

HOUSING AUTHORITY REPORT

EXECUTIVE SUMMARY SHEET

DATE REPORT ISSUED: March 18, 2008 REPORT NO.: HAR08-08
ATTENTION: Chair and Members of the Housing Authority
ORIGINATING DEPT: San Diego Housing Commission
SUBJECT: Final Bond Authorization for Ten Fifty B
COUNCIL DISTRICT: District 2
STAFF CONTACT: Cissy Fisher (619) 578-7585

Please note: There is a Redevelopment Agency companion for this item.

REQUESTED ACTION:

Take the final step to authorize the issuance of Housing Authority mortgage revenue bonds to fund the development of Ten Fifty B.

STAFF RECOMMENDATION:

Housing Authority authorize the issuance of two series of housing revenue bonds in an aggregate amount up to \$51 million to fund the development of Ten Fifty B, a 229-unit apartment complex located on two separate legal parcels at 1050 B Street by Affirmed Housing Group (Affirmed).

EXECUTIVE SUMMARY:

Affirmed proposes to construct and operate a 23-story, 229-unit affordable rental housing development on a 19,994 square-foot site located on the north side of B Street between Tenth and Eleventh Avenues in downtown San Diego. The project would consist of 68 studio, 57 one bedroom, 34 two bedroom, and 70 three bedroom units. A total of 226 apartments would be affordable to very low and low-income households earning 25% to 60% of Area Median Income (AMI) (\$19,750 to \$47,400 for a household of four). Three units will be reserved for on-site managers and will not be occupancy-restricted.

As part of its purchase contract with the property owner, Affirmed will construct ground floor retail space in the building and allow the seller to retain ownership of that portion of the building. The project will also include 124 parking spaces, a 700 square foot community room, and two outdoor terraces totaling 7,400 square feet.

For financing purposes, the 23-story community will be divided into two projects on two legal parcels. Floors two through seven will encompass one project, "Phase I," and floors eight through twenty-three will encompass the other project, the "Phase II." However, from an operating standpoint the building will be managed as a single community and the residents of both components will have equal access to the parking and amenities of the project.

Affirmed has developed over 1,500 units in California and the mid-Atlantic states of West Virginia, Virginia and North Carolina. Recent developments include new construction as well as acquisition and substantial rehabilitation projects in San Diego, Riverside, and Santa Clara counties. Recent projects in San Diego include the 106-unit Tesoro Grove Apartments, the 94-unit Hollywood Palms Apartments,

the 50-unit Creekside Trails Apartments, the 69-unit Auburn Park Apartments, and the 275-unit Studio 15 development in downtown.

The total development cost of the project is estimated to be approximately \$88.7 million. In addition to housing revenue bonds, sources of funding will include a loan from the Centre City Development Corporation (CCDC), federal tax credits, a loan from the State of California's Multifamily Housing Program, private funds, and a deferred developer fee.

FISCAL CONSIDERATIONS:

There are no fiscal impacts to the Housing Commission, City, or Housing Authority associated with the requested action. Neither the faith and credit nor the taxing power of the City or the Housing Authority would be pledged to the payment of the bonds; security for repayment of the bonds will be limited to the value of the property and its revenue sources. All costs of the financing, including compensation for staff efforts in preparing the bonds, will be borne by the project owner. The Housing Commission's origination fee under the financing will be up to \$117,300 (0.23 percent of the bond amount).

PREVIOUS HOUSING AUTHORITY And/Or COMMITTEE ACTIONS:

On October 9, 2007, the Housing Authority and City Council approved preliminary bond items for the project. On the same date, the Redevelopment Agency approved the project design and Owner Participation Agreement (OPA) for Ten Fifty B.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Centre City Advisory Committee recommended approval of the OPA and project design on September 13, 2007. On September 19, 2007, the CCDC board recommended approval of the OPA, project design, and environmental secondary study for the project. Finally, on September 14, 2007, the Housing Commission recommended approval of preliminary bond items for Ten Fifty B.

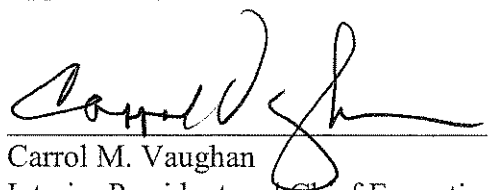
KEY STAKEHOLDERS & PROJECTED IMPACTS:

Low and very-low income households are the intended residents of the project. Affirmed and FAH will develop and own the project. The current owners of the site are: Julian E. Josephson and Jennifer Josephson, husband and wife; Stanley G. Smiedt and Paul B. Abelowitz as co-trustees of the Josephson Childrens Trust No. 1995-1; Stanley H. Smiedt and Marilyn Smiedt, husband and wife; and Julian E. Josephson and Sheldon Derezin as co-trustees of the Smiedt Children's Trust No. 1995-1. US Bank and Boston Capital have been selected to provide debt and equity for the project.

Respectfully submitted,

Approved by,


Cissy Fisher
Director, Housing Finance


Carrol M. Vaughan
Interim President and Chief Executive Officer

REPORT

DATE ISSUED: March 18, 2008

REPORT NO: HAR 08-08

ATTENTION: Chair and Members of the Housing Authority
For the Agenda of April 15, 2008

SUBJECT: Final Bond Authorization for Ten Fifty B (Council District 2)

REQUESTED ACTION:

Take the final step to authorize the issuance of Housing Authority mortgage revenue bonds to fund the development of Ten Fifty B.

STAFF RECOMMENDATION:

Housing Authority authorize the issuance of two series of housing revenue bonds in an amount up to \$51 million to fund the development of Ten Fifty B, a 229-unit apartment complex located on two separate legal parcels at 1050 B Street by Affirmed Housing Group (Affirmed).

BACKGROUND:

The Project

Affirmed proposes to construct and operate a 23-story, 229-unit affordable rental housing development on a 21,780 square-foot site located on the north side of B Street between Tenth and Eleventh Avenues in downtown San Diego. The project would consist of 68 studio, 57 one bedroom, 34 two bedroom, and 70 three bedroom units. As part of its purchase contract with the property owner, Affirmed will construct ground floor retail space in the building and allow the seller to retain ownership of that portion of the building. The project will also include 124 parking spaces, a 700 square foot community room, and two outdoor terraces totaling 7,400 square feet. A vicinity map is included as Attachment 1.

For financing purposes, the 23-story community will be divided into two projects on two legal parcels. Floors two through seven will encompass one project, "Phase I," and floors eight through twenty-three will encompass the other project, "Phase II." However, from an operating standpoint the building will be managed as a single community and the residents of both components will have equal access to the parking and amenities of the project. Attachment 2 provides a summary description of the project and its two components.

Housing Affordability

A total of 226 apartments would be affordable to very low and low-income households earning 25% to 60% of Area Median Income (AMI) (\$19,750 to \$47,400 for a household of four). Three units will be reserved for on-site managers and will not be occupancy-restricted. The following table summarizes the rent and occupancy restrictions.

Type	Unit Size (sq. ft.)	AMI	Number of Units	Restricted Rent (net of utility allowance)*	Market Rate	Monthly Savings per unit
Studio	465	35%	33	\$412	\$900	\$488
Studio	465	50%	11	\$598	\$900	\$302
Studio	465	60%	24	\$719	\$900	\$181
One Bedroom	648	30%	7	\$373	\$1,400	\$1,027
One Bedroom	648	50%	15	\$643	\$1,400	\$757
One Bedroom	648	60%	34	\$774	\$1,400	\$626
One Bedroom	648	MGR	1	N/A	\$1,400	N/A
Two Bedroom	887	30%	17	\$445	\$1,600	\$1,155
Two Bedroom	887	50%	3	\$761	\$1,600	\$839
Two Bedroom	887	60%	13	\$918	\$1,600	\$682
Two Bedroom	887	MGR	1	N/A	\$1,600	N/A
Three Bedroom	1,068	25%	10	\$424	\$1,900	\$1,476
Three Bedroom	1,068	30%	7	\$514	\$1,900	\$1,386
Three Bedroom	1,068	35%	10	\$603	\$1,900	\$1,297
Three Bedroom	1,068	40%	4	\$693	\$1,900	\$1,207
Three Bedroom	1,068	50%	9	879	\$1,900	\$1,021
Three Bedroom	1,068	60%	29	\$1,059	\$1,900	\$841
Three Bedroom	1,068	MGR	1	N/A	\$1,900	N/A
Total			229			\$159,420
Total Annual Savings						\$2,045,448

*Due to CCDC funding, rents have been further reduced to comply with California Redevelopment requirements.

Development Team

Since inception in 1994, Affirmed has developed over 1,100 units in California and the mid-Atlantic states of West Virginia, Virginia and North Carolina. Affirmed has secured over \$200 million of tax credit, conventional, and other financing for affordable housing projects. Recent developments include new construction as well as acquisition and substantial rehabilitation projects in San Diego, Riverside, and Ventura counties. Recent projects in San Diego include the 106-unit Tesoro Grove Apartments, the 94-unit Hollywood Palms Apartments, the 50-unit Creekside Trails Apartments, the 69-unit Auburn Park Apartments, and the 275-unit Studio 15 development in downtown. A developer disclosure statement for Affirmed is included as Attachment 3.

Affirmed will form two separate limited partnerships (Ten Fifty B Street Housing Partners, L.P. and Ten Fifty B Street, L.P.) to own and operate Ten Fifty B. Affirmed will act as the administrative general partner in the two limited partnerships and the Foundation for Affordable Housing (FAH) will act as the managing general partner of the limited partnerships. FAH is a 501(c)(3) public benefit non-profit corporation founded to create safe, comfortable, high-quality affordable housing. To date, FAH has developed 8,965 units of affordable housing in 90 rental communities located in California, Colorado, Texas, and North Carolina. A disclosure statement for FAH is included as Attachment 4.

Financing Structure

As stated above, Ten Fifty B has been divided into two projects for financing purposes. The rationale for creating two projects is to reduce the local subsidy that is required to fund the project. To secure funding from the State of California's Multifamily Housing Program (MHP), it is necessary to set aside one-third

of a project's units at an average of 30% AMI. However, the maximum MHP award is \$10 million. By dividing Ten Fifty B into two components for financing, Affirmed was able to secure the maximum award from MHP without having to restrict one-third of the project's total units at 30% AMI. Instead, rents on only one-third of Phase II's units have been set at 30% AMI. The higher rents on the Phase I (50% and 60% AMI) allow for a larger bond-financed permanent mortgage and a smaller subordinate loan from the Centre City Development Corporation (CCDC).

The total development cost of the project is estimated to be approximately \$88.7 million. Major cost items include acquisition, construction costs, interest and financing costs, a developer fee, and other soft costs. A summary of development costs is included below:

Proposed Permanent Uses of Funding	
Construction	\$65,050,000
Property Acquisition	4,400,000
Developer Fee	3,750,000
Interest and Financing Costs	6,300,000
Soft Costs	9,200,000
Total	\$88,700,000

The \$51 million bond amount referenced in the staff recommendation is the maximum bond issuance amount that the Housing Authority could authorize for Ten Fifty B. Based on current estimates, approximately \$50 million in housing revenue bonds will be issued for the project; approximately \$23 million for Phase I and \$27 million for Phase II. Of the \$50 million bond issuance amount, approximately \$41 million in housing revenue bonds will remain outstanding only during the construction phase of the project and will be paid off at conversion to permanent financing. The combined permanent bond amount is estimated to be approximately \$9 million and will be based upon project costs, revenues, and interest rates.

