

HOUSING AUTHORITY REPORT

DATE ISSUED: September 24, 2008

REPORT NO: HAR 08-19

ATTENTION: Chair and Members of the Housing Authority
For the Agenda of October 28, 2008

SUBJECT: Loan for Boulevard Apartments
(Council District 3)

REQUESTED ACTION:

Approve a residual receipts loan to finance the development of a 24-unit rental housing development for special purpose supportive housing.

STAFF RECOMMENDATION:

Housing Authority approval to fund a Housing Commission loan, of up to \$600,000 to 3137 El Cajon Boulevard L.P., to facilitate development of the Boulevard Apartments (Boulevard), 24 units of rental housing for extremely low-income and very low-income families including nine units for residents who are homeless or at-risk of becoming homeless, and in which there is a disabled adult with mental illness, HIV/AIDS or substance abuse.

The Housing Commission's proposed loan would be contingent upon the conditions described in this report, including that the Redevelopment Agency of the City of San Diego (Agency) approves revisions to its existing Owner Participation Agreement (OPA) to:

- a) maintain its current \$2.4 million loan commitment and allow infusion of Housing Commission loan funds without the OPA-required dollar-for-dollar reduction in the Agency's loan commitment due to obtaining alternative sources of funding;
- b) allow the Agency's fifty percent share of residual receipts to be shared for payment of the Housing Commission's loan;
- c) allow a proportional distribution of project cost savings (including unused contingency) to the Agency and to the Housing Commission.
- d) consent to the Housing Commission's loan being secured against the property as described in this report; and

Documentation of the terms and conditions of this loan would be contingent upon satisfaction of the Housing Commission's General Counsel. The Executive Vice President & Chief Operating Officer would be authorized to take all actions necessary to effectuate this transaction.

BACKGROUND:

S.V.D.P. Management Inc. (SVDP), a nonprofit public benefit corporation dba Father Joe's Villages, submitted a funding application, under the Housing Commission's current Notice of

Funding Availability (NOFA), for the Boulevard Apartments. Located in North Park (Attachment 2), Boulevard is 24 units for extremely low-income and very-low tenants (30% and 40% of Area Median Income). The tenants will include working families. On October 17, 2007, SVDP and the Agency executed an OPA for a \$2.4 million residual receipts loan. On February 5, 2008, the Housing Authority authorized issuance of up to \$6,000,000 in housing mortgage revenue bonds to finance Boulevard's construction. The bonds were issued on May 9, 2008. SVDP has started construction and completion is estimated for early 2009 (Attachment 3).

Under the Agency's original executed OPA, it was estimated the developer would need to contribute \$2,353,000 (Attachment 4). However, the developer was able to reduce development costs sufficiently to reduce the necessary net contribution to an estimated \$1,964,640.

Summary of the Developer's Total Necessary Contribution:

Original Estimated Developer's Necessary Contribution	Current Estimated Developer's Necessary Contribution
\$1,210,000 from developer's land equity + 648,728 from developer's cash \$1,858,728 Subtotal + 494,272 from deferred developer's fee \$ 2,353,000 Estd total necessary contribution	\$1,210,000 from developer's land equity + 154,640 developer's deferred fee or cash \$1,364,640 Subtotal developer's contribution + 600,000 loan requested from SDHC \$ 1,964,640 Estd total necessary contribution

Developer's Request

The developer submitted a loan application in response to a NOFA for Construction, Acquisition, and Operation of Affordable Rental Housing dated March 14, 2008. Under the NOFA application, the developer has requested that the Housing Commission loan \$600,000 of the developer's \$1,964,640 necessary contribution (Attachment 5). The proposed Housing Commission loan would assist SVDP to use its limited resources for Boulevard's tenant services and to help SVDP develop additional affordable housing.

Affordable Housing Impact

Boulevard will have 24 residential units consisting of: three one-bedroom units, seventeen two-bedroom units, three three-bedroom units and one two-bedroom manager's unit. Under the Agency's OPA, fifteen units will be restricted at 30% Area Median Income (AMI) (\$18,950 for a household of two, to \$23,700 for a household of four) and nine two-bedroom units will be restricted at 40% AMI (\$28,450 for a household of three). Nine of the units will be designated as supportive housing units, serving households that are homeless or at-risk of becoming homeless, and in which there is a disabled adult with mental illness, HIV/AIDS or substance abuse.

It is proposed that the Housing Commission's loan will have 55-year rent restrictions against the property making 23 units affordable to tenants with annual incomes of 30% to 40% AMI and one unrestricted manager's unit.

Proposed Loan Rents Would Be Based on the Agency's OPA Rent Methodology

Under the Agency's OPA, the project is subject to California Redevelopment Law (CRL). For annual adjustments to restricted rents, CRL requires the Agency to use a rent calculation methodology based on the California Health & Safety Code. CRL methodology is different from the Housing Commission's standard HUD-based rent calculation methodology. For 2008, CRL rents are lower than the standard HUD-based rents.

Initial rent and income restrictions for the project are summarized in the chart below:

Type	AMI	# Units	Restricted Rent (net of utility allowance)	Market Rate *	Monthly Savings per unit
One Bedroom	30% AMI	3	\$416	\$ 928	\$512
Two Bedroom	30% AMI	9	\$465	\$1,233	\$768
Two Bedroom	40% AMI	8	\$627	\$1,233	\$606
Two Bedroom	MGR 40%	1	n/a	n/a	n/a
Three Bedroom	30% AMI	3	\$537	\$1,426	\$889
Total		24			
Total Annual Savings					\$191,556

* - Based on San Diego County Apartment Owners Association Vacancy Survey Spring 2008 for zip code 92104.

The Property

The land is owned by SVDP and is being contributed to the project. The 10,650 sq ft (.24 acre) infill site is located at 3137 El Cajon Boulevard (south side), between Iowa and Illinois Streets, two blocks west of the I-805, within the North Park Redevelopment Project Area. El Cajon Boulevard has nearby bus service.

The Development

The development will be a four-story building and include: an elevator, commercial office space (2117 sq ft); a seventeen-space covered parking garage (6786 sq ft) with 24 storage areas; a community space roof deck with a children's play area, picnic tables, a barbeque, and patio trellis shade structure; a management office; and a laundry facility on each floor. At least two units (5%) will be handicap accessible and an additional one unit (2%) will incorporate features for the visually or hearing impaired. As required by the OPA, the project will include Universal Design features. In addition, the development costs include payment of Prevailing Wage rates.

Development Team

ROLE/FIRM	CONTACT
Owner – 3137 El Cajon Boulevard L.P. (a California limited partnership)	Mathew Packard
Co-Developers – Chelsea Investment Corporation (fee developer) and S.V.D.P. Management Inc. (nonprofit)	James Schmid President Chelsea & Mathew Packard (SVDP)
Architect – James Holmberg	James J. Holmberg
Prevailing Wage Monitoring -Gonzalez/White Consulting	Lisa Gonzalez
General Contractor - KD Stahl Construction & Ninteman Construction Services	Kraig Stahl and Luke Ninteman
Construction Lender – U.S. Bank (via direct purchase of the bonds by bank).	Paul Shipstead
Tax Credit Investor Limited Partner – TRGHT Inc. & Richman Group Capital	
Management Company - S.V.D.P. Management Inc.	Mathew Packard

The Co-developers:

SVDP is the property owner and co-developer. SVDP is affiliated with St. Vincent de Paul Village, a complex of buildings and programs in downtown San Diego that provides a continuum of care for homeless individuals and families. SVDP and St. Vincent de Paul Village, Inc. are 501(c)(3) organizations, each with its own Board of Directors; however the two entities do collaborate closely for fundraising and program development, and share the same President, Father Joe Carroll. SVDP's developer disclosure statement is included as Attachment 7.

For over twenty years, Chelsea Investment Corporation has been developing affordable housing in San Diego County, Imperial County, and in Arizona. Chelsea has developed or acquired and rehabilitated 44 projects accounting for 4,880 units. SVDP and Chelsea have collaborated on five affordable housing projects in San Diego, including:

- Paul Mirabile Center, a 175 unit short-term single adult facility (new construction 1994) (1501 Imperial Ave., San Diego 92101);
- Village Place Apartments, a 47 unit permanent affordable housing facility (rehab 1996) (32 17th Street, San Diego 92101);
- Toussaint Academy of the Arts and Sciences, a 21 unit residence and high school for youth (rehabilitation 1998), (1404 5th Avenue, San Diego 92101);
- Villa Harvey Mandel, a 90-unit six-story permanent affordable housing project dedicating 25 units for mentally ill/chemically dependent adults (new construction 2002). Villa Harvey Mandel included 9% tax credits and a \$2,000,000 Housing Commission residual receipts loan (72 17th Street, San Diego 92101). Villa Harvey Mandel is fully in compliance with its Housing Commission loan; and
- 16th & Market, a 136 unit twelve-story, new construction, affordable housing bond-financed project that is currently in construction (1550 Market Street, San Diego 92101).

FISCAL CONSIDERATIONS:

The estimated total development cost is \$10,908,411 (\$454,517/unit). The Housing Commission's cost to assist in the development of these 24 rental-housing units would be its \$600,000 loan (\$25,000 per unit and \$12,500 per bedroom; 48 bedrooms). Terms of the Housing Commission financing would be a residual receipts loan bearing simple interest at three percent. As in the Agency's OPA, the Housing Commission's loan will be due 55 years from the occupancy date. The Agency's OPA is already executed and it is proposed that the Housing Commission loan's occupancy and rent levels shall be consistent with the Agency's OPA requirements.

