San Diego HOUSING COMMISSION

HOUSING AUTHORITY REPORT

DATE ISSUED: October 23, 2008 **REPORT NO:** HAR 08-041

ATTENTION: Members of the Housing Authority
For the Agenda of November 18, 2008

SUBJECT: Housing Commission Plans for Development of Additional Affordable Units

REQUESTED ACTION:
Approve Housing Commission proposed development of additional affordable units and authorize the Housing Commission Board to enter into exclusive negotiations with Citi Community Group for necessary financing. The negotiated contract will be presented to the Housing Authority for final approval at a later date.

STAFF RECOMMENDATION:
That the Housing Authority approve:

1. The project plans for the Housing Commission to proceed with development of additional affordable housing units. These plans are the next steps in the process of the public housing disposition and creation of affordable housing units; and

2. Authorization for the Housing Commission Board to enter into exclusive negotiations with Citi Community Group to provide financing for additional affordable units including leveraging of the existing stock of housing units owned by the Commission to acquire or create additional affordable units. The contract will be presented to the Housing Authority for final approval.

SUMMARY:
On June 10, 2008, the Housing Authority approved the Housing Commission's Three Year Business Plan (Fiscal Years 2009-2011) with the direction to return to the Housing Authority with an update to include additional information on proposed financing and project plans. Specifically, according to the Minutes of the June 10 2008 Housing Authority meeting, the Housing Commission "before producing or acquiring any of the 350 units, complete a comprehensive financial plan that includes:

- A long range pro forma on each unit of the existing Commission-owned inventory to determine best and worst case scenarios for operating and capital costs for 20 years and projected cash flow at various below market rate rents;

- An analysis of various options for acquiring and/or producing the required 350 units including using third party affordable housing developers and typical federal/state affordable housing finance sources;

- Identify appropriate Commission overhead charges; and,

- Based on the first three analyses, develop a plan to achieve the greatest long term affordability while maintaining rents at the lowest rates feasible."

DISCUSSION:

Development Plan

The Housing Commission submitted an application to transition from the Federal public housing program to HUD in March 2007 and received approval on September 10, 2007 to "dispose" of the public housing stock (excepting thirty six units that were in acquisition stage resulting from a taking of units by the San Diego Unified School District). The approval included the transfer of title to the units to the Housing Commission and resulted in new Housing Choice Vouchers made available to the Housing Commission. In addition, as included in the original application, the Housing Commission agreed to leverage the equity in the former public housing units to create a minimum of 350 additional affordable units. The 1,366 units continue to be rented to low income households at rent levels affordable to either 50% AMI ($39,500 for a family of four), 80% AMI ($63,200 for a family of four) or at market rate rents, whichever is less. At the June 10, 2008 meeting, during discussion of the Housing Commission's proposed Fiscal Years 2009-2011 Business Plan, four persons spoke in opposition to the Housing Commission plan to leverage the equity in the current inventory of affordable units and use the financing to internally develop units owned and managed by the Housing Commission.

One of the recommendations by the San Diego Housing Federation (SDHF) spokesperson was for the Housing Commission to make financing available to third party affordable housing developers who would use typical federal and state housing finance sources to develop units, which would then be counted toward the Housing Commission commitment of 350 additional units. General Counsel for the Housing Commission, Charles Christensen, was directed to contact the Department of Housing & Urban Development (HUD) to determine if this technique would meet HUD's interpretation of the agreement and the reverter language included in the agreement.

Attachment 1 is a copy of the letter sent to HUD that described eight options for developing additional affordable units. The HUD response, received on October 20, 2008, and included as Attachment 2, approves the use of the first seven options but indicates HUD will not approve the use of option eight. Option eight was essentially the recommendation by SDHF. The options that may be used by the Housing Commission to meet the terms of the disposition agreement include (paraphrased from HUD letter, Attachment 1):