In addition to housing revenue bonds, sources of funding include the loan from CCDC, federal tax credits, the MHP loan, and a deferred developer fee. Furthermore, to finance the project, Affirmed will secure up to \$2.4 million in private funding. Affirmed is also applying for a number of competitive financing sources to offset the private funding. These sources include funds available under the Federal Home Loan Bank's Affordable Housing Program (AHP) and the State's Transit Oriented Development (TOD) programs. If the project receives funding in excess of \$2.4 million, the CCDC loan will be reduced. Preliminary permanent sources of funding are summarized in the following table:

Proposed Permanent Financing Sources	
CCDC Loan	\$33,975,000
Federal Tax Credits	\$33,700,000
Housing Revenue Bonds	\$8,700,000
MHP Program	\$10,000,000
Private Funds/AHP/TOD	\$2,400,000
Deferred Developer Fee	\$300,000
Total	\$88,700,000

Public Disclosure and Bond Authorization

The bonds will be sold through a private placement to US Bank. The bonds will not be credit enhanced or rated. When bonds are issued through a public offering, a third party trustee administers bond proceeds, collects project loan payments, makes bond debt service payments, and protects the interest of bondholders. However, since the bonds will be sold directly to US Bank, a third party trustee will not be used, and US Bank will act as both bondholder representative and bondholder/lender.

As part of the proposed financing, US Bank will be required to sign an investor letter certifying that they are a sophisticated investor, understand the risks associated with the purchase of the bonds, and have completed all necessary due diligence in determining to purchase the bonds. The transfer of the bonds by US Bank or any subsequent bondholder will be restricted to transferees who would purchase all of the bonds (to maintain ownership by a single bondholder), and who would represent to the Authority that they are sophisticated investors who are buying the bonds for investment purposes and not for resale, and have made due investigation of the information they would deem material in connection with the purchase of the bonds. Finally, US Bank must agree that a mortgage loan default will not, in itself, constitute a bond default.

A separate set of bond documents will be authorized for each component of the Ten Fifty B. The following documents will be executed on behalf of the Housing Authority: two Indentures, two Loan Agreements, two Regulatory Agreements, and two Assignments of Deeds of Trust and Related Documents. At the time of docketing, all bond documents in substantially final form will be presented to members of the Housing Authority. Any changes to the documents following Housing Authority approval require the consent of the City Attorney's office and bond counsel.

The bonds will be issued pursuant to two Indentures between the Housing Authority and US Bank (acting as bondholder representative). Based upon instructions contained in the Indentures, the bondholder representative will disburse bond proceeds for eligible costs, collect project revenues, make payments to bondholders, and hold collateral to secure payment of the bonds.

Under the terms of the Loan Agreements, the Housing Authority will loan the proceeds of the bonds to the borrower in order to develop the project. The Loan Agreements set out the terms of repayment and

the security for the loan, and the Housing Authority assigns its rights to receive repayments under the loan to the bondholder representative.

The Regulatory Agreements will be recorded against the properties in order to ensure the long-term use of the project as affordable housing. The Regulatory Agreements will also ensure that the project complies with all applicable federal and state laws.

The Assignments of Deeds of Trust and Other Loan Documents, which assigns the Housing Authority's rights and responsibilities as the bond issuer to US Bank, is signed by the Housing Authority and US Bank. Rights and responsibilities that are assigned to US Bank include the right to collect and enforce the collection of loan payments, monitor project construction and related budgets, and enforce insurance and other requirements. These rights will be used by US Bank as bondholder representative to protect its financial interests as the bondowner/lender.

Since the bonds will not be repaid using any City or Housing Authority revenues, it is not appropriate to provide any information about the City's finances. For a summary of the Housing Commission's Multifamily Bond Program and actions that must be taken by the Housing Authority and by the City Council to initiate and finalize bond financings, please see Attachment 5.

Staff has been working with Ross Financial, the Housing Commission's financial advisor, to perform due diligence concerning the proposed financing and to formulate a recommendation for the Housing Authority. After evaluating the terms of the proposed financing and the public benefits to be achieved, it is Ross Financial's recommendation that the bond issuance for the project be authorized. Ross Financial's analysis and recommendation to proceed is included as Attachment 6.

Staff is also working with the City's Disclosure Practices Working Group to insure that the issuance of Housing Authority bonds is in conformance with the City's disclosure requirements.

FISCAL CONSIDERATIONS:

There are no fiscal impacts to the Housing Commission, City, or Housing Authority associated with the requested action. Neither the faith and credit nor the taxing power of the City or the Housing Authority would be pledged to the payment of the bonds; security for repayment of the bonds will be limited to the value of the property and its revenue sources. All costs of the financing, including compensation for staff efforts in preparing the bonds, will be borne by the project owner. The Housing Commission's origination fee under the financing will be up to \$117,300 (0.23 percent of the bond amount).

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March 18, 2008

Final Bond Authorization for Ten Fifty B

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KEY STAKEHOLDERS & PROJECTED IMPACTS:

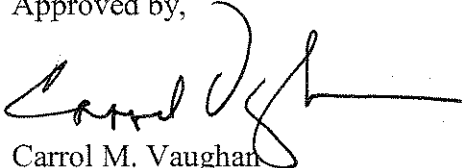
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Respectfully submitted,



Cissy Fisher
Director of Housing Finance & Development

Approved by,



Carrol M. Vaughan
Interim President & Chief Executive Officer

- Attachments:
1. Vicinity Map
 2. Project Description
 3. Affirmed's Developer Disclosure Statement*
 4. FAH's Developer Disclosure Statement*
 5. Multifamily Bond Program Summary
 6. Financial Advisor Analysis

Distribution of these attachments may be limited. Copies are available for review during business hours at the Housing Commission offices at 1122 Broadway, Main Lobby.

Attachment 1: Vicinity Map



Site Address: 1050 Street, San Diego 92101

TABLE 1

PROJECT DESCRIPTION
TEN FIFTY B
CENTRE CITY DEVELOPMENT CORPORATION

ATTACHMENT 2

	w/MHP		w/o MHP		Total	
I. Location					10th and B Streets San Diego, CA	
II. Site Area					21,780 SF 0.5 Acres	
III. Gross Building Area						
Residential Area	103,508 SF (1)	71%	78,701 SF (2)	77%	182,209 SF	74%
Common Area/Circulation - Residential	<u>34,398</u> SF	<u>24%</u>	<u>16,251</u> SF	<u>16%</u>	<u>50,649</u> SF	<u>20%</u>
Gross Building Area - Residential	137,906 SF	95%	94,952 SF	93%	232,858 SF	94%
Retail Area	6,931 SF	5%	6,519 SF	6%	13,450 SF	5%
Common Area/Circulation - Retail	<u>465</u> SF	<u>0%</u>	<u>438</u> SF	<u>0%</u>	<u>903</u> SF	<u>0%</u>
Gross Building Area - Retail	7,396 SF	5%	6,957 SF	7%	14,353 SF	6%
Total Gross Building Area (GBA)	145,302 SF	100%	101,909 SF	100%	247,211 SF	100%
Floor Area Ratio (FAR)					11.4	
IV. Number of Stories	16 Stories		6 Stories		23 Stories	
V. Construction Type					Type I	
VI. Unit Mix						
Studio	33 Units	28%	35 Units	32%	68 Units	30%
One Bedroom	7 Units	6%	50 Units	45%	57 Units	25%
Two Bedroom	25 Units	21%	9 Units	8%	34 Units	15%
Three Bedroom	<u>53</u> Units	<u>45%</u>	<u>17</u> Units	<u>15%</u>	<u>70</u> Units	<u>31%</u>
Total/Average	118 Units	100%	111 Units	100%	229 Units	100%
VII. Average Unit Size						
Studio	470 SF		470 SF		470 SF	
One Bedroom	640 SF		640 SF		640 SF	
Two Bedroom	887 SF		887 SF		887 SF	
Three Bedroom	<u>1,063</u> SF		<u>1,063</u> SF		<u>1,063</u> SF	
Total/Average	835 SF		671 SF		755 SF	

TABLE 1

PROJECT DESCRIPTION
TEN FIFTY B
CENTRE CITY DEVELOPMENT CORPORATION

	w/MHP		w/o MHP		Total	
VIII. Density					458 Units/Acre	
IX. Affordability Mix						
Units @ 25% of AMI	10 Units	8%	0 Units	0%	10 Units	4%
Units @ 30% of AMI	31 Units	26%	0 Units	0%	31 Units	14%
Units @ 35% of AMI	43 Units	36%	0 Units	0%	43 Units	19%
Units @ 40% of AMI	4 Units	3%	0 Units	0%	4 Units	2%
Units @ 50% of AMI	4 Units	3%	34 Units	31%	38 Units	17%
Units @ 60% of AMI	<u>25 Units</u>	<u>21%</u>	<u>75 Units</u>	<u>68%</u>	<u>100 Units</u>	<u>44%</u>
Total Affordable	117 Units	99%	109 Units	98%	226 Units	99%
Managers	<u>1 Units</u>	<u>1%</u>	<u>2 Units</u>	<u>2%</u>	<u>3 Units</u>	<u>1%</u>
Total Units	118 Units	100%	111 Units	100%	229 Units	100%
X. Average Affordability (Affordable Units)	39% AMI		57% AMI		48% AMI	
XI. Parking						
Residential Parking	65 Spaces (3)		61 Spaces (3)		126 Spaces	
Retail Parking	<u>3 Spaces</u>		<u>3 Spaces</u>		<u>6 Spaces</u>	
Number of Spaces	68 Spaces		64 Spaces		132 Spaces	
Parking Area					76,606 SF	
Average Space Size					580 SF (Gross)	
Parking Ratio	0.55 Spaces/Unit		0.55 Spaces/Unit		0.55 Spaces/Unit	
	0.41 Spaces/1,000 SF		0.43 Spaces/1,000 SF		0.42 Spaces/1,000 SF	

(1) Per Developer correspondence dated August 2, 2007, reflects residential useable area (98,504 SF) and walls between each unit (5,004 SF).

(2) Per Developer correspondence dated August 2, 2007, reflects residential useable area (74,504 SF) and walls between each unit (4,197 SF).

(3) Imputed by KMA based on parking ratio for entire residential component.

ATTACHMENT 3



San Diego
HOUSING COMMISSION

Housing Finance & Development

DEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE

(add extra **sheets** if you need more **space**)

1. Name of developer:
Affirmed Housing Group
2. Address, phone number and ZIP Code:
13520 Evening Creek Drive North, #360
San Diego, CA 92128
3. IRS Number of Developer:
33-0454528
4. If the developer is not an individual doing business under his own name, the developer has the status indicated below and is organized or operating under the laws of California as:

☒ A corporation
☐ A nonprofit or charitable institution or corporation
☐ A partnership known as: _____
☐ A business association or a joint venture known as _____
☐ A Federal, State or local government or instrumentality thereof.
☐ Other (explain) _____
5. If the developer is not an individual or a government agency or instrumentality, give date of organization:

December 18, 1990
6. Names, addresses, phone numbers, title of position (if any) and nature and extent of the interest of the officers and principal members, shareholders, and investors of the developer, other than a government agency or instrumentality, are set forth as follows:
 - a. If the developer is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.

James Silverwood, President and CEO

Developer Disclosure Statement Page 2

- b. If the developer is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

N/A

- c. If the developer is a partnership, each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.

N/A

- d. If the developer 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.

N/A

- e. If the developer is some other entity, the officers, the members of the governing body, and each person who has an interest of more than 10%.