Estimated funding sources are:

Estimated Security Priority of Loans	Amount
1. California State Multifamily Housing Program (Residual Loan)	\$ 2,081,535
2. Redevelopment Agency Residual Receipts Loan	\$ 2,400,000
3. Federal Home Loan Bank AHP Loan (becomes a grant at yr 15)*	\$ 360,000
4. Proposed Housing Commission (Residual Receipts Loan) *	\$ 600,000
5. HUD McKinney-Vento grant	\$ 400,000
6. Tax Credit Equity	\$ 3,702,236
7. SVDP/Owner's Land Equity	\$ 1,210,000
8. SVDP/Cash	\$ 154,640
Estimated Total Sources of Funds	\$10,908,411

* - the Federal Home Loan Bank (FHLB) is typically willing to subordinate.

The Housing Commission loan would be recourse until the timely completion of the project, after which it would become non-recourse.

HOUSING COMMISSION LOAN'S CONTINGENCIES:

1. No Reduction in Agency's \$2.4m Commitment - The OPA Promissory Note requires the Agency's \$2,400,000 loan to be reduced by any "alternative funding sources." Agency staff confirms that currently, any financing provided by the Housing Commission would lower the Agency's \$2,400,000 loan amount dollar-for-dollar. The proposed Housing Commission loan commitment would be contingent upon the Agency revising its OPA to allow infusion of Housing Commission loan funds without the OPA-required dollar-for-dollar reduction in the Agency's loan commitment. The Agency will consider these issues in its own separate report.

2. Residual Receipts –

Under the Agency's existing OPA, for years 1-30, the residual receipts are split 50% to the developer and 50% to the Agency; for years 31-55 the split is 20% to the developer and 80% to the Agency. However, the State Multifamily Housing Program (first position lender) regulations require a share in residual receipts. The Housing Commission's proposed loan is contingent upon the Agency revising its OPA to allow the Housing Commission and the State Multifamily Housing Program to share in the residual receipts.

Three Lenders' Proportionate Loans:	
Redevelopment Agency's Loan	= \$2,400,000 (47.23% of three loans total)
State Multifamily Housing Program Loan	= \$2,081,535 (40.96% of three loans total)
Proposed Housing Commission Loan . . .	= \$ 600,000 (11.81% of three loans total)
Three Loans Total = <u>\$5,081,535</u>	

Proposed Split of Total Residual Receipts:

	Existing OPA Distribution of Residual Receipts	Proposed Distribution of Residual Receipts
Developer's Share	50% yr 1-30; 20% yr 31-55	30% yr 1-30; 0% yr 31-55
Redevelopment Agency Share	50% yr 1-30; 80% yr 31-55	40% yr 1-30; 64% yr 31-55
State Multifamily Hsg Prog Share	--	20% yr 1-30; 20% yr 31-55
Housing Commission's Share	--	10% yr 1-30; 16% yr 31-55

3. Cost Savings --

It is proposed that Boulevard project cost savings, (including unused contingency from the development costs), will be shared by the Agency (80%) and by the Housing Commission (20%) in proportion to the two lenders' loan amounts. For consistency with the Agency's OPA, project cost savings would not be used to reduce the developer's estimated \$154,640 contribution (of cash or deferred developer's fee).

In summary, the proposed Housing Commission loan would:

- be a residual receipts loan;
- have 3% simple interest that would accrue;
- have annual debt service payments for years 1-30 that will equal 10% of total residual receipts and for years 31-55 that will equal 16% of total residual receipts; and
- allow the developer to contribute \$154,640 as cash (Attachment 5 page 7A), or as deferred developer fee, if allowed by tax credit requirements (Attachment 5 page 7B).

PREVIOUS ACTIONS:

On November 8, 2007, the Agency and City Council approved the project's OPA and authorized a \$2,400,000 residual receipts loan (Agency Resolution R-04212 and City Council Resolution R-303136). Issuance of up to \$6,000,000 in housing revenue bonds for the project was authorized by the Housing Authority on February 5, 2008. On August 15, 2008, the Housing Commission approved the proposed \$600,000 residual receipts loan as proposed in this report.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On April 19, 2005, the Greater North Park Community Planning Group voted 6-5-2 to recommend approval of the project, with the condition that the applicant provide explicit documentation that there is a 50-year agreement specifying St. Vincent de Paul as the manager and operator of the property. On May 13, 2008, the North Park Redevelopment Project Area Committee (PAC) voted 10-2 in favor of consenting to the Housing Commission's proposed loan. On September 9, 2008, the PAC voted 9-0 in favor of the Agency and Housing Commission sharing cost savings based on proportional loan amounts.

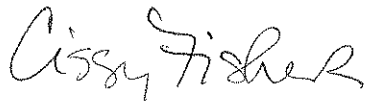
ENVIRONMENTAL REVIEW:

On March 15, 2007, the Planning Commission certified Environmental Impact Report No.55461 for Boulevard, in accordance with the State of California Environmental Quality Act (CEQA) guidelines. A mitigation, monitoring and reporting program will be implemented with this project to reduce the potential impacts to a level below significance. Originally, the project was awarded \$400,000 in federal grant funds under the HUD Supportive Housing program and the City of San Diego issued a Notice of Finding of No Significant Impact (FONSI) dated November 4, 2005. On December 22, 2005, HUD approved a Request for Release of Funds for the project. The City's Development Services staff has determined that this new activity and loan are Categorically Excluded from National Environmental Policy Act review pursuant to 24 CFR 58.35(b)(7).

KEY STAKEHOLDERS & PROJECTED IMPACTS:


Stakeholders include: S.V.D.P. Management Inc. as the co-developer and general partner, Chelsea Investment Corporation as the co-developer and project consultant, very-low income households as the intended residents of the project, the Redevelopment Agency of the City of San Diego and the neighborhood community of North Park. U.S. Bank is the construction lender. The tax credit equity is provided by TRGHT Inc. and Richman Group Capital Corporation. The SVDP board members and Chelsea's owners are listed in the Disclosure Statement Attachment 7.

Respectfully submitted,



Cissy Fisher
Director of Housing Finance

Approved by,



Carrol M. Vaughan
Executive Vice President and Chief Operating Officer

- Attachments:
1. Development Summary
 2. Location Map
 3. Estimated Timeline
 4. Estimated Revised Permanent Sources and Uses
 5. SDHC General Application Form
 6. Commitment Letter
 7. Disclosure Statement *
 8. Financial Information *
 9. Appraisal Summary Pages *

*Distribution of this attachment is limited. A copy is available for review at the Housing Commission office at 1122 Broadway and the office of the City Clerk, 2nd floor, 202 "C" Street.
Information: J. Correia (619) 578-7587

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ATTACHMENT 1 DEVELOPMENT SUMMARY

Name: Boulevard Apartments
Location: 3137 El Cajon Boulevard
Description: Construction and Permanent Loan For Affordable Housing
Sponsor: S.V.D.P. Management Inc.

Unit Affordability

Total # of units: 24 (23 assisted units and one manager's unit).
Restricted rents: Under the OPA restricted rents are 30 percent to 40 percent of AMI.
Market rent: Ranging from \$928 per month (one bdrm) to \$1,426 per month (three bdrm).
Percent of AMI: Occupancy of 3 one-bedroom units restricted at 30 percent or less of AMI.
Occupancy of 9 two-bedroom units restricted at 30 percent or less of AMI.
Occupancy of 8 two-bedroom units restricted at 40 percent or less of AMI.
Occupancy of 3 three-bedroom units restricted at 30 percent or less of AMI.
Affordability: 55 years

Development Cost

Total development cost. \$10,908,411
HC development cost (loan). \$ 600,000
Total development cost per unit. \$ 454,517 per unit / 24 units
HC cost per unit (loan). \$ 25,000 per unit / 24 units

Sources of Funds

1. California State Multifamily Housing Program. . \$ 2,081,535
2. Redevelopment Agency of the City of San Diego \$ 2,400,000
3. Federal Home Loan Bank Loan. \$ 360,000
4. Proposed Housing Commission Loan \$ 600,000
5. HUD McKinney-Vento grant. \$ 400,000
6. Tax Credit Equity. \$ 3,702,236
7. SVDP/Owner's Land Equity \$ 1,210,000
8. SVDP/Owner's Cash \$ 154,640
Total. \$10,908,411

