checkbox"/> OTH-ER \$ 1,000,000
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y / N <input type="checkbox"/>	N / A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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

CERTIFICATE HOLDER**CANCELLATION**

LINCOLN AVENUE CAPITAL MANAGEMENT, LLC
401 WILSHIRE BLVD STE 1070
SANTA MONICA, CA 90401

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

AUTHORIZED REPRESENTATIVE