<u>Name, Address & Zip Code</u>	<u>Phone Number</u>	<u>Position Title (if any) and percent of interest or description of character and extent of interest</u>
N/A	N/A	N/A

7. Name, address and nature and extent of interest of each person or entity (not named in response to Item 6) who has a beneficial interest in any of the shareholders or investors named in response to Item 6 which gives such person or entity more than a computed 10% interest in the developer (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the developer; or more than 50% of the stock in a corporation which holds 20% of the stock of the developer):

Name, Address and <u>Zip Code</u>	Description of character and <u>extent of interest</u>
--------------------------------------	-----------------------------------------------------------

N/A

8. Names (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 6 or Item 7 above:

James Silverwood

9. Is the developer a subsidiary of or affiliated with any other corporation or corporations or any other firm or firms? If yes, list each such corporation or firm by name and address, specify its relationship to the developer, and identify the officers and directors or trustees common to the developer and such other corporation or firm.

None

10. If funds for the development are to be obtained from sources other than the developer's own funds, a statement of the developer's plan for financing the development:

Affirmed Housing Group will not use its own funds for the development of the proposed project. Affirmed Housing Group shall seek to obtain a combination of CCDC subsidy of \$33,595,000, permanent mortgage of \$8,708,000, Low-income Tax Credit equity of \$33,739,000, MHP funds of 10,000,000, private funding of \$2,400,000 and Deferred Developer fee of 250,000. All of the aforementioned funds are necessary to accomplish the development of the proposed project.

11. Sources and amount of cash available to developer to meet equity requirements of the proposed undertaking: Affirmed Housing Group will use the structure, noted in #10, to finance the project.

- a. In banks:

<u>Name, Address and ZIP Code of Bank</u>	<u>\$ Amount</u>
-------------------------------------------	------------------

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

<u>Name, Address and ZIP Code of Source</u>	<u>\$ Amount</u>
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- c. By sale of readily salable assets:

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
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12. Name and addresses of bank references:

Alice Carr – Citibank: 787 West Fifth Street, 29th floor, Los Angeles, CA 90071
Ed Quinlivan – Union Bank: 530 B Street, suite 500, San Diego, CA 92101
Waheed Karim – US Bank: 4330 La Jolla Village Drive, San Diego, CA 92122
Hank Cunningham – Bank of America: 450 B Street, suite 450, San Diego, CA 92101

13. Has the developer or any of the developer's officers or principal members, shareholders or investors, or other interested parties filed a bankruptcy or receivership case or had a bankruptcy or receivership action commenced against them, defaulted on a loan, or been foreclosed against within the past 10 years? Yes _____ No X
If yes, give date, place, and under what name.

14. Has the developer or anyone referred to above as "principals of the developer" been indicted for or convicted of any felony within the past 20 years? Yes _____ No X

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

N/A

15. Undertakings, comparable to the proposed project, which have been completed by the developer including identification and brief description of each project and date of completion:

See attached.

16. If the developer or a parent corporation, a subsidiary, an affiliate, or a principal of the developer is to participate in the development as a construction contractor or builder:

- a. Name and address of such contractor or builder: N/A – outside General Contractor, specializing in high-rise construction to be used.
- 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, explain:

Developer Disclosure Statement Page 5

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

General description of such work:

N/A

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

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

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

<u>Awarding Agency</u>	<u>Amount</u>	<u>Date Opened</u>
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N/A

17. Brief statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

N/A

18. Does any member of the governing body of the San Diego Housing Commission, to which the accompanying proposal is being made, or any officer or employee of the San Diego Housing Commission who exercises any functions or responsibilities in connection with the carrying out of the project covered by the developer's proposal, have any direct or indirect personal financial interest in the developer or in the proposed contractor?
Yes _____ No X____
If yes, explain.


19. Statements and other evidence of the developer's qualifications and financial responsibility (other than the financial statement referred to in Item 10) are attached hereto and hereby made a part hereof as follows:

CERTIFICATION

I, James Silverwood, certify that this Developer's Statement for Public Disclosure and the attached evidence of the developer's qualifications and financial responsibility, including financial statements, are true and correct to the best of my knowledge and belief.

Date: 08/29/2007

Date: _____



Signature

Signature

Title: President and CEO

Title: _____

Address & ZIP Code

13520 Evening Creek Dr. N. #360

San Diego, CA 92128

CITY OF SAN DIEGO

SAN DIEGO HOUSING COMMISSION

Contact: **Betsy Morris**, President & CEO
Telephone: (619) 578-7531
E-mail: ecm@sdhc.org

Contact: **Cissy Fisher**, Director, Housing Finance & Development
Telephone: (619) 578-7585
E-mail: cissyf@sdhc.org

COUNCIL DISTRICT 7

Contact: **Elyse Lowe**, Council Representative
Telephone: (619) 533-5897
E-mail: elowe@sanidiego.gov

COUNCIL DISTRICT 8

Contact: **Ana Molina Rodriguez**, Chief of Staff
Telephone: (619) 236-6688
E-mail: amolina@sanidiego.gov

COUNCIL DISTRICT 3

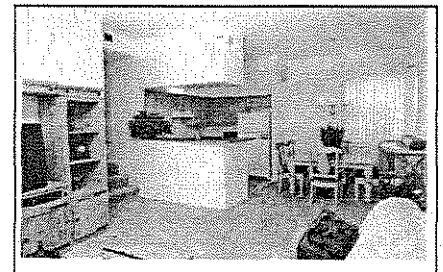
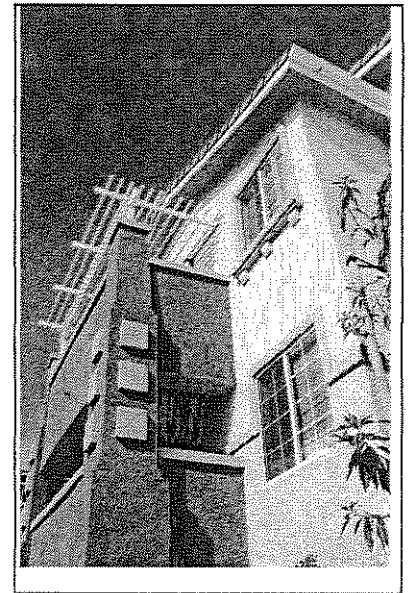
Contact: **Pam Ison**, Council Representative
Telephone: (619) 236-6633

RELATED EXPERIENCE: Affirmed Housing Group has worked with the San Diego Housing Commission to develop two apartment communities in Council District 8, one in Council District 3 and is currently developing an apartment community and public park in Council District 7 with the assistance of the City of San Diego Redevelopment Agency.

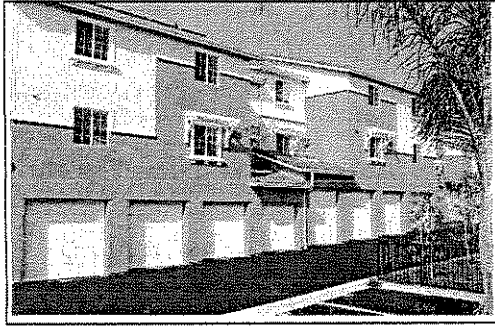


Tesoro Grove (Council District 8) - In October 2000, Affirmed Housing Group submitted a response to the Housing Commission's Notice of Funding Availability with a proposal to develop a 106-unit multifamily affordable rental community. The land is an irregularly shaped parcel, adjacent to Interstate 5 and was a remnant of a property condemned by the City when they sought to construct a sewer pump station. Our design team created an award winning site plan which created a walkable residential neighborhood, orienting the buildings in such a way that the buildings mitigated nearly all of the noise generated by the adjacent

freeway. The design included a variety of floor plans including townhomes, flats, and split level apartments. The development was financed using competitive 9% tax credits and is affordable to households earning 30% - 60% of San Diego County's Median Income. A special feature of the development is the common building – all of the electricity used to run the management office and laundry room is generated by using a photovoltaic (solar electric) system.



Hollywood Palms - In June 2001, Affirmed Housing Group was engaged by Boston Capital to act as Developer of a 94-unit multifamily affordable housing development. Affirmed Housing Group secured 4% tax credits, coordinated tax-exempt bond financing and obtained project-based section 8 as well as gap financing from the San Diego Housing Commission. Because the development was quite controversial, Affirmed Housing Group worked diligently with the City Heights Redevelopment Project Area Committee (PAC) and City Heights Area Planning Committee to develop an award winning community for which City Heights residents could be proud. Hollywood Palms now stands as a gateway in City Heights and has set the standard for affordable housing design, management and energy efficiency. The apartment complex was completed in 2002 and offers 2-, 3-, and 4-bedrooms apartments to households earning 50% and 60% of San Diego County's Median Income.



Creekside Trails - With the success of Tesoro Grove and the overwhelming demand for affordable family housing in San Diego's South Bay, Affirmed Housing Group focused it's attention back on Council District 8. With the assistance of City's Expedite Program, Affirmed Housing Group obtained entitlements to build 50 affordable rental units on a parcel which was designated as open space and was home to a portion of Nestor Creek. The compromise: develop a linear park along the creek to

promote pedestrian activity within the Community Planning Area's core. The Planning Commission unanimously approved the plan within 5 months of the first planning submittal. Creekside received an award of 9% tax credits in October 2004. The complex was completely occupied by March of 2006 with apartments affordable to households earning 30% - 60% of San Diego County's Median Income.

Auburn Park

Auburn Park, located in Council District 7, is Affirmed Housing Group's most challenging & complex development to date. Starting with the land: the site is irregularly shaped, contains cliff-like slopes, and is bisected by the Auburn Branch of Chollas Creek. Thanks to a creative design team and a helpful neighborhood group, the site plan is genius. The apartments have been placed along the street to promote pedestrian activity which allows for a tremendous amount of open space for such a small development. Affirmed Housing Group is working with the Redevelopment Agency and the City's Parks Department to dedicate the open space park to the public upon completion of construction. The scope of construction includes: building a 69 unit apartment community over a subterranean parking structure, revegetating and restoring the Auburn Branch of Chollas Creek, and building a ½ acre community park complete with an educational gazebo. All of the apartments will be rented to households earning 30% - 60% of San Diego



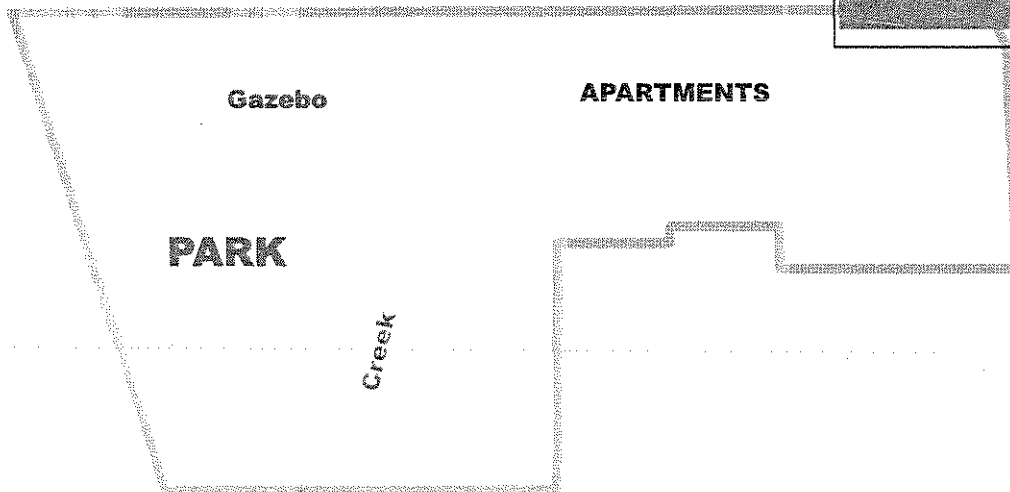
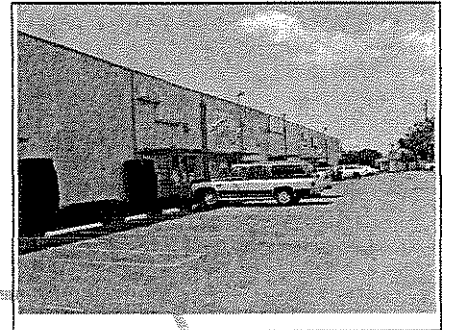
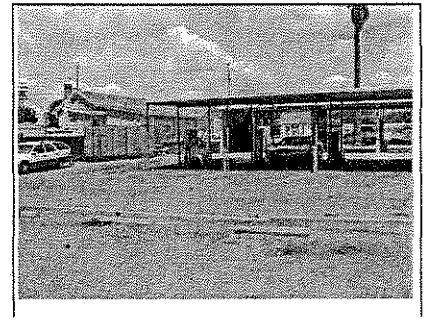
Auburn Park

County's Median Income. Approval of the development was granted by the City Council on June 28, 2005. The proposed levels of affordability are quite appropriate for the neighborhood as this particular census tract is one of the poorest in the county. Many of the areas residents are Somalian refugees living in cramped and substandard housing. We have been fortunate as we have had the opportunity to work with an active neighborhood group to help bring Auburn Park to fruition. The Fox Canyon Neighborhood Association



(FCNA) has sacrificed many hours to work with our design team to produce a beautiful site plan. For more information on this collaborative effort, please contact FCNA's President, Jose Lopez at FoxCanyonN@aol.com, visit their website at <http://www.neighborhoodlink.com/sandiego/foxcan/>.