Pro Forma Summary

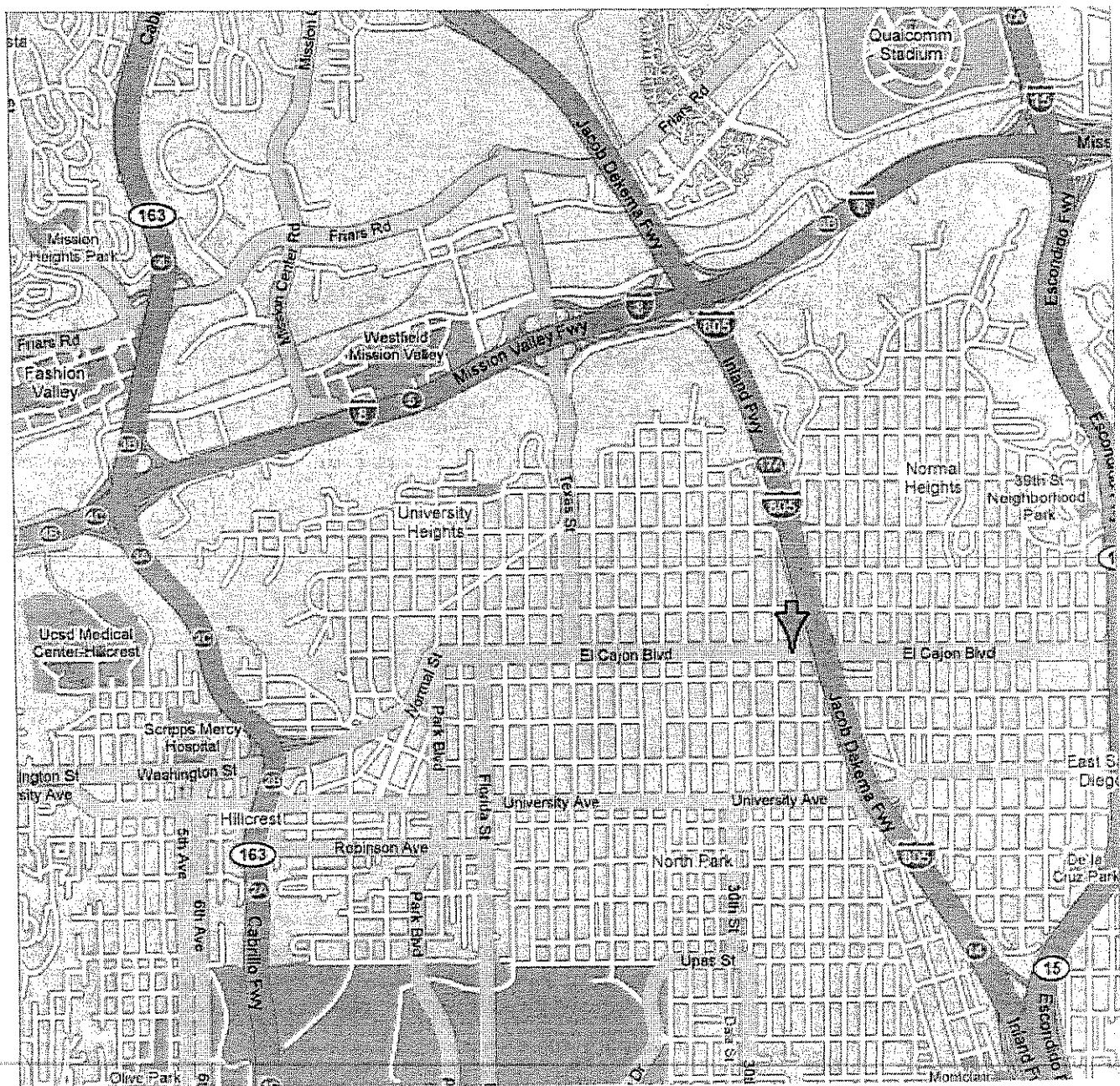
Estimated annual income. \$ 141,029 (year 1)
Estimated annual expense - 105,023 (year 1)
Annual debt service - 0 (residual receipts loans)
Subtotal. \$ 36,006 (year 1)
Annual replacement reserves - 14,400 (year 1)
Annual State MHP Admin Fee. - 8,742 (year 1)
LP Management Fee - 3,000 (year 1)
Estimated residual cash flow (residual). . . . \$ 9,864 (year 1)

Residual Payments Assuming Developer contributes \$154,640 as cash:

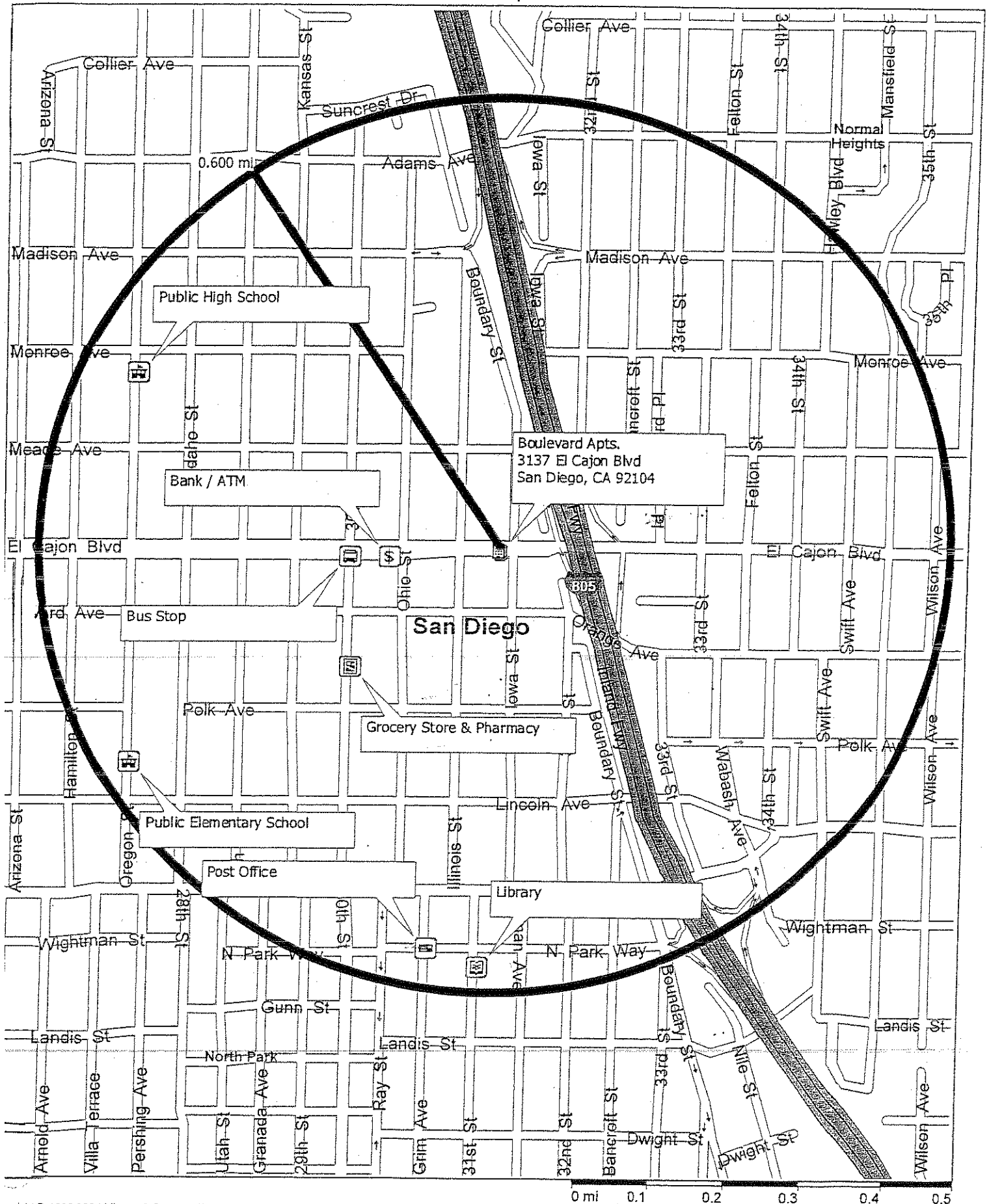
Developer 30% share of residual cash flow \$ 2,959 (year 1)
Agency 40% share of residual cash flow . . \$ 3,946 (year 1)
State MHP 20% share of residual cash flow \$ 1,973 (year 1)
Housing Commission 10% share of residual \$ 986 (year 1)

Assuming Developer contributes \$154,640 as deferred developer fee: \$101,512 to developer over 15 years and zero 15-year residual payments to Agency, State MHP, and Housing Commission.

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Boulevard Apartments



ATTACHMENT 3
ESTIMATED TIMELINE BOULEVARD APARTMENTS

Dec 2007	Start of Construction.
May 9, 2008	Bond Closing.
July 30, 2008	Loan Committee approval of proposed loan.
August 15, 2008	Housing Commission approval of proposed loan.
October 28, 2008	Simultaneous meeting of the City Redevelopment Agency and the Housing Authority.
February, 2009	Estimated Construction Completion and Commencement of Occupancy.

ATTACHMENT 4
ESTIMATED REVISED PERMANENT SOURCES AND USES

	(a)	(b)	(c)	(d)
		Agency/SVDP's 5/5/08 Revised Estimated Total Development Costs	Proposed Estimated Total Development Costs	
1	Estimated Uses			Difference
2	Estimated Total Development Costs:	\$ 10,908,411	\$ 10,908,411	0

	(a)	(b)	(c)	(d)
		Agency/SVDP's 5/5/08 Revised Estimated Total Permanent Financing Sources	Proposed Estimated Total Permanent Financing Sources	
3	Estimated Permanent Sources			Difference
4	State Multifamily Housing Program Loan	\$ 2,081,535	\$ 2,081,535	\$ 0
5	Agency's Residual Receipts Loan	\$ 2,400,000	\$ 2,400,000	\$ 0
6	Federal Home Loan Bank Affordable Housing Program	\$ 360,000	\$ 360,000	\$ 0
7	HUD McKinney-Vento Grant (Supportive Housing Program)	\$ 400,000	\$ 400,000	\$ 0
8	Low Income Housing Tax Credits Equity	\$ 3,702,236	\$ 3,702,236	\$ 0
9	Deferred Developer Fee (Equity)	\$ 494,272	\$ 0	- \$ 494,272
10	Owner's Cash Contribution (Equity)	\$ 260,368	\$ 154,640	- \$ 105,728
11	Owner's Land (Equity)	\$ 1,210,000	\$ 1,210,000	\$ 0
12	Proposed Housing Commission Loan	\$ 0	\$ 600,000	+ \$ 600,000
13	Estimated Total Permanent Sources:	\$10,908,411	\$10,908,411	\$ 0

ATTACHMENT 5
HOUSING COMMISSION GENERAL APPLICATION PROFORMA

SAN DIEGO HOUSING COMMISSION **GENERAL APPLICATION FORM - Project Overview**

ATTACHMENT 5

Page 1

Last revised: November 27, 2007

DATE: July 16, 2008 (Revised)

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED IN SHADED CELLS (Check all boxes that apply)

REQUEST FOR:	<input type="checkbox"/> EARLY ASSISTANCE	<input checked="" type="checkbox"/> PROJECT FUNDING	\$ 600,000
	<input type="checkbox"/> TECHNICAL ASSISTANCE	<input type="checkbox"/> PREDEVELOPMENT LOAN	\$
	<input type="checkbox"/>	<input type="checkbox"/> PROJECT SUPPORT GRANT	\$