1. The Housing Commission can purchase multi family developments and/or single family homes and hold fee simple title in its name and operate these new rental units for and as low income housing for families with incomes not exceeding 80% of AMI at initial occupancy for 55 years;
2. The Housing Commission can construct new multi family units on property owned by it, provide that the units are low income (affordable at 80% AMI or less at initial occupancy) for a minimum period of 55 years;
3. The Commission can purchase real property and lease that properly to a developer for construction of low income multi family housing affordable to and occupied by households at or below 80% AMI. The term of the ground lease would be the shorter of the term of the permanent financing for the project or 55 years. At the end of the lease term, the SDHC would own the land and the buildings and would continue to operate the project as a low income project for at least the balance of the 55 year term. In this option, no federal tax credits are assumed, but other traditional sources such as HOME funds or bond financing may be involved.
4. Essentially the same as option 3 above, except that tax credits are involved in the financing. In this option, at the end of the 15 year tax credit period, the ownership of the multi family housing will be acquired by the Commission. This would be done under an option that would be granted to the

Commission at the inception of the project, so that the entire fee simple interest in the project would be owned by the SDHC at the end of the 15 year period. SDHC would continue to operate the project for the balance of the 55 year term as low income (80% AMI) housing.

5. Essentially the same as option 3 except that the Commission would be a general and/or limited partner of a tax credit limited partnership and it would have the right at the end of the 15 year tax credit period to acquire all of the limited partnership interests in the partnership/project and assume complete control as general partner and owner of all limited partnership interests.
6. SDHC could acquire multi family housing to be restricted for a minimum of 55 years at levels at or below 80% AMI at initial occupancy through related entities. 'These entities would be completely owned and controlled by the SDHC and may include limited partnerships and/or limited liability companies that are single asset bankruptcy remote entities.
7. The Housing Commission could acquire single family properties and rent to families earning 80% AMI and/or sell and/or finance the sale of properties to families earning 80% or less AMI and restrict occupancy to same for 55 years.

The option that will not be approved by the HUD-Los Angeles office is that the SDHC fund a construction or permanent loan to a developer of multi family housing with affordability restrictions at or below 80% AMI and count those units toward the 350 unit requirement.

Long Range Pro Forma on Commission Owned Inventory

Attachments 3 and 4 include 20-year cash flow statements that are based on rents for the current inventory at two levels: current established rent schedule (the lesser of 50%/80% AMI or market) and at 50% AMI. Since the Housing Commission units are scattered across 158 sites, it would not have been productive to prepare cash flow statements on each unit/site. Rather, the cash flow statements included are based on the entire 1366 unit inventory. Estimated operating/overhead costs for the Housing Commission are shown and a very conservative 20-year projection for replacement reserve has been developed based on a unit-by-unit inspection. For comparison purposes, the cash flow statements project $19.8 million available for affordable housing development in each of the five years from FY2009 through FY2013.

As discussed in the Business Plan, the Housing Commission is completely changing the way it manages and maintains its rental inventory. Best practices from private property management firms are being implemented in the Property Management Department. Job classifications for property managers have been developed, negotiated and approved by SEIU Local 221 and project based accounting and management techniques are in place. New software that provides capability to do project by project tracking is being installed. Once accurate data is available, a comparison of Housing Commission management costs vs. private management costs will be prepared to ensure that Housing Commission costs are reasonable. Should in-house operating costs remain higher than anticipated, a recommendation for outsourcing of management and/or maintenance of units will be developed for review and approval from the Housing Commission and Housing Authority.

Rent Levels

Analysis of the cash flow statements indicate that if the Housing Commission was directed to rent the current inventory at or less than 50% AMI, there is a significant deficit projected to begin in FY2012. Therefore, it is recommended that the current inventory rent structure be maintained (50%/80%/market). It is, and has always been, the Housing Commission's goal to develop additional housing units at various affordability levels. Utilizing the variety of options approved by HUD and the projected funding available, this goal will be achieved.

This report does not recommend carte blanche approval for the Housing Commission to proceed with any specific project. As with all property development proposals, specific project-by-project plans will include detailed financial analysis by outside advisors as well as proposed affordability levels. Any specific project will be presented to the Housing Commission and Housing Authority for review and final approval.