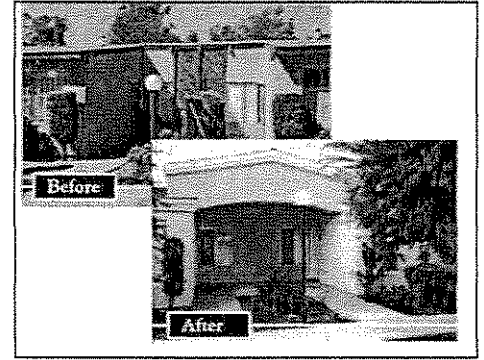
Construction will be complete in June of 2007.



CITY OF FREMONT

Contact: **Elisa Tierney**, Redevelopment Director
Telephone: (510) 494-4501
E-mail: Etierney@ci.fremont.ca.us
Contact: **Bill Cooper**, Redevelopment Project Manager
Telephone: (510) 494-4520
E-mail: Bcooper@ci.fremont.ca.us

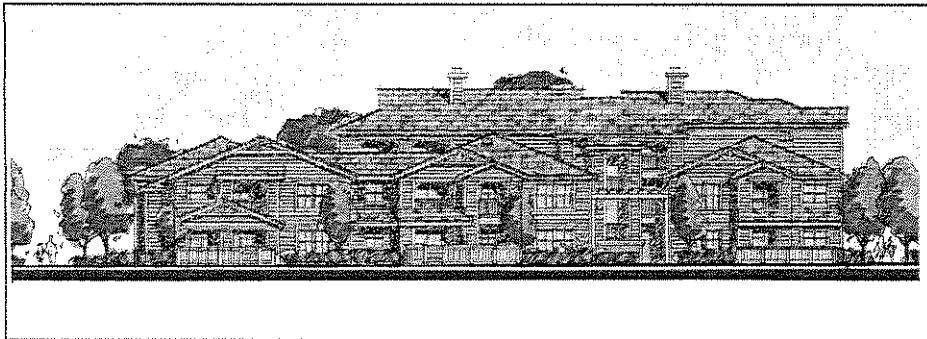
RELATED EXPERIENCE: **Maple Square:** Affirmed Housing Group is currently working with the City of Fremont to redevelop an underutilized automotive repair center in the Centerville Redevelopment Project Area. Affirmed Housing Group privately secured purchase agreements with two separate property owners for three parcels. The Redevelopment Agency conveyed a vacant parcel to the complete the land assembly process. Affirmed Housing Group received approval for a Planned District and a General Plan Amendment to redevelop the site. We then secured funding from the State of California through its Multifamily Housing Program (MHP) as well as tax exempt bond authority and 4% tax credits.



Construction of the Craftsman style apartments has commenced and is scheduled to be completed August 2006.

The apartment community is comprised of 132 affordable apartments contained in 2- and 3- story slab-on-grade structures and one 3 story podium structure with subterranean parking. The apartments will be rented to households earning 25% - 60% of Alameda County's Median Income.

Proximity to a lower density single family neighborhood inspired us to design 9 single family "market rate" homes as a density buffer between the existing neighborhood and the new high density apartments. The new homes offer buyers a choice of either Craftsman or Bungalow style homes.



CITY OF SAN MARCOS

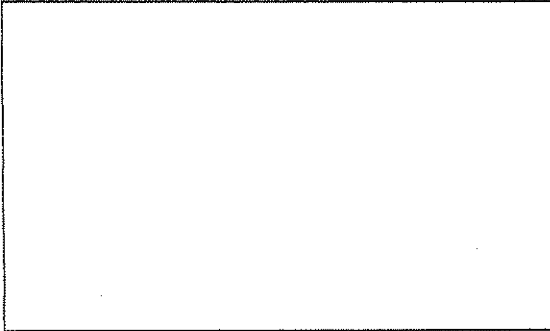
Contact: **Rick Gittings**, City Manager
Telephone: (760) 744-1050 x3118
Contact: **Charlie Schaffer**, Development Services Director
Telephone: (760) 744-1050 x3230



RELATED EXPERIENCE:

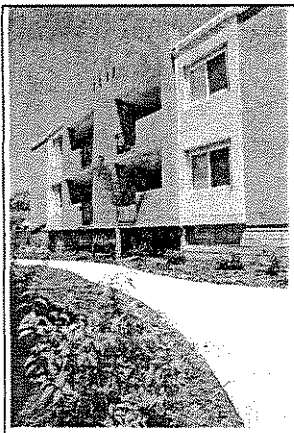
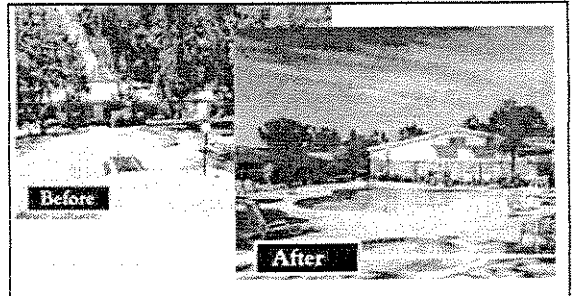
Mariposa - In April 1997, Affirmed Housing Group acquired an 80-unit multifamily complex in the Richmar Redevelopment Area. The apartment complex was long known for a myriad of illegal activity - predominantly drug trafficking. It's proximity to the City's Junior High School made it a perfect candidate for redevelopment. After securing tax-exempt bond financing, 4% tax credits and Redevelopment Agency funding, substantial interior and exterior rehabilitation efforts were undertaken to complete the 70-unit project. Site and building redesign efforts included: converting (20) one-bedroom apartments into (9) three-bedroom apartments and a central management office; installing a pool and spa; creating a community recreation room; and restoring a 1 acre park. Mariposa offers affordable rents to households earning 35% - 60% of San Diego County's Median Income. The range of affordability

allowed families who were once living in extremely cramped conditions to live in their own apartments while maintaining close contact with one another by living in the same apartment complex.



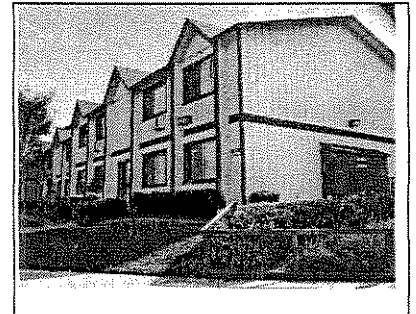
Ventaliso - In addition to obtaining highly competitive 9% tax credits, Affirmed Housing Group secured financing from the Redevelopment Agency of the City of San Marcos and

HOME funds from the County of San Diego. Shortly after acquiring 3 separately owned commercially-zoned parcels, Affirmed Housing Group processed a boundary adjustment and General Plan Amendment necessary to construct the 48-unit affordable apartment complex. Ventaliso is the first apartment complex on Richmar to utilize subterranean parking. The apartment community offers affordable rents to households earning 30% - 60% of San Diego County's Median Income as well as market rate rents for those who do not meet the income requirements.



CITY OF TEMECULA

Contact: **John Meyer**, Director - Housing and Redevelopment
Telephone: (951) 693-3950
E-mail: John.Meyer@cityoftemecula.org



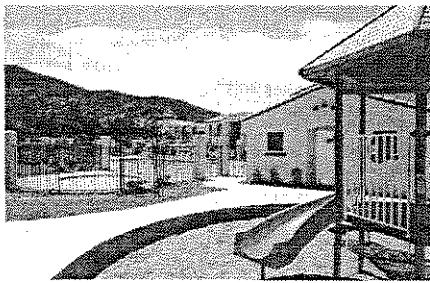
RELATED EXPERIENCE:

Mission Village - In December 1997, Affirmed Housing Group was formally selected to assist the City of Temecula in meeting its affordable

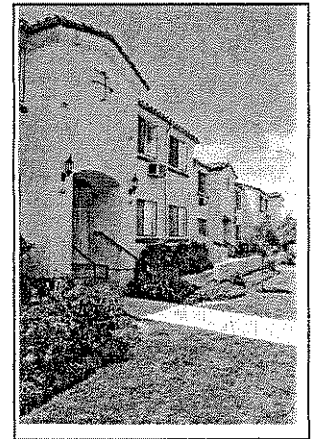


development goals based on a response to the City Redevelopment Agency's RFQ. Affirmed Housing Group creatively leveraged the Redevelopment Agency's financial contribution through a long-term ground lease, tax exempt bonds, and 4% tax credits to develop the 76-unit apartment community.

Construction efforts included remodeling (38) two-bedroom apartments and



constructing (38) new three-bedroom apartments, building a central management office, and constructing a pool and new play areas adjacent to new laundry facilities. The apartment community offers rents affordable to households earning 50% and 60% of Riverside County's Median Income.



Cottages of Old Town - When the Redevelopment Agency desired to produce an affordable homeownership project, they turned to Affirmed Housing Group to develop 17 single family homes. The development consisted of rehabilitating 3 existing single family residences (including a historic home) and constructing 14 new single family detached homes. The properties were sold through a lottery system to households earning up to 120% AMI and include a mix of 3 and 4 bedroom, single and two story



homes with attached garages. The Cottages of Old Town turned many Temecula renters into homeowners.



CITY OF MURRIETA

Contact: **Lori Moss**, City Manager
Telephone: (951) 304-2489
E-mail: lmoss@murrieta.org

RELATED EXPERIENCE: Monte Vista is Murrieta's first planned affordable apartment community. Located near the City's "big box" core, the development will provide new housing for the community's growing work force.

The 64 unit apartment community exhibits a Craftsman style which will compliment the planned Town Square which will be located across the street.

To finance the development, Affirmed Housing Group secured competitive 9% tax credits, a loan from the Redevelopment Agency, and a HOME Loan from the County of Riverside. Rents will be affordable to households earning 30% - 60% of Riverside County's Median Income. Construction was completed in July of 2005 and the apartment complex has enjoyed 100% occupancy since it opened.



The success of Monte Vista has prompted the City Council to request that Affirmed Housing Group build another affordable housing development. Affirmed Housing Group is currently planning Murrieta's second affordable housing development - Heritage Village. Heritage Village will be a 48 unit apartment complex with a day care center.