PROJECT TYPE:	<input type="checkbox"/> ACQUISITION	<input type="checkbox"/> ACQUISITION & REHABILITATION	<input checked="" type="checkbox"/> RENTAL
	<input checked="" type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> REHABILITATION	<input type="checkbox"/> OWNERSHIP

PROJECT CONDITION:	<input type="checkbox"/> UNIMPROVED SITE	<input checked="" type="checkbox"/> RESIDENTIAL	<input type="checkbox"/> COMMERCIAL
YEAR BUILT:	<input type="checkbox"/> EXISTING STRUCTURE	<input type="checkbox"/> OTHER (DESCRIBE)	

PROJECT NAME:	SVDP Boulevard Apartments - 24 Units		
ADDRESS:	3137 El Cajon Blvd.	San Diego	CA 92104
	STREET	CITY	STATE ZIP
LEGAL DESCRIPTION:	LOT NO.	BLOCK NO.	SUBDIVISION NAME
			ASSESSORS PARCEL NO. 446-251-06/07-00
			CENSUS TRACT

SITE CONTROL:	<input checked="" type="checkbox"/> DEED	<input type="checkbox"/> OPTION	<input type="checkbox"/> OTHER (DESCRIBE)
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DWELLING UNITS:	0-BEDROOM	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	TOTAL UNITS	BEDROOMS
		3	18	3			24	48

HC Assisted Units:	0-BEDROOM	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	TOTAL UNITS	BEDROOMS
		3	18	3			24	48

EXISTING USES OF PROPERTY:	Thrift store run by SVDP Management
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DESCRIPTION OF PROPOSED PROJECT:	Boulevard Apartments is to be a four-story permanent housing facility that combines contemporary materials and construction techniques with styling cues that evoke traditional residential architecture. S.V.D.P. Management currently operates a one-story thrift store on the site, and will donate the land for Boulevard Apartments. The project is intended to not only provide housing for 24 families, but also revitalize the urban neighborhood in which it will be built.
NO. OF BUILDINGS:	1

APPLICANT/BORROWER:	
NAME:	S.V.D.P. Management, Inc.
ADDRESS:	3350 E St.
	STREET
TELEPHONE:	(619) 446-2126
FAX NO.:	(619) 446-2129
CONTACT PERSON:	Mathew Packard
	San Diego
	CA 92101
	CITY STATE ZIP
E-mail address:	

LEGAL DESCRIPTION OF APPLICANT:			
<input type="checkbox"/> FOR PROFIT CORPORATION	<input checked="" type="checkbox"/> NONPROFIT CORPORATION	<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> INDIVIDUAL OWNER
<input type="checkbox"/> CHDO	<input type="checkbox"/> OTHER	DESCRIBE	

TAXPAYER IDENTIFICATION NUMBER:	33-0492804
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CURRENT OWNER/SELLER INFORMATION:	
NAME:	S.V.D.P. Management, Inc.
ADDRESS:	3350 E St.
	STREET
TELEPHONE:	(619) 446-2126
FAX NO.:	(619) 446-2129
LEGAL DESCRIPTION:	Lots 9-16 inclusive, Block 55
	San Diego
	CA 92101
	CITY STATE ZIP

ZONING:	CN-1	COMMUNITY PLAN AREA:	Mid-City Community Plan Area
COUNCIL DISTRICT:	3	SCHOOL DISTRICT:	San Diego Unified School District

SIGNATURE	PRINT NAME	TITLE	DATE
	Mathew Packard	Vice President	7/22/08

SAN DIEGO HOUSING COMMISSION

APPLICANT INTEREST FORM - AI

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED

NAME, ADDRESS, TITLE/POSITION, TELEPHONE, NATURE OF INTEREST AND PERCENT OF INTEREST
FOR PROPOSED OWNERS, OFFICERS AND GENERAL PARTNERS - LIST ALL
FOR SHAREHOLDERS, INVESTORS, LIMITED PARTNERS AND OTHERS - LIST ALL WITH A 10% OR HIGHER INTEREST

PROJECT NAME: SVDP Boulevard Apartments - 24 UnitsADDRESS: 3137 El Cajon Blvd.,
ADDRESSSan Diego
CITYCA
STATE92104
ZIPOWNERSHIP NAME: 3137 El Cajon Boulevard LP - S.V.D.P. Management Inc., GPDATE: July 16, 2008 (Revised)

1. <u>Father Joe Carroll</u> NAME <u>3350 E St.,</u> STREET/PO <u>San Diego</u> <u>CA</u> <u>92101</u> CITY STATE ZIP	<u>President</u> TITLE/POSITION <u>619-446-2100</u> BUSINESS TELEPHONE NO.	<u>Officer/SVDP Mgmt</u> NATURE OF INTEREST <u>1</u> PERCENT INTEREST
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2. <u>Mathew Packard</u> NAME <u>3350 E St.,</u> STREET/PO <u>San Diego</u> <u>CA</u> <u>92102</u> CITY STATE ZIP	<u>Vice President</u> TITLE/POSITION <u>619-446-2126</u> BUSINESS TELEPHONE NO.	<u>Officer</u> NATURE OF INTEREST PERCENT INTEREST
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3. NAME STREET/PO CITY STATE ZIP	 TITLE/POSITION BUSINESS TELEPHONE NO.	 NATURE OF INTEREST PERCENT INTEREST
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4. NAME STREET/PO CITY STATE ZIP	 TITLE/POSITION BUSINESS TELEPHONE NO.	 NATURE OF INTEREST PERCENT INTEREST
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5. NAME STREET/PO CITY STATE ZIP	 TITLE/POSITION BUSINESS TELEPHONE NO.	 NATURE OF INTEREST PERCENT INTEREST
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6. NAME STREET/PO CITY STATE ZIP	 TITLE/POSITION BUSINESS TELEPHONE NO.	 NATURE OF INTEREST PERCENT INTEREST
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7. NAME STREET/PO CITY STATE ZIP	 TITLE/POSITION BUSINESS TELEPHONE NO.	 NATURE OF INTEREST PERCENT INTEREST
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8. NAME STREET/PO CITY STATE ZIP	 TITLE/POSITION BUSINESS TELEPHONE NO.	 NATURE OF INTEREST PERCENT INTEREST
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USE ADDITIONAL SHEETS AS NECESSARY

SAN DIEGO HOUSING COMMISSION

APPLICANT INTEREST FORM - AI

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED

NAME, ADDRESS, TITLE/POSITION, TELEPHONE, NATURE OF INTEREST AND PERCENT OF INTEREST
FOR PROPOSED OWNERS, OFFICERS AND GENERAL PARTNERS - LIST ALL
FOR SHAREHOLDERS, INVESTORS, LIMITED PARTNERS AND OTHERS - LIST ALL WITH A 10% OR HIGHER INTEREST

PROJECT NAME: SVDP Boulevard Apartments - 24 UnitsADDRESS: 3137 El Cajon Blvd.,San DiegoCA92104

ADDRESS

CITY

STATE

ZIP

OWNERSHIP NAME: 3137 El Cajon Boulevard, LPDATE: 6, 2008 (Revised)

9. Board Member List is attached.

NAME

TITLE/POSITION

NATURE OF INTEREST

STREET/PO

BUSINESS TELEPHONE NO.

PERCENT INTEREST

CITY

STATE

ZIP

10.

NAME

TITLE/POSITION

NATURE OF INTEREST

STREET/PO

BUSINESS TELEPHONE NO.

PERCENT INTEREST

CITY

STATE

ZIP

11.

NAME

TITLE/POSITION

NATURE OF INTEREST

STREET/PO

BUSINESS TELEPHONE NO.

PERCENT INTEREST

CITY

STATE

ZIP

12.

NAME

TITLE/POSITION

NATURE OF INTEREST

STREET/PO

BUSINESS TELEPHONE NO.

PERCENT INTEREST

CITY

STATE

ZIP

13.

NAME

TITLE/POSITION

NATURE OF INTEREST

STREET/PO

BUSINESS TELEPHONE NO.

PERCENT INTEREST

CITY

STATE

ZIP

14.

NAME

TITLE/POSITION

NATURE OF INTEREST

STREET/PO

BUSINESS TELEPHONE NO.

PERCENT INTEREST

CITY

STATE

ZIP

15.

NAME

TITLE/POSITION

NATURE OF INTEREST

STREET/PO

BUSINESS TELEPHONE NO.

PERCENT INTEREST

CITY

STATE

ZIP

16.

NAME

TITLE/POSITION

NATURE OF INTEREST

STREET/PO

BUSINESS TELEPHONE NO.

PERCENT INTEREST

CITY

STATE

ZIP

USE ADDITIONAL SHEETS AS NECESSARY

a. If the developer is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
N/A

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.

Board of Directors – S.V.D.P. Management, Inc.

Adelizzi, Bob
Assomull, Mukesh
Benson, Judy
Black, Charles
Boudreau, Steve (Board Secretary)
Burdick, Henry
Conway, Steve
Fischer, Bob (Board Treasurer)
Francis, Steve (Board Chair)
Jennings, Jackie
Kasperick, Vince
Malcolm, David
Mulvaney Sr., James
Norling, Richard
Panetta, Joseph D.
Parisi, Charles
Sudberry, Tom
VanDeWeghe, Bill
Ward, Linc
Witt, Ed

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.