Development Proposals

On February 25, 2008 the Housing Commission released a Request for Proposals (RFP) for new or nearly new units to be added to its affordable housing inventory. The following eleven proposals were received and were reviewed by Housing Commission staff to determine responsiveness:

Proposer	**Responsive Bidder**
Affirmed Housing	Yes
AMCAL	Yes
American Property Enterprises	Yes
Chelsea Investment Corporation & Pardee Homes	Yes
Community Housing Group	Yes
Community Housing Works	Yes
Diversified Realty	Yes
Greg Dome	No
Oak Tree Home and Loan	No
Skyline Real Estate Services	No
Urban Housing Partners	No

At this time, each of the seven (7) responsive respondents have been provided the variety of options approved by HUD and have been asked to "normalize" (make the proposals fit within the options approved by HUD so that the units produced may be counted toward the "acquisition and/or production of the 350 units") their proposals based on their choice of available options. Once these revised proposals have been reviewed by the Selection Committee, the final development proposals will be brought to the Housing Commission and Housing Authority for approval to proceed.

In the meantime, the Housing Commission is proceeding to explore affordable housing development on vacant properties currently owned by the Housing Commission including:

252 16th Street, San Diego, California 92101 (Council District 2)
2893 Boston Avenue, San Diego, California 92113 (Council District 8)
2052 – 2098 Via Las Cumbres, San Diego, California 92111 (Council District 6)

Financing Plan

On April 7, 2008 a Request for Proposals (RFP) for Financing Services was issued to support the efforts of the SDHC in the creation of affordable housing by providing long term and/or short term financing for new acquisitions and leveraging of its existing real estate portfolio.

On May 23, 2008, five (5) proposals were received at the close of solicitations. Responses were evaluated and on August 12, 2008, clarifications were requested. Based on the proposals and clarifications received, the following determinations were made:

Proposer	Responsive
Citi Community Capital	Yes
RED Capital Group	Yes
U.S. Bank	No
FannieMae	No
Pacific Housing Advisors & Balboa	No

One of the primary issues the proposers had was the requirements of the reverter language in the disposition agreement.

On October 7, 2008, members of the Selection Committee, KM&A, and Charles B. Christensen, Esq., conducted interviews with RED Capital Group and Citi Community Group. Citi provided a detailed proposal and presentation which exhibited understanding and acceptance of the requirements of the reverter. (The Citi proposal excludes 1 – 4 unit properties.) They discussed the current extreme volatility of the capital markets and believed the best option was a taxable fixed interest program that would leverage approximately $55 million dollars.

Citi Community Capital is part of Citigroup's Municipal Securities Division that includes all public finance, capital commitment, sales, trading and research activities related to municipal bonds. In 2007 Citi Community Capital financed over 30,000 units of affordable housing, underwriting nearly $2 billion in tax exempt bonds and $3.1 billion in construction and permanent loan programs. Over the past eighteen months, Citi has invested over $2.1 billion in community lending in California. Citi's office in San Diego employs about 260 staff members.

Based on the above, the Selection Committee recommends that the Housing Commission be authorized to enter into exclusive negotiations with Citi Community Group. Any contract negotiated with Citi will be brought forward to the Housing Commission and Housing Authority for approval.

ENVIRONMENTAL:

The approval of this report is not a "project" for the purposes of CEQA and is exempt from review. From the standpoint of NEPA the approval of this planning report is categorically excluded and/or exempt from the operation of NEPA. Further at the time of the disposition NEPA clearance was obtained. Further, before any project is acquired and/or produced full and complete compliance with the provisions of CEQA will be achieved. Such future acquisition and/or production of affordable units will not be subject to NEPA review to the extent that federal funds are not implicated. To the extent that federal funds are implicated, full NEPA compliance will be achieved.

CONCLUSION:

The recommendations included in this report will reduce the City of San Diego's reliance on shrinking federal funds to continue to address the need for more affordable housing in the community.

Respectfully submitted,

Steve Snyder
Development & Asset Management

Approved by,

Carrol M. Vaughan
Executive Vice President & Chief Operating Officer

Attachments:
1. Letter to HUD, August 22, 2008
2. Letter from HUD, October 17, 2008
3. Projected Cash Flow
4. Projected Cash Flow 50% AMI
5. Operating Outflow Detail

Hard copies are available for review during business hours at the Housing Commission offices at 1122 Broadway, San Diego, CA 92101, Main Lobby and at the Office of the City Clerk, 202 C Street, San Diego, CA 92101. You may review complete docket materials on the San Diego Housing Commission website at www.sdhc.org.