CONSTRUCTION LENDERS

- a. **BANK OF AMERICA**
450 B Street, Suite 450, San Diego, CA 92101

Contact: **Hank Cunningham**, Senior Vice President
Telephone: (619) 515-5969
E-mail: hank.cunningham@bankofamerica.com

RELATED EXPERIENCE: Affirmed Housing Group has selected Bank of America as construction and permanent lender on numerous affordable housing developments. Bank of America has expedited loan approval for projects with an array of complex public financing, including tax exempt bonds, tax credits, HOME and RDA funds and project based Section 8. Further, Bank of America has also purchased tax-exempt bonds on a private placement basis.

- b. CITIBANK
787 West 5th Street, 29th Floor, Los Angeles, CA 90071

Contact: **Alice Carr**, Market Director for California Citibank Community Development
Telephone: (213) 239-1934

RELATED EXPERIENCE: Citibank has acted as construction and permanent lender on numerous affordable housing developments. Loans have been made on projects utilizing either 9% or 4% tax credits. Citibank has also purchased tax-exempt bonds on a private placement basis.

- c. WASHINGTON MUTUAL BANK
17877 Von Karman, 4th Floor, Irvine, CA 92614

Contact: **Arthur Porter**, Senior Vice President
Telephone: (949) 833-4123
Contact: **Catherine Fredinburg**, Construction and Community Lending Manager
Telephone: (949) 833-4121

RELATED EXPERIENCE: Washington Mutual Bank has acted as construction and permanent lender on many of Affirmed Housing Group's previous tax-exempt bond developments. Washington Mutual has the financial capacity to purchase tax-exempt bonds, on a private placement basis. Both Catherine Fredinburg and Arthur Porter are familiar with the multiple layers of funds associated with affordable housing development, similar to the proposed financing structure.

- d. UNION BANK OF CALIFORNIA
530 B Street, Suite 500, San Diego, CA 92101

Contact: **Edward Quinlivan**, Vice President
Telephone: (619) 230-3256

RELATED EXPERIENCE: Union Bank of California was recently selected as construction and permanent lender on Auburn Park Apartments. Prior to joining Union Bank, Mr. Shipstead was the Senior Vice President of Bank of America Community Bank and processed 6 construction and 2 permanent loans with Affirmed Housing Group, along with the purchase of tax-exempt bonds on a private placement basis.

TAX CREDIT INVESTORS

- a. BOSTON CAPITAL
One Boston Place, 21st Floor, Boston, MA 02108

Contact: **Brenda Champy**, Senior Vice President, Director of Acquisitions
Telephone: (617) 624-8874

RELATED EXPERIENCE: Affirmed Housing Group has had a strong working relationship with Boston Capital for the past four years. In addition to acting as the investor on several developments, Boston Capital has provided pre-development financing and assistance with securing tax-exempt bond financing to many projects. Boston Capital recently engaged Affirmed Housing Group as

Developer for a 94-unit multifamily affordable rental community in the City of San Diego.

- b. MMA FINANCIAL (formerly LEND LEASE)
One Front Street, Suite 1100, San Francisco, CA 94111

Contact: **Catherine Talbot**, Principal, Acquisitions
Phone: (415) 773-9210

RELATED EXPERIENCE: In April 1999, Lend Lease was engaged as the investor partner and provided pre-development financing on a 60-unit multifamily affordable housing development in the city of Winston-Salem, North Carolina, which Affirmed Housing Group acted as general partner. During construction of the project, Lend Lease provided over \$2 Million dollars in equity through the sale of federal tax credits.

REDEVELOPMENT PROFESSIONALS

- a. KEYSER MARSTON ASSOCIATES
1660 Hotel Circle North, Suite 716, San Diego, CA 92108

Contact: **Paul Marra**, Principal
Telephone: (619) 718-9500

RELATED EXPERIENCE: Keyser Marston Associates provides consultation services to City and County Redevelopment Agencies by evaluating the market and financial feasibility of potential developments, preparing strategic real estate plans and analyses, structuring transactions between the public and private sectors and assessing the impacts and implementation requirements of land use policies, including housing for all income groups. Affirmed Housing Group has had the opportunity to work with Keyser Marston Associates in their capacity as financial advisor to the Redevelopment Agencies of the City of Temecula and the City of Escondido.

- b. DANIEL B. LOPEZ & ASSOCIATES
1339 Glen Drive, San Leandro, CA 94577

Contact: **Daniel Lopez**, President
Telephone: (510) 568-7455

RELATED EXPERIENCE: Daniel B. Lopez & Associates is an experienced consulting firm representing several northern California cities for the purpose of providing advisory services relating to Redevelopment Agency project financial proformas, economic development strategies, developer selection and negotiations, and fiscal impact analyses. Affirmed Housing Group has had the opportunity to work with PMW Associates in their capacity as advisor to the Redevelopment Agency of the City of Fremont in connection with the Maple Square Apartment Homes development.

CITY OF VALLEJO

Contact: Craig Whittom, Director of Community Development
Telephone: (707) 648-4579

Contact: Laura Simpson, Housing and Development Division Manager
Telephone: (707) 648-4393

Contact: Guy Ricca, Senior Community Development Analyst
Telephone: (707) 648-4395

RELATED EXPERIENCE: Affirmed Housing Group responded to the City of Vallejo's 2000 RFP with a proposal to develop an 87-unit affordable multifamily rental community. Affirmed Housing Group processed a Planned Development Permit through the City, secured acquisition funds from the Redevelopment Agency and the State of California through its Multifamily Housing program (MHP) tax exempt bonds through the California Debt Limit Allocation Committee and tax credit financing through the California Tax Credit allocation Committee. Construction has commenced with completion and 100% occupancy expected by December 2006.



Housing Finance & Development

ATTACHMENT 4

DEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE

(add extra sheets if you need more space)

1. Name of developer:
Foundation for Affordable Housing V, Inc.
2. Address, phone number and ZIP Code:
30950 Rancho Viejo Road, Suite 100, San Juan Capistrano, CA 92675
949/443-9101 Fax 949/443-9133
3. IRS Number of Developer:
33-0839354
4. If the developer is not an individual doing business under his own name, the developer has the status indicated below and is organized or operating under the laws of California as:

_____ A corporation
☒ A nonprofit or charitable institution or corporation
_____ A partnership known as: _____
_____ A business association or a joint venture known as _____
_____ A Federal, State or local government or instrumentality thereof.
_____ Other (explain)
5. If the developer is not an individual or a government agency or instrumentality, give date of organization: January 4, 1999
6. Names, addresses, phone numbers, title of position (if any) and nature and extent of the interest of the officers and principal members, shareholders, and investors of the developer, other than a government agency or instrumentality, are set forth as follows:
 - a. If the developer is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock. Not Applicable

4-1

- b. If the developer is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body. See attached.
- c. If the developer is a partnership, each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest. Not applicable.
- d. If the developer 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. Not applicable.
- e. If the developer is some other entity, the officers, the members of the governing body, and each person who has an interest of more than 10%.

<u>Name, Address & Zip Code</u>	<u>Phone Number</u>	<u>Position Title (if any) and percent of interest or description of character and extent of interest</u>
Not applicable.		

7. Name, address and nature and extent of interest of each person or entity (not named in response to Item 6) who has a beneficial interest in any of the shareholders or investors named in response to Item 6 which gives such person or entity more than a computed 10% interest in the developer (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the developer; or more than 50% of the stock in a corporation which holds 20% of the stock of the developer):

Developer Disclosure Statement Page 3

Name, Address and
Zip Code

Description of character and
extent of interest

Not Applicable

8. Names (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 6 or Item 7 above: See attached.

9. Is the developer a subsidiary of or affiliated with any other corporation or corporations or any other firm or firms? If yes, list each such corporation or firm by name and address, specify its relationship to the developer, and identify the officers and directors or trustees common to the developer and such other corporation or firm.

Foundation for Affordable Housing, Inc.

Foundation for Affordable Housing II, Inc.

Foundation for Affordable Housing III, Inc.

Foundation for Affordable Housing VI, Inc.

Foundation for Affordable Housing VIII, Inc.

Affordable Housing Alliance II, Inc.

Thomas Willard

Deborrah Willard

10. If funds for the development are to be obtained from sources other than the developer's own funds, a statement of the developer's plan for financing the development:

Not applicable

11. Sources and amount of cash available to developer to meet equity requirements of the proposed undertaking: Not applicable

- a. In banks:

Name, Address and ZIP Code of Bank

\$ Amount

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

Name, Address and ZIP Code of Source

\$ Amount

c. By sale of readily salable assets:

Description

Market Value

Mortgages or Liens

12. Name and addresses of bank references:

Dana Mayo SunAmerica Affordable Housing Partners, 1 SunAmerica Center, Los Angeles, CA 90067

Kathleen Trinh, Washington Mutual Bank, 1500 N. Vine Street, Hollywood, CA 90028

Andy Mackay, Centerline Capital Group, 18101 Von Karman Ave., Ste. 1900, Irvine, CA 92612

Fara Zarei, Pacific Mercantile Bank, 31601 Avenida los Cerritos, Ste. 100, San Juan Capistrano, CA 92675

13. Has the developer or any of the developer's officers or principal members, shareholders or investors, or other interested parties filed a bankruptcy or receivership case or had a bankruptcy or receivership action commenced against them, defaulted on a loan, or been foreclosed against within the past 10 years? Yes _____ No X
If yes, give date, place, and under what name.

14. Has the developer or anyone referred to above as "principals of the developer" been indicted for or convicted of any felony within the past 20 years? Yes _____ No X

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

15. Undertakings, comparable to the proposed project, which have been completed by the developer including identification and brief description of each project and date of completion: See attached company resume and Schedule A

16. If the developer or a parent corporation, a subsidiary, an affiliate, or a principal of the developer is to participate in the development as a construction contractor or builder:
Not applicable

Developer Disclosure Statement Page 5

- a. Name and address of such contractor or builder:
- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract? Yes _____ No _____ If yes, explain:

- c. Total amount of construction or development work performed by such contractor or builder during the last three years: \$ _____

General description of such work:

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

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

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

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

17. Brief statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor: Not applicable

18. Does any member of the governing body of the San Diego Housing Commission, to which the accompanying proposal is being made, or any officer or employee of the San Diego Housing Commission who exercises any functions or responsibilities in connection with the carrying out of the project covered by the developer's proposal, have any direct or indirect personal financial interest in the developer or in the proposed contractor? Yes _____ No X
If yes, explain.

19. Statements and other evidence of the developer's qualifications and financial responsibility (other than the financial statement referred to in Item 10) are attached hereto and hereby made a part hereof as follows:

CERTIFICATION

I (We) Thomas E. Willard certify that this Developer's Statement for Public Disclosure and the attached evidence of the developer's qualifications and financial responsibility, including financial statements, are true and correct to the best of my (our) knowledge and belief.

Date: March 10, 2008

Date: _____



Signature
Thomas E. Willard

Signature

Title: Secretary/Treasurer

Title: _____

Address & ZIP Code

30950 Rancho Viejo Rd, Ste. 100

San Juan Capistrano, CA 92675

Attachment to 6 b. and 8

Foundation for Affordable Housing V, Inc.