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%.
N/A

Name, Address & Zip Code

Phone Number

Position Title (if any) and percent of
interest or description of character
and extent of interest

**SAN DIEGO HOUSING COMMISSION
DEVELOPMENT FORM - RENTAL INCOME - RI**

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED - CHECK ALL BOXES THAT APPLY

DATE: July 16, 2008 (Revised)

PROJECT TYPE ☐ ACQUISITION ☐ ACQUISITION & REHABILITATION ☒ RENTAL
☒ NEW CONSTRUCTION ☐ REHABILITATION ☐ OWNERSHIP

PROJECT NAME: SVDP Boulevard Apartments - 24 Units
 ADDRESS: 3137 El Cajon Blvd., San Diego CA 92104
STREET CITY STATE ZIP

UTILITY INFORMATION [Input X, G, E, T, or L where indicated]

Type (X) in ONE box

☒ Apartment
☐ Duplex, Townhouse
☐ House, Mobile Home

Gas (G) or Electricity (E)
FILL IN ALL BOXES G or E

Paid by Tenant (T) or Owner/Landlord (L)
FILL IN ALL BOXES T or L

Heat	E	T
Cooking	E	T
Water Heater	G	L
Water/Sewer		L
Basic Electric		T

INCOME BY UNIT TYPE

COLUMN:												
A	B	C	D	E	F	G	H	I	J	K	L	M
BASIS FOR RENT*	NO. OF UNITS	BED-ROOMS PER UNIT	BATH-ROOMS PER UNIT	SQ FT PER UNIT	CURRENT RENT	MONTHLY HOUSING COST PER UNIT	LESS: MONTHLY UTILITY ALLOW. PER UNIT	EQUALS: MONTHLY Tenant Paid RENT PER UNIT	COMPARE TO: MONTHLY MARKET RENT PER UNIT	AFFORDABILITY LEVEL: PERCENT MEDIAN INCOME**	YEARLY GROSS RENTS ALL UNITS	YEARLY MARKET RENTS
RDA	3	1	1.00	660	\$ 416	\$ 433	\$ 17	\$ 416		31 %	\$ 14,976	\$
RDA	9	2	1.00	831	\$ 465	\$ 487	\$ 22	\$ 465		31 %	\$ 50,220	\$
RDA	8	2	1.00	831	\$ 627	\$ 649	\$ 22	\$ 627		42 %	\$ 60,192	\$
RDA	3	3	2.00	1,071	\$ 536	\$ 562	\$ 26	\$ 536		32 %	\$ 19,296	\$
					\$	\$	\$	\$		%	\$	\$
					\$	\$	\$	\$		%	\$	\$
					\$	\$	\$	\$		%	\$	\$
					\$	\$	\$	\$		%	\$	\$
					\$	\$	\$	\$		%	\$	\$
					\$	\$	\$	\$		%	\$	\$
					\$	\$	\$	\$		%	\$	\$
					\$	\$	\$	\$		%	\$	\$
					\$	\$	\$	\$		%	\$	\$
					\$	\$	\$	\$		%	\$	\$
MGR	1	2	1.00	831	\$ 627	\$	\$	\$		%	\$	\$
MGR					\$	\$	\$	\$		%	\$	\$

* Indicate Tax Credit Rents with "TC", Housing Commission Rents with "SDHC", HOME rents with "HOME", and Resident Manager's unit(s) with "MGR (bottom two rows)."

** This calculation is based on a household size of one plus the bedroom type;
Please note that using tax credit rents may produce a different AMI percentage.

TOTAL RENT (YEAR) \$ 144,684 \$
 Comp. to 90% of Market: \$ 144,684 \$

OTHER INCOME Laundry Income, App Fee, Late Fees \$ 3,768
 \$
 \$

TOTAL ANNUAL INCOME \$148,452

TOTAL UNITS 24

TOTAL UNIT SQ. FT. 20,151 + TOTAL COMMUNITY FACILITIES SQ. FT.

TOTAL SQ. FT. 20,151

**SAN DIEGO HOUSING COMMISSION
DEVELOPMENT FORM - OPERATING EXPENSE - OE**

Page 4

DATE: July 16, 2008 (Revised)

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED - CHECK ALL BOXES THAT APPLY

Last revised: November 27, 2007

PROJECT TYPE: ☐ ACQUISITION ☐ ACQUISITION & REHABILITATION ☒ RENTAL
☒ NEW CONSTRUCTION ☐ REHABILITATION ☐ OWNERSHIP

PROJECT NAME: SVDP Boulevard Apartments - 24 Units

ADDRESS: 3137 El Cajon Blvd.,

San Diego
CITY

CA
STATE

92104
ZIP

TOTAL NUMBER OF UNITS 24

OPERATING EXPENSE ITEM	ANNUAL COST	COST PER UNIT	COST PER SQ. FT.
Administrative Expenses			
Office Supplies & Equipment	\$ 2,400	\$ 100	\$ 0.12
Telephone	\$ 960	\$ 40	\$ 0.05
Training & Travel	\$ 200	\$ 8	\$ 0.01
Payroll Services	\$ 38,448	\$ 1,602	\$ 1.91
Program Services	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total 40%	\$ 42,008	\$ 1,750	\$ 2.08
Marketing Expenses			
Advertising	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total	\$ -	\$ -	\$
Professional Fees			
Property Management	\$ 8,640	\$ 360	\$ 0.43
Auditing Services	\$ 6,500	\$ 271	\$ 0.32
Legal Services	\$ 2,500	\$ 104	\$ 0.12
Other: Payroll/ Payroll Taxes	\$	\$	\$
Subtotal Percent of Total 17%	\$ 17,640	\$ 735	\$ 0.88
Utilities			
Electric	\$ 5,040	\$ 210	\$ 0.25
Gas	\$ 1,200	\$ 50	\$ 0.06
Water/Sewer	\$ 14,575	\$ 607	\$ 0.72
Other:	\$	\$	\$
Subtotal Percent of Total 20%	\$ 20,815	\$ 867	\$ 1.03
Contract Services			
Exterminating	\$ 900	\$ 38	\$ 0.04
Trash Removal	\$ 3,600	\$ 150	\$ 0.18
Security Patrol	\$	\$	\$
Building/Grounds Maintenance	\$ 1,600	\$ 67	\$ 0.08
Janitorial Services	\$	\$	\$
Repair Services	\$ 2,400	\$ 100	\$ 0.12
Elevator & Other Equipment	\$ 1,400	\$ 58	\$ 0.07
Garage Operations/Maintenance	\$ 1,000	\$ 42	\$ 0.05
Other:	\$	\$	\$
Subtotal Percent of Total 10%	\$ 10,900	\$ 454	\$ 0.54
Cleaning & Decorating			
Painting Supplies	\$	\$	\$
Grounds Supplies	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total	\$ -	\$ -	\$
Taxes & Insurance			
Real Property Tax Assessment	\$ 100	\$ 4	\$ 0.00
Property Insurance	\$ 12,000	\$ 500	\$ 0.60
Director's & Officer's Insurance	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total 12%	\$ 12,100	\$ 504	\$ 0.60
Other			
SDHC Monitoring Fees	\$ 1,560	\$ 65	\$ 0.08
Other:	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total 1%	\$ 1,560	\$ 65	\$ 0.08
Total Annual Operating Costs	\$ 105,023	\$ 4,376	\$ 5.21

Last revised: November 27, 2007

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED - CHECK ALL BOXES THAT APPLY

DATE: July 16, 2008 (Revised)

PROJECT TYPE: ☐ ACQUISITION ☐ ACQUISITION & REHABILITATION ☒ RENTAL
☒ NEW CONSTRUCTION ☐ REHABILITATION ☐ OWNERSHIP

PROJECT NAME:	SVDP Boulevard Apartments - 24 Units			
ADDRESS:	3137 El Cajon Blvd.,	San Diego	CA	92104
	STREET	CITY	STATE	ZIP
Number of Units	24			

<u>DEVELOPMENT COST ITEM</u>	<u>PERCENT</u>	<u>AMOUNT</u>
ACQUISITION / LAND COST		
LAND		\$ 1,210,000
BUILDINGS		\$
SUBTOTAL		\$ 1,210,000
LEGAL/BROKER'S FEE/TITLE		\$
OTHER		\$
TOTAL ACQUISITION / LAND COST		\$ 1,210,000

REHABILITATION / CONSTRUCTION

SITE WORK		\$	197,744
DEMOLITION		\$	78,888
STRUCTURES		\$	4,974,321
TOTAL HARD COSTS		\$	5,250,953
GENERAL REQUIREMENTS	12.4 %	\$	650,793
CONTRACTOR'S OVERHEAD	2.6 %	\$	137,923
CONTRACTOR'S PROFIT	2.6 %	\$	137,923
TOTAL REHABILITATION / CONSTRUCTION		\$	6,177,592

CONSTRUCTION CONTINGENCY	0.075 %	\$ 463,319
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BOND PREMIUM \$

CONSTRUCTION LOAN

CONSTRUCTION INTEREST COST	\$ 347,734
APPLICATION FEE	\$
LOAN ORIGINATION FEE	\$ 30,000
OTHER <u>Inspection and Due Diligence</u>	\$ 60,075
	\$ 437,809

PERMANENT LOAN

APPLICATION FEE	\$	
LOAN ORIGINATION FEE	\$	
OTHER <u>CDLAC Legal Cost</u>	\$	140,000
	\$	140,000

RELOCATION COST \$

ARCHITECTURAL FEES

DESIGN	\$	380,840
SUPERVISION	\$	
TOTAL ARCHITECTURAL FEES	0.1 % \$	380,840

SURVEYS, SOIL BORINGS, & ENGINEERING	\$ 100,884
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<u>DEVELOPMENT COST ITEM</u>	<u>PERCENT</u>	<u>AMOUNT</u>
LEGAL, PERMIT, & AUDIT		
SDHC'S LEGAL (not to exceed)		\$ 5,000
BORROWER'S LEGAL		\$
LENDERS' LEGAL		\$
PERMITS		\$ 287,703
TITLE & RECORDING		\$ 25,000
INSURANCE		\$ 75,000
AUDIT		\$
TAXES DURING CONSTRUCTION		\$
OTHER		\$
TOTAL LEGAL, PERMIT, & AUDIT		\$ 392,703