Corporate Officers

President: Deborah A. Willard
33961 Granada Dr.
Dana Point, CA 92629
Phone (949) 481-1300
Fax (949) 481-2700

Vice President: Erica Teel
10308 West Wesley Pl.
Lakewood, CO 80227
Phone (303) 237-8851
Fax (303) 236-1303

**Secretary/
Treasurer:** Thomas E. Willard
33961 Granada Dr.
Dana Point, CA 92629
Phone (949) 481-1300
Fax (949) 481-2700

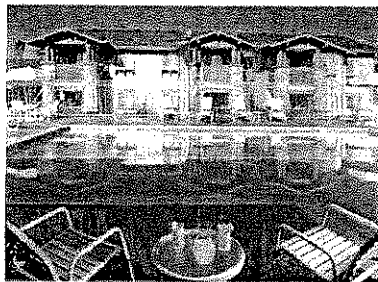
Board of Directors

Thomas E. Willard 33961 Granada Dr. Dana Point, CA 92629 Phone (949) 481-1300 Fax (949) 481-2700	Scott Awbrey 7706 South West Thorton Dr. Wilsonville, OR 97070 Phone (503) 697-1620
Wendy Craig-Purcell 8999 Activity Rd. San Diego, CA 92126 Phone (858) 689-6500 Fax (858) 689-6505	Alexis Smith 1940 Peach Grove St. North Hollywood, CA 91607 (310) 702-5136
Roger W. Teel 10308 West Wesley Pl. Lakewood, CO 80227 Phone (303) 237-8851 Fax (303) 236-1303	Deborah A. Willard 33961 Granada Dr. Dana Point, CA 92629 Phone (949) 481-1300 Fax (949) 481-2700

Attachment to 15
Foundation for Affordable Housing V, Inc.

Company Resume

Schedule of Properties



FOUNDATION FOR AFFORDABLE HOUSING

30950 Rancho Viejo Road
Suite 100
San Juan Capistrano
California 92675
Phone 949.443.9101
Fax 949.443.9133
www.ffah.org



Foundation for Affordable Housing, a tax-exempt 501 (c)(3) public benefit nonprofit, was founded to help ease the burden on State, County, and Local Housing Authorities through the construction, acquisition, and operation of housing for senior citizens and people of very low to moderate income. Our goal is to create safe, comfortable, high-quality homes that uplift the lives of our residents and enhance the surrounding neighborhoods.

STRONG WORKING KNOWLEDGE

The Foundation provides a strong working knowledge of affordable housing development and management. We have successfully developed over 8,000 units of affordable housing in 91 separate rental communities located in California, North Carolina, Illinois, Colorado and Texas. Each of our communities is uniquely tailored to meet the needs of its residents.

FINANCIAL STRUCTURING

Successful affordable housing development requires a layering of financing. The Foundation excels in acquiring subsidies and grants, accessing creative financing solutions, and adhering to all corresponding compliance issues. By using up-to-date information, creativity, flexibility, and persistence, the Foundation has obtained:

- ♦ Over \$578 million in Low Income Housing Tax Credits
- ♦ \$180 million in 501 (c)(3) tax-exempt bond financing
- ♦ \$172 million in 4 percent tax credit bond financing
- ♦ \$167 million for the acquisition and rehabilitation of existing low-income housing
- ♦ \$911 million for the construction of new low-income housing

PROPERTY MONITORING

The Foundation takes a "hands-on" approach in all stages of property acquisition, development, asset and property management. We work only with reputable financial institutions, developers, contractors, and top-notch management companies who are vigilant about compliance issues and asset management.

BUSINESS STRUCTURE

Foundation for Affordable Housing is an affiliated group of public benefit nonprofit corporations founded by Tom and Deborah Willard. When referring to the affiliated nonprofit corporations we use the term Foundation. Foundation for Affordable Housing, Inc. is the finance arm of our group. Foundation for Affordable Housing II, Inc. develops and operates our senior properties and Foundation for Affordable Housing V, Inc. our family properties. Foundation for Affordable Housing VI, Inc. provides and oversees the resident services at each of our communities.

The Foundation is proud of the quality of our communities and the personal attention we offer our residents with our resident services programs. We carefully monitor the physical and financial state of each property, the financial and compliance issues for the partnerships, the effectiveness of the management company and the satisfaction of our residents. Through these efforts Foundation for Affordable Housing has become a well respected nonprofit throughout the affordable housing industry.

EXPERIENCED

- ♦ Feasibility Analysis
- ♦ Acquisition, Development, and Property Rehabilitation
- ♦ Tax Credit, Bond and Conventional Financing
- ♦ Subsidy and Grant Acquisition
- ♦ Welfare Exemption Filing and Compliance Monitoring
- ♦ Asset Management



PARTNERS IN DEVELOPMENT

- ♦ Amcal Multi-Housing Group
- ♦ Century Pacific Equity Corporation
- ♦ GSL Properties
- ♦ Hampstead Partners
- ♦ Jan Development
- ♦ KD Development
- ♦ Lennar Partners
- ♦ MW Development
- ♦ Meta Housing
- ♦ Roem Development
- ♦ Simpson Housing Solutions
- ♦ Steadfast Communities
- ♦ Global Premier Development



FINANCIAL RELATIONSHIPS

- | | |
|-------------------------------------------------|---------------------------|
| ♦ ARCS | ♦ Hudson Housing Capital |
| ♦ Bank of America | ♦ Key Bank |
| ♦ Deutsche Bank Berkshire Mortgage | ♦ Lehman Housing Capital |
| ♦ Boston Capital | ♦ Los Padres Savings Bank |
| ♦ California Housing Finance Agency | ♦ PFF Bank & Trust |
| ♦ Charlotte Housing Authority | ♦ Prudential |
| ♦ Charter Mac | ♦ Red Stone Partners |
| ♦ Century Housing Corporation | ♦ Richman Group |
| ♦ California Community Reinvestment Corporation | ♦ SunAmerica |
| ♦ Fannie Mae | ♦ USBank |
| ♦ Freddie Mac | ♦ Union Bank |
| ♦ Federal Home Loan Bank | ♦ Wachovia Bank |
| ♦ Green Park Financial | ♦ Washington Mutual |
| ♦ HUD | ♦ Wells Fargo Bank |
| ♦ Heller Financial | ♦ Western Security Bank |



PRINCIPALS

THOMAS WILLARD

President
FFAH - Senior

Tom is co-founder and president of Foundation for Affordable Housing, Foundation for Affordable Housing II, and Foundation for Affordable Housing VIII. He has over 30 years experience in real estate development and consulting focusing primarily on joint venture negotiations, planning, processing, management, and development of real estate projects for nonprofit organizations, public entities, and private sector investors. While with the Foundation, Tom has overseen the development of over 4,600 units of affordable senior housing representing \$342 million in financing. Tom acquires and finances Foundation properties using commercial lenders, tax credits, and tax-exempt bonds. He holds a B.S. in Business Administration from the University of Montana, with a focus in Business Management, Economics, and Marketing.

DEBORRAH WILLARD

President
FFAH - Family

Deborah is co-founder and president of Foundation for Affordable Housing V, Inc. and Foundation for Affordable Housing VI, Inc. While with the Foundation, she has overseen the development of over 3,500 units of affordable family housing representing \$328 million in financing. She is responsible for project acquisition and financing using commercial lenders, tax credits, and tax exempt bonds, as well as the selection of architects, contractors, and property management companies for family developments. Deborah is the published author of a book on strategic planning and is an award winning, nationally ranked professional speaker. She holds a B. A. in Social Sciences from the University of California Irvine.

MAGGIE RATTRAY

Executive Director Resident Services/Property Tax Exemption Specialist

With over ten years experience in the field of affordable housing Maggie oversees Foundation for Affordable Housing's resident services programs throughout the United States. She holds a Professional Service Coordinator Certificate from Ohio State University. Families and seniors have received many benefits from the educational, social and health programs she has developed. Her relationship with local communities and government agencies has been key in the development of these programs. In addition to resident services Maggie runs our property tax exemption division. She is an industry expert in the field and monitors all our properties to assure they meet the criteria necessary to maintain exemption from property taxes. A registered nurse in the State of California, Maggie obtained her certification from Southmead Hospital in Bristol, England, and practiced nursing in England, Australia and New Zealand. Her nursing skills have proven to be invaluable in the assessment of the needs of our residents.

ANJIE PONCE

Chief Operating Officer

Anjie serves as Chief Operating Officer and oversees Foundation for Affordable Housing's administrative operations, including project acquisition and financing, marketing, asset management, and compliance monitoring. In her tenure with the Foundation she has administered the corporation's participation in the development and financing of over sixty new low-income properties and has played a key role in its expansion into new cities throughout the United States. Anjie graduated from California Polytechnic State University, San Luis Obispo, with a B.S. in Graphic Communications and a minor in Business Management. With her experience working with the architectural firm Victor Gruen Associates on some of the landmark buildings in Los Angeles and her extensive coursework and training in accounting, risk management and asset management, she provides great expertise to the Foundation.

Senior Property Profiles

<u>Project Name</u>	<u>Location</u>	<u>#of Units</u>	<u>Financing</u>	<u>Type</u>
Heritage Pointe	Redondo Beach, CA	135	\$12 million in tax exempt revenue bonds	Purchase
Cedar Villas	Ontario, CA	137	\$23 million in tax exempt bond financing	Rehab/Sold
Pacific Villas	Pomona, CA	132		Rehab/Sold
Villa Azusa	Azusa, CA	147		Rehab/Sold
Heritage Park	Anaheim, CA	94	\$2.6 million CHFA Loan	Purchase
Harmony Terrace	Simi, CA	136	\$10.7 million in 9% tax credits	New Const.
Monte Vista Gardens	San Jose, CA	69	\$3.7 million in tax exempt bonds \$2.9 million in 4% tax credits	New Const.
Park Plaza	North Hollywood, CA	203	\$17.6 million in 9% tax credits	New Const.
Rancho Gardens	Santa Maria, CA	118	\$2.4 million in 9% tax credits	Rehab
Sierra Retirement Village	Lancaster, CA	96	\$1.6 million in 9% tax credits	Rehab
Center Pointe Villas	Norwalk, CA	240	\$10.8 million in 9% tax credits	New Const.
Laurel Park	Santee, CA	133	\$3.85 million in 4% tax credits \$6.4 million in tax exempt revenue bonds	New Const.
San Lucas	Los Angeles, CA	196	\$6 million in 4% tax credits	
Serenity Villas	Pomona, CA	174	\$9.5 million in tax exempt revenue bonds \$6.7 million in 4% tax credits	New Const.
Shiraz	San Jose, CA	61	\$10.8 million in tax exempt revenue bonds \$3.3 million in 4% tax credits	New Const.
Sterling Court	Anaheim, CA	34	\$4 million in tax exempt revenue bonds \$3.9 million in 9% tax credits	New Const.
Gadberry Courts	San Jose, CA	55	\$6.1 million in 9% tax credits	New Const.
Rose Gardens	San Jose, CA	66	\$7.3 million in 9% tax credits	New Const.
Sungrove	Garden Grove, CA	82	\$7.8 million in 9% tax credits	New Const.
Coventry Heights	Westminster, CA	76	\$7.8 million in 9% tax credits	New Const.
Mountain View	Ontario, CA	86	\$8.1 million in 9% tax credits	New Const.
Monte Vista Gardens II	San Jose, CA	49	\$3.3 million in 4% tax credits \$3.5 million in tax exempt revenue bonds	New Const.
Claremont Villas	Claremont, CA	154	\$11 million in 9% tax credits	New Const.
Hacienda Senior Villas	Hacienda Heights, CA	152	\$11.33 million in 9% tax credits	New Const.
Harmony Court	Torrance, CA	187	\$4.6 million in 4% tax credits \$9.4 million in tax exempt revenue bonds	New Const.
Heritage Park	Duarte, CA	120	\$2.7 million in 9% tax credits	Rehab
Park Place	Stanton, CA	335	\$26 million in 9% tax credits	New Const.
Plaza at Main	Alhambra, CA	110	\$4.7 million in 9% tax credits	New Const.
Valley Village	No. Hollywood, CA	188	\$15.5 million in 9% tax credits	New Const.
Woodbridge	Fort Collins, CO	50	\$3.9 million in 9% tax credits	New Const.
Reflections	Fort Collins, CO	72	\$4.6 million in 9% tax credits	New Const.
The Jasmine	Fountain Valley, CA	156	\$9 million in 9% tax credits	New Const.
Hacienda Villa	San Jose, CA	92	\$7 million Tax exempt revenue bonds \$6.2 million 4% tax credits	New Const.
Portofino Villas	Pomona, CA	174	\$14 million in 9% tax credits	New Const.
Cambridge Heights	Westminster, CA	22	\$3.3 million in 9% tax credits	New Const.
Oaks of Almaden	San Jose, CA	126	\$7.3 million in 4% tax credits \$8.4 million in tax exempt revenue bonds	New Const.
Cortina d'Arroyo	Arroyo Grande, CA	81	\$10 million in 9% tax credits	New Const.
Second Street	Dixon, CA	81	\$8.6 million in 9% tax credits	New Const.
Casa Pacifica	Santa Ana, CA	60	\$2.3 million in conventional financing	Rehab/Sold
Westwind Towers	Elgin, IL	149	\$3.1 million in 9% tax credits	Rehab/Sold
Desert Senior	Palmdale, CA	62	\$9.9 million in 9% tax credits	New Const.
Maywood Villas	Maywood, CA	54	\$5.9 million in 9% tax credits	New Const.