OTHER COSTS

DEVELOPER'S FEE	8.3 %	\$ 902,457
CONSULTANT FEE	2.8 %	\$ 300,000
APPRAISAL COSTS		\$ 7,500
ENVIRONMENTAL STUDY		\$ 70,000
MARKET STUDY		\$ 5,000
MARKETING & RENT-UP		\$ 27,200
SDHC MONITOR SET-UP		\$ 500
SDHC LOAN ORIGINATION FEE		\$ 2,000
REPLACEMENT RESERVES	MONTHS	\$
OPERATING RESERVES	MONTHS	\$ 32,721
REHABILITATION PROJECTS:		\$
SDHC TECHNICAL SERVICES FEE (\$5,000)		\$
SDG&E (345/unit)		\$ 8,280
TCAC Fees/Syndication		\$ 66,999
Furnishings - Rental Office		\$ 52,000
Accounting		\$ 40,000
Prevailing Wage Monitoring		\$ 20,500
Construction Management		\$ 17,500
		\$
		\$
		\$
		\$
		\$
		\$
		\$
TOTAL OTHER COSTS		\$ 1,552,657

SOFT COSTS CONTINGENCY	2.17 %	\$	52,607
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TOTAL DEVELOPMENT COST	\$	10,908,411
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PROJECT TYPE: ☐ ACQUISITION ☐ ACQUISITION & REHABILITATION ☒ RENTAL ☒ NEW CONSTRUCTION ☐ REHABILITATION ☐ OWNERSHIP
 NUMBER OF UNITS: 24

PROJECT NAME: SVPD Boulevard Apartments - 24 Units
 ADDRESS: 3137 El Cajon Blvd., San Diego CA 92104
 STREET CITY STATE ZIP

SOURCES POSITION	TERMS	COMMITMENT	AMORTIZED	DEFERRED	TAX CREDIT	GRANT	EQUITY
1ST MHP	55% 3.00% Y/N	DATE OR EXPECTED	\$ 2,081,535				
2ND SD RDA	55% 3.00% Y/N	DATE OR EXPECTED	\$ 2,400,000				
3RD SDHC	55% 3.00% Y/N	DATE OR EXPECTED	\$ 600,000				
(Select one) Residual Receipts OR Amortized	<input checked="" type="checkbox"/> <input type="checkbox"/>	HC Subsidy/Assisted Unit HC Subsidy/Assisted Bdrm	\$ 25,000 \$ 12,500				
4TH HUD Grant	55% 3.00% Y/N	DATE OR EXPECTED			\$ 400,000		
5TH AHP	55% 3.00% Y/N	DATE OR EXPECTED			\$ 360,000		
TAX CREDITS Tax Credit Investor	Y/N	DATE OR EXPECTED			\$ 3,702,236		
EQUITY Land- NOTE to SVPD	Y/N	DATE OR EXPECTED					\$ 1,210,000
EQUITY	Y/N	DATE OR EXPECTED					\$
EQUITY SVPD cash or deferred devfee	Y/N	DATE OR EXPECTED					\$ 154,640
TOTAL			\$ 10,908,411	\$ 2,081,535	\$ 3,000,000	\$ 3,702,236	\$ 760,000
							\$ 1,364,640

FUNDING SCHEDULE FOR SOURCES		CLOSING	CONSTRUCTION PERIOD			COMPLETION	RENT UP
	TOTAL		1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	QTRS 5 & 6
MHP	\$ 2,081,535	\$	\$	\$	\$	\$	\$ 2,081,535
SD RDA	\$ 2,400,000	\$ 1,440,000	\$ 480,000	\$	\$	\$ 240,000	\$ 240,000
SDHC	\$ 600,000	\$	\$ 400,000	\$ 199,000	\$	\$	\$ 1,000
HUD Grant	\$ 400,000	\$	\$	\$	\$	\$	\$ 400,000
AHP	\$ 360,000	\$	\$	\$	\$	\$	\$ 360,000
Tax Credit Investor	\$ 3,702,236	\$ 37,022	\$	\$	\$	\$	\$ 3,665,214
Land- NOTE to SVPD	\$ 1,210,000	\$ 1,210,000	\$	\$	\$	\$	\$
	\$ -	\$	\$	\$	\$	\$	\$
SVPD cash or deferred devfee	\$ 154,640	\$	\$	\$	\$	\$	\$ 154,640
	\$ 10,908,411	\$ 2,687,022	\$ 880,000	\$ 199,000	\$ -	\$ 240,000	\$ 6,902,389

INFORMATION ON CONSTRUCTION LOAN
 CONSTRUCTION LENDER: US Bank
 CONSTRUCTION TIME: 18 (MONTHS)
 CONSTRUCTION INTEREST: 6.000 %
 COMMITTED: X YES NO
 DATE OF COMMITMENT/EXPECTED: Loan Closed 5/9/08

**SAN DIEGO HOUSING COMMISSION (This Page Assumes Developer Contributes \$154,640 as Cash).
DEVELOPMENT FORM - PRO FORMA - PF**

Last revised: November 27, 2007

PLEASE PROVIDE ALL KNOWN INFORMATION - CHECK ALL BOXES THAT APPLY

Date: July 16, 2008 (Revised)

PROJECT TYPE: ☐ ACQUISITION ☐ ACQUISITION & REHABILITATION ☒ RENTAL
☒ NEW CONSTRUCTION ☐ REHABILITATION ☐ OWNERSHIP

PROJECT NAME: SVDP Boulevard Apartments - 24 Units

ADDRESS: 3137 El Cajon Blvd., San Diego CA 92104
 STREET CITY STATE ZIP

Replacement Reserve	\$ 14,400	LP Asset Mgmt Fee	\$ 3,000	GP Management Fee	\$
Rental Income	\$ 144,684	Project Income Increase	2.50 %	Mortgage Amount	\$ 2,081,535 %
Other Income	\$ 3,768	Operating Exp. Increase	3.50 %	Mortgage Rate	3.000
Operating Expenses	\$ 105,023	Vacancy Loss	5.00 %	Mortgage Term(Years)	55
LP & GP Annual Increase	2.5 %	Deferred Dev. Fee	\$	Interest on Deff. Dev. Fee	%

SDHC Participation	\$ 600,000	Residual Receipts or	<input checked="" type="checkbox"/>	Interest Rate	3.000 %
Percent of Residual to HC	10%	Amortize	<input type="checkbox"/>	Term (Years)	55

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Gross Project Income	\$ 148,452	\$ 152,163	\$ 155,967	\$ 159,867	\$ 163,863
Vacancy	\$ 7,423	\$ 7,608	\$ 7,798	\$ 7,993	\$ 8,193
Effective Gross Income	\$ 141,029	\$ 144,555	\$ 148,169	\$ 151,873	\$ 155,670
Operating Expense	\$ 105,023	\$ 108,699	\$ 112,503	\$ 116,441	\$ 120,516
Net Operating Income	\$ 36,006	\$ 35,856	\$ 35,666	\$ 35,432	\$ 35,154
Debt Service(1st) Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments
Coverage (1st)					
Replacement Reserve	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400
Cash Flow	\$ 21,606	\$ 21,456	\$ 21,266	\$ 21,032	\$ 20,754
MHP Annual Admin Fee	\$ 8,742	\$ 8,742	\$ 8,742	\$ 8,742	\$ 8,742
LP Asset Management Fee	\$ 3,000	\$ 3,075	\$ 3,152	\$ 3,231	\$ 3,311
GP Management Fee	\$ -	\$	\$	\$	\$
Deferred Dev. Fee Pmt.	\$	\$	\$	\$	\$
Net Cash Flow	\$ 9,864	\$ 9,639	\$ 9,372	\$ 9,060	\$ 8,700
Developer Cash Flow Share 30%	\$ 2,959	\$ 2,892	\$ 2,812	\$ 2,718	\$ 2,610
City Redev Cash Flow Share 40%	\$ 3,946	\$ 3,856	\$ 3,749	\$ 3,624	\$ 3,480
MHP Cash Flow Share 20%	\$ 1,973	\$ 1,928	\$ 1,874	\$ 1,812	\$ 1,740
SDHC Cash Flow Share 10%	\$ 986	\$ 964	\$ 937	\$ 906	\$ 870

	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Income	\$ 167,960	\$ 172,159	\$ 176,463	\$ 180,874	\$ 185,396
Vacancy	\$ 8,398	\$ 8,608	\$ 8,823	\$ 9,044	\$ 9,270
Effective Gross Income	\$ 159,562	\$ 163,551	\$ 167,640	\$ 171,831	\$ 176,126
Operating Expense	\$ 124,734	\$ 129,100	\$ 133,619	\$ 138,295	\$ 143,136
Net Operating Income	\$ 34,827	\$ 34,451	\$ 34,021	\$ 33,535	\$ 32,991
Debt Service(1st) Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments
Coverage (1st)					
Replacement Reserve	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400
Cash Flow	\$ 20,427	\$ 20,051	\$ 19,621	\$ 19,135	\$ 18,591
MHP Annual Admin Fee	\$ 8,742	\$ 8,742	\$ 8,742	\$ 8,742	\$ 8,742
LP Asset Management Fee	\$ 3,394	\$ 3,479	\$ 3,566	\$ 3,655	\$ 3,747
GP Management Fee	\$	\$	\$	\$	\$
Deferred Dev. Fee	\$	\$	\$	\$	\$
Net Cash Flow	\$ 8,291	\$ 7,830	\$ 7,313	\$ 6,738	\$ 6,102
Developer Cash Flow Share 30%	\$ 2,487	\$ 2,349	\$ 2,194	\$ 2,021	\$ 1,831
City Redev Cash Flow Share 40%	\$ 3,316	\$ 3,132	\$ 2,925	\$ 2,695	\$ 2,441
MHP Cash Flow Share 20%	\$ 1,658	\$ 1,566	\$ 1,463	\$ 1,348	\$ 1,220
SDHC Cash Flow Share 10%	\$ 829	\$ 783	\$ 731	\$ 674	\$ 610

	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Gross Income	\$ 190,031	\$ 194,782	\$ 199,651	\$ 204,643	\$ 209,759
Vacancy	\$ 9,502	\$ 9,739	\$ 9,983	\$ 10,232	\$ 10,488
Effective Gross Income	\$ 180,530	\$ 185,043	\$ 189,669	\$ 194,411	\$ 199,271
Operating Expense	\$ 148,145	\$ 153,330	\$ 158,697	\$ 164,251	\$ 170,000
Net Operating Income	\$ 32,384	\$ 31,712	\$ 30,972	\$ 30,159	\$ 29,271
Debt Service(1st) Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments
Coverage (1st)					
Replacement Reserve	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400
Cash Flow	\$ 17,984	\$ 17,312	\$ 16,572	\$ 15,759	\$ 14,871
MHP Annual Admin Fee	\$ 8,742	\$ 8,742	\$ 8,742	\$ 8,742	\$ 8,742
LP Asset Management Fee	\$ 3,840	\$ 3,936	\$ 4,035	\$ 4,136	\$ 4,239
GP Management Fee	\$	\$	\$	\$	\$
Deferred Dev. Fee	\$	\$	\$	\$	\$
Net Cash Flow	\$ 5,402	\$ 4,634	\$ 3,795	\$ 2,882	\$ 1,890
Developer Cash Flow Share 30%	\$ 1,621	\$ 1,390	\$ 1,139	\$ 865	\$ 567
City Redev Cash Flow Share 40%	\$ 2,161	\$ 1,854	\$ 1,518	\$ 1,153	\$ 756
MHP Cash Flow Share 20%	\$ 1,080	\$ 927	\$ 759	\$ 576	\$ 378
SDHC Cash Flow Share 10%	\$ 540	\$ 463	\$ 380	\$ 288	\$ 189

DEVELOPMENT FORM - PRO FORMA - PF (Page Assumes Developer Contributes \$154,640 as Deferred

PLEASE PROVIDE ALL KNOWN INFORMATION - CHECK ALL BOXES THAT APPLY

Date: July 16, 2008 (Revised Developer Fee).

PROJECT TYPE: ☐ ACQUISITION ☐ ACQUISITION & REHABILITATION ☒ RENTAL
☒ NEW CONSTRUCTION ☐ REHABILITATION ☐ OWNERSHIP

PROJECT NAME: SVDP Boulevard Apartments - 24 Units

ADDRESS: 3137 El Cajon Blvd., San Diego CA 92104
 STREET CITY STATE ZIP

Replacement Reserve	\$ 14,400	LP Asset Mgmt Fee	\$ 3,000	GP Management Fee	\$
Rental Income	\$ 144,684	Project Income Increase	2.50 %	Mortgage Amount	\$ 2,081,535 %
Other Income	\$ 3,768	Operating Exp. Increase	3.50 %	Mortgage Rate	3.000
Operating Expenses	\$ 105,023	Vacancy Loss	5.00 %	Mortgage Term (Years)	55
LP & GP Annual Increase	2.5 %	Deferred Dev. Fee	\$	Interest on Deff. Dev. Fee	%

SDHC Participation	\$ 600,000	Residual Receipts or	<input checked="" type="checkbox"/>	Interest Rate	3.000 %
Percent of Residual to HC	10%	Amortize	<input type="checkbox"/>	Term (Years)	55

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Gross Project Income	\$ 148,452	\$ 152,163	\$ 155,967	\$ 159,867	\$ 163,863
Vacancy	\$ 7,423	\$ 7,608	\$ 7,798	\$ 7,993	\$ 8,193
Effective Gross Income	\$ 141,029	\$ 144,555	\$ 148,169	\$ 151,873	\$ 155,670
Operating Expense	\$ 105,023	\$ 108,699	\$ 112,503	\$ 116,441	\$ 120,516
Net Operating Income	\$ 36,006	\$ 35,856	\$ 35,666	\$ 35,432	\$ 35,154
Debt Service(1st) Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments
Coverage (1st)					
Replacement Reserve	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400
Cash Flow	\$ 21,606	\$ 21,456	\$ 21,266	\$ 21,032	\$ 20,754
MHP Annual Admin Fee	\$ 8,742	\$ 8,742	\$ 8,742	\$ 8,742	\$ 8,742
LP Asset Management Fee	\$ 3,000	\$ 3,075	\$ 3,152	\$ 3,231	\$ 3,311
GP Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Dev. Fee Pmt.	\$ 9,864	\$ 9,639	\$ 9,372	\$ 9,060	\$ 8,700
Net Cash Flow	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ 0
Developer Cash Flow Share 30%	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ 0
City Redev Cash Flow Share 40%	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ 0
MHP Cash Flow Share 20%	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ 0
SDHC Cash Flow Share 10%	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ 0

	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Income	\$ 167,960	\$ 172,159	\$ 176,463	\$ 180,874	\$ 185,396
Vacancy	\$ 8,398	\$ 8,608	\$ 8,823	\$ 9,044	\$ 9,270
Effective Gross Income	\$ 159,562	\$ 163,551	\$ 167,640	\$ 171,831	\$ 176,126
Operating Expense	\$ 124,734	\$ 129,100	\$ 133,619	\$ 138,295	\$ 143,136
Net Operating Income	\$ 34,827	\$ 34,451	\$ 34,021	\$ 33,535	\$ 32,991
Debt Service(1st) Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments
Coverage (1st)					
Replacement Reserve	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400
Cash Flow	\$ 20,427	\$ 20,051	\$ 19,621	\$ 19,135	\$ 18,591
MHP Annual Admin Fee	\$ 8,742	\$ 8,742	\$ 8,742	\$ 8,742	\$ 8,742
LP Asset Management Fee	\$ 3,394	\$ 3,479	\$ 3,566	\$ 3,655	\$ 3,747
GP Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Dev. Fee	\$ 8,291	\$ 7,830	\$ 7,313	\$ 6,738	\$ 6,102
Net Cash Flow	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ 0
Developer Cash Flow Share 30%	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ 0
City Redev Cash Flow Share 40%	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ 0
MHP Cash Flow Share 20%	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ 0
SDHC Cash Flow Share 10%	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ 0

	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Gross Income	\$ 190,031	\$ 194,782	\$ 199,651	\$ 204,643	\$ 209,759
Vacancy	\$ 9,502	\$ 9,739	\$ 9,983	\$ 10,232	\$ 10,488
Effective Gross Income	\$ 180,530	\$ 185,043	\$ 189,669	\$ 194,411	\$ 199,271
Operating Expense	\$ 148,145	\$ 153,330	\$ 158,697	\$ 164,251	\$ 170,000
Net Operating Income	\$ 32,384	\$ 31,712	\$ 30,972	\$ 30,159	\$ 29,271
Debt Service(1st) Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments	Deferred Payments
Coverage (1st)					
Replacement Reserve	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400
Cash Flow	\$ 17,984	\$ 17,312	\$ 16,572	\$ 15,759	\$ 14,871
MHP Annual Admin Fee	\$ 8,742	\$ 8,742	\$ 8,742	\$ 8,742	\$ 8,742
LP Asset Management Fee	\$ 3,840	\$ 3,936	\$ 4,035	\$ 4,136	\$ 4,239
GP Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Dev. Fee	\$ 5,402	\$ 4,634	\$ 3,795	\$ 2,882	\$ 1,890
Net Cash Flow	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ (0)
Developer Cash Flow Share 30%	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ (0)
City Redev Cash Flow Share 40%	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ (0)
MHP Cash Flow Share 20%	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ (0)
SDHC Cash Flow Share 10%	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ (0)



September 18, 2008

Mr. Mathew Packard
3137 El Cajon Boulevard, LP
3350 E Street
San Diego, California 92101

Re: 3137 El Cajon Boulevard
Subject: Boulevard Apartments

Dear Mr. Packard:

I am pleased to offer this revised loan proposal for your consideration, subject to the approval of the San Diego Housing Commission Board and subject to the approval of the Housing Authority of the City of San Diego.

The parameters of this revised loan commitment are as follows:

Borrower: 3137 El Cajon Boulevard, L.P., a California Limited Liability Company, has been formed as the tax credit ownership entity and to facilitate and coordinate the development of the Boulevard Apartments, a 24-unit multifamily apartment complex intended for rental to very low-income individuals and families. S.V.D.P. Management Inc., a California nonprofit public benefit corporation ("SVDP") is the general partner. TRGHT, Inc, a Delaware Corporation is the Investment Partner and The Richman Group Capital Corporation, a Delaware corporation is the Special Limited Partner. The documentation of the limited partnership, (including the "3137 El Cajon Boulevard LP Amended and Restated Agreement of Limited Partnership") is subject to approval by the Housing Commission staff and its General Counsel.

Use of Loan Proceeds: The loan shall be used by the Borrower to finance the new construction and permanent financing of the Boulevard Apartments.

Number of Units: A minimum of 24 total units shall be constructed.

Terms of the Proposed Loan: A proposed residual receipts loan of up to \$600,000:

- The interest rate will be three percent (3%) simple interest per year.
- The loan would have deferred payments but 3% simple interest would continue to accrue for the loan term.
- The loan would have annual debt service payments for years 1-30 that will equal ~~6%~~ 10% of total residual

~~receipts which is based on a proportionate (11.81%) share of the Redevelopment Agency's 50% of residual receipts and for years 31-55 that will equal 9% 16% of total residual receipts based on a proportionate 11.81% of the Agency's 80% of residual receipts.~~

- Payment of all principal and accrued interest will be due and payable at the earlier of: (i) the end of 55 years from the date project occupancy, or (ii) upon refinancing of the project.
- The borrower will begin making annual residual receipts payments after date of the project occupancy certificate and following the end of the first 12 months of operations that coincide with the end of the borrower's fiscal year.