Family Property Profiles

<u>Project Name</u>	<u>Location</u>	<u># of Units</u>	<u>Financing</u>	<u>Type</u>
Jamacha Glen	Spring Valley, CA	52	\$5.6 million in 9% tax credits	New Const.
Century Place	Paramount, CA	306	\$28.5 million in tax exempt revenue bonds	Rehab
Courtyard	Fullerton, CA	108	\$10 million in 9% tax credits	New Const.
Midtown Gardens	Los Angeles, CA	196	\$ 2.28 million in 9% tax credits	Hotel Rehab
Monte Vista Gardens	San Jose, CA	144	\$5.3 million in 9% tax credits	New Const.
Montclair	Lemoore, CA	80	\$5 million in 9% tax credits	New Const.
Plaza Court	Stanton, CA	104	\$4.18 million in 9% tax credits	Rehab
Roscoe	Los Angeles, CA	25	\$1.23 million in 9% tax credits	Rehab
Serrano	Hollywood, CA	42	\$1.2 million in 9% tax credits	Rehab
Sommerhill Townhomes	San Rafael, CA	39	\$2.5 million in 9% tax credits	Rehab
The Oaks	Georgetown, TX	192	\$11.9 million in 9% tax credits	New Const.
Vista Verde	San Diego, CA	40	\$3.7 million in 9% tax credits	New Const.
Casa Grande	Coachella, CA	81	\$3.85 million in 9% tax credits	New Const.
Castelar	Los Angeles, CA	101	\$13.1 million in 9% tax credits	New Const.
Summit Ridge	Banning, CA	81	\$5.7 million in 9% tax credits	New Const.
Desert Gardens	Adelanto, CA	81	\$11.9 million in 9% tax credits	New Const.
Maroon Creek	Aspen, CO	42	\$4 million in 9% tax credits	New Const.
Saltair Place	Corcoran, CA	40	\$3.6 million in 9% tax credits	New Const.
Plaza de Leon	Los Angeles, CA	20	\$2.7 million in 9% tax credits	Rehab.
Casa Figueroa	Los Angeles, CA	49	\$7.8 million in 9% tax credits	New Const.
Casa Bella	Victorville, CA	190	\$21.4 million in 9% tax credits	New Const.
Summer Breeze	San Jose, CA	160	\$15.4 million in 4% tax credits	New Const.
			\$18.8 million in tax exempt revenue bonds	
Hearthstone	Avenal, CA	81	\$8.9 million in 9% tax credits	New Const.
Villa Rose	Selma, CA	53	\$5.9 million in 9% tax credits	New Const.
Barbizon	Los Angeles, CA	55	\$8.7 million in 9% tax credits	Rehab.
Tierra del Sol	Los Angeles, CA	119	\$10 million in 4% tax credits	New Const.
			\$2.1 million in tax exempt reveue bonds	
Tessoro Del Valle	Los Angeles, CA	121	\$14.3 million in 9% tax credits	New Const.
Sierra Village	Oroville, CA	61	\$10 million in 9% tax credits	New Const.
Lindsay	Lindsay, CA	61	\$9.5 million in 9% tax credits	New Const.
Bella Castello	San Jose, CA	79	\$11.3 million in 9% tax credits	New Const.
Palmer Heights	Huron, CA	81	\$10.2 million in 9% tax credits	New Const.
Breezewood Village	Suisun City, CA	80	\$4.6 million in 4% tax credits	New Const.
			\$8.2 million in tax exempt revenue bonds	
Kingswood	Hollywood, CA	44	\$4.2 million in 9% tax credits	Rehab.
Oak Park	Charlotte, NC	202	\$7.74 million in tax exempt revenue bonds	Rehab.
Stonehaven	Charlotte, NC	240	\$9.475 million in tax exempt revenue bonds	Rehab.
Villa Escondido	Orange Cove, CA	81	\$8.75 million in 9% tax credits	New Const.
Avalon	Corcoran, CA	56	\$7.62 million in 9% tax credits	New Const.
Broadway Village	Anaheim, CA	46	\$11.8 million in 9% tax credits	New Const.
Cider Village	Nipomo, CA	40	\$6.7 million in 9% tax credits	New Const.
Orchard	Soledad, CA	84	\$14 million in 9% tax credits	New Const.
Valle del Sol	Brawley, CA	72	\$8.9 million in 9% tax credits	New Const.
Vineyard	Marysville, CA	73	\$10.6 million in 9% tax credits	New Const.
Sandstone	Fresno, CA	69	\$9.6 million in 9% tax credits	New Const.
Carver Pond	Durham, NC	256	9% tax credits	Purchase

**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” 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 or the Housing Authority’s faith, credit or taxing power. 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 10% 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. In practice, projects financed by multifamily housing bonds are affordable for a minimum of 30 years. Bonds may also be combined with other financing sources to create deeper affordability and longer terms of restriction.

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 issuer (Housing Authority) 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 financing team to perform a due diligence process. The Inducement Resolution does not represent any commitment by the Housing Commission, 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, 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 (City Council). This process does not make the City financially or legally liable for the bonds or for the project.

[Note: It is uncommon for the members of the City Council to be asked to take two actions at this stage in the bond process---one in their capacity as the City Council (TEFRA hearing and resolution) and another as the Housing Authority (bond inducement). Were the issuer (Housing Authority) a more remote entity, the TEFRA hearing and resolution would be the only opportunity for local elected officials to weigh in on the project.]

- 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 Authority 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 (or bondholder representative for some private placements). 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 the 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.

ROSS FINANCIAL

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

March 20, 2008

Mr. Peter Armstrong
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, CA 92101

Re: Ten Fifty B Apartments

Dear Mr. Armstrong:

The San Diego Housing Commission (the “Commission”) has retained Ross Financial as its financial advisor to analyze the feasibility of issuing bonds for the Ten Fifty B Apartments (the “Project”). Although the Project is a single structure, for financing purposes, it will consist of two housing components. Each housing component is on a separate legal parcel and will be financed by a separate series of bonds.

The feasibility analysis encompasses both housing components and reviews the following items:

- Project Overview
- Proposed Financing for each housing component
- Benefits and Risks to Commission
- Public Purpose
- Recommendations

Ross Financial has based its analysis of the financial feasibility of each housing component on materials provided by Affirmed Housing Group (“Affirmed”), as developer of the Project. The materials include: the applications to the California Debt Limit Allocation Committee (“CDLAC”), the financing commitments from U.S. Bank as bond purchaser/lender, financial analysis performed by Keyser Marston Associates for the City Centre Development Corporation and Affirmed’s proposed financial schedules for each Project component. Ross Financial has not visited the site of the proposed Project.

PROJECT OVERVIEW

Project Summary. The Project is a 23-story, 229-unit, new construction affordable rental housing development. The Project also includes ground floor retail space, 124 parking spaces, a community room and approximately 7,400 square feet of outdoor terraces.

The Project's unit mix consists of 68 studios, 56 one-bedroom, 33 two-bedroom, 69 three-bedroom and 3 manager's units. The affordable units will be restricted as follows:

- 10 units will be restricted to households with income levels up to 25% of area median income ("AMI");
- 31 units will be restricted to households with income levels of up to 30% AMI;
- 43 units will be restricted to households with income levels of up to 35% AMI;
- 4 units will be restricted to households with income levels of up to 40% AMI;
- 38 units will be restricted to households with income levels of up to 50% AMI;
- 100 units will be restricted to households with income levels of up to 60% AMI; and
- 3 units will be set aside for resident managers.

The units will be spread among two housing components: (1) a lower housing component (the "Lower Housing Component") representing floors 2 through 7 and consisting of 111 units and (2) an upper housing component (the "Upper Housing Component") representing floors 8 through 23 and consisting of 118 units.

Description of Project Site. The proposed Project is located at 1050 B Street, San Diego 92101 on North Street between 10th and 11th Avenues, with frontage on B Street. The 0.46 acre infill site is currently improved with a Burger King, which will be razed as part of the development process.

Surrounding land uses consist of a 2-story apartment building and gas station to the north; the 40-story "Vantage Pointe" condominiums under construction to the west; a 26-story "11th and B" development and a vacant gas station to the east; and a parking lot and Jiffy Lube to the south. The Project is located two blocks from the Smart Corner transit station and adjacent to major bus routes.

Project Ownership/Borrower. Affirmed created separate ownership entities for each of the two housing components. Ten Fifty B Street, L.P. is the ownership entity for the Lower Housing Component and Ten Fifty B Street Housing Partners, L.P. is the ownership entity for the Upper Housing Component. Each ownership entity (the "Borrower") is a California limited partnership consisting of: (1) Affirmed, which will act as the administrative general partner and developer; (2) Foundation for Affordable Housing, a 501(c)(3) nonprofit public benefit corporation, which will act as the managing general partner; and (3) Boston Capital, or an affiliated entity, which will be the investor limited partner.

According to its application to CDLAC, Affirmed has 17 years experience in developing/rehabilitating multifamily rental housing. It has developed or rehabilitated 23 projects accounting for 1,925 units. It has developed 4 projects in San Diego County, including two in the City of San Diego (the "City"). Another project, Studio 15 Apartments, is currently under construction in the City.

CDLAC. In November 2007, the Housing Authority filed an application to CDLAC requesting private activity bond allocations of \$24,000,000 and \$27,000,000 for each Project component. At its January 23, 2008 meeting, CDLAC awarded the requested allocations. CDLAC has required the issuance of bonds by May 12, 2008.

In connection with the CDLAC application process, on October 9, 2007, the Housing Authority adopted a resolution of intent to issue bonds for each housing component and authorized the submission of separate applications to CDLAC. On October 9, 2007, a TEFRA hearing was held before the City Council at which time each housing component was approved for purposes of Section 147 of the Internal Revenue Code.