Loan Term: The term of the affordability restrictions will be 55 years from the date of occupancy of the development.

Affordability terms: A Housing Commission Declaration of Covenants, Conditions, and Restrictions with a 55-year term would be recorded against the property to restrict occupancy for 23 units to tenants with incomes between 30% and 40% of AMI and one unrestricted manager's unit.

Total Development Cost: If the actual total development cost of the project is less than \$10,908,411, or if the Housing Commission loan has not been fully funded, or in the event the aggregate amount of the various construction and permanent financing sources exceeds the uses of funds for the Project, or in the event there are project cost savings (including unused contingency from the total development costs) then the Housing Commission loan will be decreased or the loan will be repaid, by an amount equal to the difference between the total development sources less total development uses as verified by a construction cost and project cost audit. The cost audit will be provided by the borrower and approved by the lender. However, any such reduction shall be shared between the Housing Commission (20% of such excess amount) and the Redevelopment Agency of the City of San Diego ("Agency") (80% of such excess amount) in relative amount relationship to the two loans.

For consistency with the Agency's Owner Participation Agreement dated October 17, 2007, project cost savings could not be used to reduce the developer's estimated \$154,640 contribution (of cash or deferred developer's fee).

Security and Senior Financing:

- a) The Housing Commission loan shall be senior to all other encumbrances except for:
 - the existing first position State Multifamily Housing Program Loan (approximately \$2,081,535) which shall remain in first loan position.
 - The existing second position Agency's \$2,400,000 loan which shall remain in second loan position.
 - The existing third position Federal Home Loan Bank's Affordable Housing Program loan of \$360,000. However, SVDP will make its best efforts to obtain a subordination of the AHP loan to the Commission's.
 - SVDP's consultant has informed Housing Commission staff that the HUD McKinney-Vento grant is not secured against the property. However, SVDP will obtain any necessary approvals from the HUD McKinney-Vento grant program to ensure HUD approval that may be necessary to secure the Housing Commission's loan priority.
- b) The loan shall be secured by a deed of trust, in a form and format acceptable to the Housing Commission and its General Counsel in their sole discretion, made in favor of the Housing Commission and secured by the property.
- c) The Borrower will obtain all necessary approvals from the partners of the 3137 El Cajon Boulevard L.P. and will obtain any approvals needed from all other lenders in order to secure the Housing Commission's loan.
- d) The Housing Commission's loan restrictions shall be recorded against the property. The form and format of all restrictions shall be as drafted and/or approved by the Housing Commission's General Counsel.
- e) The Borrower must provide all necessary Mechanics Lien Endorsement(s) which are satisfactory, in form and substance, to the Housing Commission's General Counsel.

Other Contingencies:

The Housing Commission's proposed loan would be contingent upon fulfillment of the conditions described in the Housing Commission's reports "Loan for Boulevard Apartments" ~~(estimated for June 27, 2008 Housing Commission meeting), (Report HCR08-53, August 15, 2008.)~~ and "Revision to Loan for Boulevard Apartments"

(Report HCR08-105, estimated for the October 10, 2008 Housing Commission meeting), including that the Agency would approve revisions to its existing Owner Participation Agreement (“OPA”) including to:

- a) maintain its current \$2.4 million loan commitment and allow infusion of Housing Commission loan funds without the OPA-required dollar-for-dollar reduction in the Agency’s loan commitment due to obtaining alternative sources of funding;
- b) allow the Agency’s fifty percent share of residual receipts to be proportionately shared for payment of the Housing Commission’s loan (such that the Housing Commission’s share for years 1-30 will be 10% of total residual receipts and for years 31-55 16% of total residual receipts as described in the above-referenced Housing Commission reports); and
- c) consent to the Housing Commission’s loan being secured against the property.

Recourse: Prior to completion of construction this will be a recourse loan to the legal partnership, after which it will become a non-recourse loan to comply with tax credit rules.

Expenses: All expenses and the annual operating budget of the development must be approved by the Housing Commission at its sole discretion. A maximum escalation factor of not more than 3.5 percent shall be used. No other expenses, fees, or taxes shall be allowed for the purposes of calculating residual receipts.

Reserves: Reserves for replacement shall be placed in a dedicated reserve account to be established on terms and in an amount consistent with the requirements of the Housing Commission, the Agency, and the first position lender. Use of reserves shall be subject to the reasonable approval of the President and CEO or designee of the Housing Commission.

Cure Rights: The Housing Commission shall have the right, but not the obligation, to cure all senior encumbrances in all subordination agreements that it executes. The subordination agreement to be used shall be subject to the sole approval of the President and CEO and General Counsel of the Housing Commission.

Management Plan:	The Management Plan shall be subject to periodic approval by the Housing Commission, in its reasonable discretion.
Approval of Management:	The Housing Commission shall have the right to require the removal of the Property Manager, after an uncured ninety (90) day written notice of malfeasance and/or misfeasance at the project.
Monitoring Fees:	The Housing Commission shall be entitled to its standard yearly monitoring fees calculated on a per-unit basis during the affordability period.
Time of Funding:	The Housing Commission will fund its loan upon satisfaction of all conditions set forth in the Housing Commission loan documents. All loan documentation, including without limitation any and all documents, all tax credit documents, all partnership and/or other entity formation documents including, without limitation, the partnership agreement, shall be subject to the approval of the President and Chief Executive Officer or designee and General Counsel, in their sole discretion.
Tax Credits:	The Housing Commission's obligation to fund the loan is further subject to the Borrower complying with all necessary tax credit requirements.
Developer Fee:	The total developer fee shall not exceed the tax credit application sum of Nine Hundred and Two Thousand Four Hundred and Fifty Seven Dollars (\$902,457). The developer fee, or any portion thereof, shall not be disbursed until the developer satisfies its scheduled performance requirements and any other terms and conditions of the Housing Commission Loan Agreement and in accordance with the Funding Agreement and/or Limited Partnership Agreement, that may include various milestones including commencement of construction, completion of construction and timely filing of a notice of completion of the project and certification that all payments have been made or assured to the general contractor, suppliers, subcontractors, consultants, material suppliers, laborers, engineers, architects and all others providing labor or services to the project.

Events of Default:	The following events, among others, will be considered events of default: failure to comply with rent and occupancy restrictions, failure to make loan payments when due; failure to construct and maintain the property.
Limited Partner Asset Management Fee:	Shall not exceed Three Thousand Dollars (\$3,000) per year with an escalation factor of not more than 3 percent.
Prevailing Wages:	Borrower shall comply with the requirements for payment of both Federal Labor Wage Rates (Davis Bacon Act) if Federal funds are awarded and State of California Prevailing Wages as required by the State lending agency and shall pay the higher of the two in the event of a conflict on a trade-by-trade basis.
Environmental Requirements:	Notwithstanding any provision of this Letter, the parties agree and acknowledge that this Letter constitutes a conditional reservation and does not represent a final commitment of HOME funds or site approval under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). Should HOME funds constitute a portion of the funding for the project, a final reservation of HOME funds shall occur only upon satisfactory completion of environmental review and receipt by the City of San Diego of a Release Of Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of NEPA. The parties agree that the provision of any HOME funds to the project is conditioned on the City of San Diego's determination to proceed with, modify or cancel the project based on the results of subsequent environmental review under NEPA. By execution of this Letter, you acknowledge no legal claim to any amount of HOME funds to be used for the project or site unless and until the site has received environmental clearance under NEPA. You are also prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, clearance, rehabilitation, conversion, repair or construction prior to environmental clearance under NEPA. Violation of this provision may result in denial of any HOME funds for this project.
Time of Performance:	Stabilized occupancy shall be achieved according to tax credit requirements.

HOME Program Funds: The Housing Commission loan may be funded in whole or in part with federal HOME Program funds. If the Housing Commission uses HOME Program funds then the construction and operation of the project shall be subject to all applicable HOME Program rules and regulations, including 24 CFR 92 and all requirements thereunder.

ALTA Lender's Policy: The Borrower shall acquire, at its sole cost and expense, ALTA Lender's Policies for the loan with endorsements acceptable to the Housing Commission insuring the Housing Commission's lien priority, as referenced herein.

Other Terms: The Housing Commission reserves the right to impose any additional conditions in the Housing Commission Loan Documents that may be necessary, in its reasonable discretion, to protect the interests of the Housing Commission and fulfill the intent of this Commitment Letter. Such documentation shall be approved by the President and CEO, or designee, and the General Counsel of the Housing Commission.

This commitment is based on the condition that the construction of the project will meet or exceed all applicable building codes and requirements and will be performed with labor paid at applicable Federal and/or State prevailing wage rates. This commitment assumes that the Borrower has firm commitments from its other sources of financing.

Acceptance: This commitment is conditional upon the Borrower receiving approval from its other lenders for the financing of this development. Signing and delivering to the Housing Commission of this letter by ~~Wednesday June 4, 2008~~, **Tuesday September 30, 2008**, shall evidence Borrower's acceptance of this commitment. Until receipt of such acceptance by the Housing Commission, the Housing Commission shall have no liability hereunder, and unless acceptance is made by that date, this commitment shall be null and void.

Mathew Packard
September 19, 2008
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If the Borrower wishes to obtain a Housing Commission loan under the terms described herein, please accept this commitment by signing below and returning this signed original to my office.

Sincerely,

Cissy Fisher
Director of Housing Finance
619-578-7585
619-578-7356

Agreed to and accepted this ____ day of _____, 2008 for "3137 El Cajon Boulevard, L.P.

(Borrower's Authorized Representative)

By: _____ Title: _____

Print Name: _____