PROPOSED FINANCING

Project Costs and Funding. According to projections provided by Affirmed, the total Project costs, including construction and lease-up interest and other soft costs, are estimated at approximately \$87,090,900 during construction and \$88,682,000 following construction and lease-up ("at permanent"). The estimated sources of funding for these costs will differ during construction and at permanent. The following tables allocate these sources and uses during construction and at permanent by Project component based on the most recent projections:

Construction Sources	Lower Component	Upper Component	Total
Tax-Exempt Bond Proceeds	\$22,000,000	\$27,000,000	\$49,000,000
Low Income Housing Tax Credit Equity	2,400,000	2,500,000	4,900,000
CCDC Loan	17,856,900	14,134,000	31,990,900
Private Equity/TOD Funds/Prop 1C Funds		1,200,000	1,200,000
Total	\$42,256,900	\$44,834,000	\$87,090,900
Construction Uses	Lower Component	Upper Component	Total
Property Acquisition	\$2,112,000	\$2,288,000	\$4,400,000
Construction	31,213,565	33,814,695	65,028,260
Interest, Reserves and Financing Costs	2,877,510	3,410,380	6,287,890
Developer Fee	2,000,000	800,000	2,800,000
Soft Costs	4,053,825	4,520,925	8,574,750
Total	\$42,256,900	\$44,834,000	\$87,090,900

Permanent Sources	Lower Component	Upper Component	Total
Tax-Exempt Bond Proceeds	\$5,698,000	\$2,620,000	\$8,318,000
MHP Financing	--	10,000,000	10,000,000
Low Income Housing Tax Credit Equity	16,411,000	17,328,000	33,739,000
CCDC Loan	19,841,000	14,134,000	33,975,000
Deferred Developer Fee	--	250,000	250,000
Private Equity/TOD Funds/Prop 1C Funds	1,200,000	1,200,000	2,400,000
Total	\$43,150,000	\$45,532,000	\$88,682,000
Permanent Uses	Lower Component	Upper Component	Total
Property Acquisition	\$2,112,000	\$2,288,000	\$4,400,000
Construction	31,213,565	33,814,695	65,028,260
Interest, Reserves and Financing Costs	2,877,510	3,410,380	6,287,890
Developer Fee	2,500,000	1,250,000	3,750,000
Soft Costs	4,446,925	4,768,925	9,215,850
Total	\$43,150,000	\$45,532,000	\$88,682,000

Bond Amount and Bank Purchase Approach. The Housing Authority will issue two series of unrated bonds to finance a portion of the costs of the Lower and Upper Housing Components. Each series, in turn, will be divided into two sub-series: a construction series and a permanent series.

For the Lower Housing Component, the Housing Authority will issue bonds in the estimated aggregate amount of \$22,000,000¹ (the "Lower Housing Component Bonds"). This series will consist of: (1) a construction series in the estimated amount of \$16,302,000 (the "Lower Construction Series") with a final maturity of November 1, 2010 and (2) a permanent series in the estimated amount of \$5,698,000 (the "Lower Permanent Series") with an estimated final maturity of November 1, 2040. Both the Lower Construction Series and Lower Permanent Series will bear a fixed interest rate. Following the completion of construction and lease-up ("conversion") of the Project, the Lower Construction Series will be repaid from investor tax equity funds.

For the Upper Housing Component, the Housing Authority will issue bonds in the aggregate amount of \$27,000,000 (the "Upper Housing Component Bonds"). This series will consist of: (1) a construction series in the estimated amount of \$24,380,000 (the "Upper Construction Series") with a final maturity of November 1, 2010 and (2) a permanent series in the estimated amount of \$2,620,000 (the "Upper Permanent Series") with an estimated final maturity of November 1, 2040. Both the Upper Construction Series and Upper Permanent Series will bear a fixed interest rate. Following the completion of construction and lease-up ("conversion") of the Project, the Upper Construction Series will be repaid from a combination of investor tax equity funds and MHP funds.

¹ The Housing Authority may issue up to \$24,000,000 per the CDLAC allocation.

The Bonds will be purchased directly by U.S. Bank National Association (“U.S. Bank”). U.S. Bank is a “qualified institutional buyer” within the meaning of the U.S. securities laws. At closing, it will sign an “Investor’s Letter” certifying, among other things, that it is buying the Bonds for its own account and not for public distribution.

The Bonds are expected to close in late April to early May 2008.

Housing Authority Financial Involvement. The Housing Authority’s involvement is limited to its role as the Bond issuer.

City Centre Development Corporation Financial Involvement. The City Centre Development Corporation (the “CCDC”) is providing subordinate financing to the Project in the aggregate amount of up to \$33,975,000. This subordinate funding will be used to fund land acquisition and Project construction costs, and will remain in place as a permanent source of funds.

CCDC’s subordinate financing will be in the form of a residual receipts loan with the following basic terms:

- Interest Rate: 4% simple interest
- Payments: Beginning at issuance of Certificate of Occupancy
- Term: 55 years
- Affordability: 226 units @ 25% to 60% AMI

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

- Tax-Exempt Bond Regulatory Agreement requirements (including voluntary elections made to CDLAC) for a 55-year term;
- Tax Credit Regulatory Agreement requirements under which all units must be affordable at 60% AMI for a 55-year term to remain eligible for tax credits; and
- MHP Regulatory Agreement requirements under which units in the Upper Housing Component must be affordable at between 25% to 60% for 55 years;
- CCDC’s Agreement Affecting Real Property (Including Rental Restrictions) under which the units will be restricted at 25% to 60% AMI for 55 years.
- Housing Commission Inclusionary Housing Declaration of Covenants, Conditions and Restrictions and Affordable Housing Agreement under which 10% of the units will be restricted at 65% AMI for 55 years.

Project Cash Flow. The Borrower provided pro forma cash flows associated with each Project component.

Lower Housing Component – This Component is projected to generate income from rents and other income (e.g., laundry, commercial) at an estimated \$994,696 for the first year of stabilized occupancy (assuming a 5% vacancy factor for the residential units). Expenses are estimated at \$502,794 (including replacement reserves). As a result, first year net operating income (gross revenues less expenses) is estimated at \$491,902.

After construction and lease-up, an estimated \$5,698,000 will remain as senior debt, with an estimated debt service of approximately \$409,918 per year.

According to the Borrower's pro forma cash flow, in the first year of stabilized occupancy, net operating income is anticipated to cover annual Bond debt service by approximately 1.20 times. The forecast cash available after expenses (including reserves) and debt service is estimated by the Borrower to be \$81,984 in the first year of stabilized occupancy.

The Borrower has escalated projected revenues and operating expenses at the rate of 2.5% and 3.5% per year, respectively.

The following table shows the Borrower's projected cash flow for this Project component during first five years following stabilized occupancy:

		Year				
Escalation		1	2	3	4	5
2.50%	Gross Scheduled Income	1,047,048	1,073,224	1,100,055	1,127,556	1,155,745
	less 5% vacancy	(52,352)	(53,661)	(55,003)	(56,378)	(57,787)
	Total Net Income	994,696	1,019,563	1,045,052	1,071,178	1,097,958
3.50%	Total Expenses + Reserves	(502,794)	(518,626)	(535,011)	(519,210)	(569,517)
	Net Operating Income	491,902	500,937	510,041	551,968	528,441
	Debt Service - Bonds	(409,918)	(409,918)	(409,918)	(409,918)	(409,918)
	Projected Cash Available	81,984	91,019	100,123	142,050	118,523
	Debt Service Coverage - Bonds	1.20	1.22	1.24	1.35	1.29

Upper Housing Component – This Component is projected to generate income from rents and other income (e.g., laundry, commercial) at an estimated \$838,056 for the first year of stabilized occupancy (assuming a 5% vacancy factor for the residential units). Expenses are estimated at \$556,625 (including replacement reserves). As a result, first year net operating income (gross revenues less expenses) is estimated at \$281,431.

After construction and lease-up, an estimated \$2,620,000 will remain as senior debt, with an estimated debt service of approximately \$188,499 per year. MHP debt service is projected at approximately \$42,000 per year.

According to the Borrower's pro forma cash flow, in the first year of stabilized occupancy, net operating income is anticipated to cover annual Bond debt service by approximately 1.43 times and combined Bond debt service/MHP debt service by 1.22 times. The forecast cash available after expenses (including reserves) and combined bond/MHP debt service is estimated by the Borrower to be \$50,932 in the first year of stabilized occupancy.

The Borrower has escalated projected revenues and operating expenses at the rate of 2.5% and 3.5% per year, respectively.

The following table shows the Borrower's projected cash flow for this Project component during first five years following stabilized occupancy:

Escalation		Year				
		1	2	3	4	5
2.50%	Gross Scheduled Income	882,164	904,218	926,824	949,994	973,744
	less 5% vacancy	(44,108)	(45,211)	(46,341)	(47,500)	(48,687)
	Total Net Income	838,056	859,007	880,482	902,494	925,057
3.50%	Total Expenses + Reserves	(556,625)	(573,029)	(590,005)	(607,575)	(625,757)
	Net Operating Income	281,431	285,978	290,477	294,919	299,300
	Debt Service - Bonds	(188,499)	(188,499)	(188,499)	(188,499)	(188,499)
	Debt Service - MHP	(42,000)	(42,000)	(42,000)	(42,000)	(42,000)
	Projected Cash Available	50,932	55,479	59,978	64,420	68,801
	Debt Service Coverage - Bonds	1.49	1.52	1.54	1.56	1.59
	Debt Service Coverage - Bonds + MHP	1.22	1.24	1.26	1.28	1.30

PUBLIC PURPOSE

The Bonds will result in the long-term affordability of 226 studio, one, two and three-bedroom units in the City of San Diego: 10 units will be restricted and affordable to households earning 25% AMI; 31 units will be restricted and affordable to households earning 30% AMI; 43 units will be restricted and affordable to households earning 35% AMI; 4 units will be restricted and affordable to households earning 40% AMI; 38 units will be restricted and affordable to households earning 50% AMI; 100 units will be restricted and affordable to households earning 60% AMI; and 3 unit will be occupied by resident managers.

The Bond and Tax Credit Regulatory Agreements, CCDC's Agreement Affecting Real Property (Including Rental Restrictions) and MHP's Regulatory Agreement (applicable

to the Upper Housing Component) will require that these affordability levels be maintained for a period of 55 years.

BENEFITS AND RISKS TO THE COMMISSION

The Bonds provide a vehicle for financing the development of the Project. As proposed, the Bonds will result in the long-term affordability of 226 studio, one, two and three-bedroom units in the City of San Diego with units restricted to income levels described in "Public Purpose" above.

The Bonds do not pose undue financial risk to the Housing Authority. The Bonds are not direct obligations of the Housing Authority or the City of San Diego. The Bonds will be owned directly by U.S. Bank, which has indicated its intention to hold the Bonds for its own account and not for public distribution. The Bonds are expected to be retired in large part after construction and lease-up, with only an estimated aggregate \$8,318,000 remaining thereafter.

If the Housing Authority issues the Bonds, the Commission would receive a fee at Bond closing of \$112,700 equal to 0.23% times the initial aggregate par amount of the Bonds (\$49,000,000). The Commission would also receive an annual payment of \$112,700 during the construction period. Following the Conversion Date and the expected repayment of the Bonds, the Commission would receive an annual monitoring fee of approximately \$19,131.

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

RECOMMENDATIONS

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

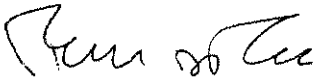
- The Bonds would achieve a public purpose by providing 226 affordable units, with all units restricted to income levels between 25% and 60% of AMI.
- The Bonds will be purchased by a well-established, highly capitalized bank which is active in affordable housing lending and which will sign an Investor's Letter to the effect that is a "qualified institutional investor". The Bonds will also be subject to very restrictive transfer limitations and are expected to be retired in large part by November 1, 2010, leaving a permanent Bond amount of approximately \$8,318,000.

Mr. Peter Armstrong
Re: Ten Fifty Apartments
March 20, 2008
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- The Borrower has agreed to indemnify the Housing Authority and the Commission regarding matters relating to the financing. Issuance costs will be paid by the Borrower from sources other than Bond proceeds.
- Based on estimates provided by the Borrower, as reviewed and confirmed by U.S. Bank, there should be sufficient funds to complete the Project and the Project provides adequate cash flow to cover permanent Bond debt service.

If there is any additional information you require concerning the 1050 B Apartments, Ross Financial will be pleased to provide additional analysis.

Very truly yours,

A handwritten signature in black ink, appearing to read "Peter J. Ross".

Peter J. Ross
Principal