San Diego HOUSING COMMISSION
BOARD AND EXECUTIVE FUNCTIONS

Attachment 1

August 22, 2008

Marcell Insua
Attorney Advisor
U.S. Department of Housing and Urban Development
611 W. 6th Street, Ste. 850
Los Angeles, CA 90017

Subject: San Diego Housing Commission's Acquisition and/or Production of 350 Low Income Units as a Result of the Disposition of its Public Housing in the City of San Diego.

Dear Marcell:

Per our recent discussion regarding the approval of the San Diego Housing Commission's (SDHC/the Commission) disposition application, SDHC is seeking HUD's written concurrence concerning approved means and methods by which SDHC may "acquire and/or produce" the additional 350 low income units. The HUD approval of the disposition uses the word "Create" 350 additional units. When the reverter was drafted, as you will recall, it was intended that this language would encompass the Commission, or a related entity, buying units and/or building units, that SDHC, or a related entity, would own. Accordingly, the word "produce" was simply the equivalent of the word "construct."

Attached is a pdf version of the grant deed including the reverter language contained in the grant deed that conveyed the property, that was formerly public housing, from the Housing Authority to the San Diego Housing Commission. As you know, you and Director of the HUD-LA office approved this language after some required modifications in the reverter language.

Also attached in pdf format is a copy of the approval of the disposition for your convenient review.

As we have previously informed you, SDHC is actively progressing with the process of the acquisition and/or production of the 350 units, as required in the disposition approval. In that regard, SDHC has begun the process of procurement on two (2) separate fronts.

First, we have received proposals from lenders to leverage the equity in the existing 1366 units, as permitted and encouraged by the HUD approval. The Commission has nearly completed the analysis of the proposals from those lenders that have submitted responses and will soon be ready to finalize the selection of a lender and/or lenders to leverage the equity in the existing 1366 units.

Secondly, SDHC has published an RFP to allow owners and/or developers of property/projects to make offers to the Commission for the "acquisition and/or production" of the 350 units. Proposals have been received and have been provided to outside consultants for analysis.

In addition, SDHC is proceeding with the process of development of units on property owned by SDHC, which property is either vacant and/or under utilized. Some of the new units are planned to be built on this Commission owned property. In combination, the units to be "produced and/or acquired" will meet or exceed the 350 required by the HUD approval.

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In regard to the proposals received in response to the RFP referenced above, questions have arisen as to what specific activities, means and methods of ownership and/or development by SDHC will satisfy the covenant that the Commission will "acquire and/or produce" 350 additional low income units and to maintain those units for a minimum period of 55 years.

Please confirm, in writing, what we believe is obvious:

1. If SDHC were to buy multi-family developments and/or single family homes and hold fee simple title in its name and operate these new rental units for and as low income housing for families with income not exceeding 80% of median area income at initial occupancy for 55 years, the Commission believes that this action would, obviously, satisfy the requirement of "acquiring" units.

2. If the Commission were to construct new multi-family units on property owned by it, provided that the units are low income units (affordable at 80% AMI or less at initial occupancy), and, further provided, that they are maintained as low income units for a period of 55 years that would also satisfy the requirement of "producing" units.

SDHC is also seeking verification that the following forms of project involvement and/or ownership and/or development, listed as paragraphs 3 through 7, below, will also qualify as either "acquisition and/or production" of the low income units:

3. The SDHC would purchase real property ("the ground") and then lease that ground to a developer for construction of low income multi-family housing, affordable to and occupied by persons and/or households at or below 80% of area median income at initial occupancy. Under this scenario, the term of the ground lease would be the shorter of the term of the permanent financing for the project or 55 years. At the end of the lease term, the SDHC would own both the land and the buildings and would, if it became an owner before the end of the 55 year affordability restriction, continue to operate the project as a low income (80% AMI or less at initial occupancy), project for the balance of the 55 year term. In this proposal no federal tax credits are assumed in the project, but other traditional sources for the development of the project such as HOME funds, traditional bank financing, bond financing may be involved. Upon an early default by the developer, SDHC could and would terminate the ground lease and become the owner of the entire project, including the buildings, and continue to operate the project as low income housing for the balance of the 55 year period, as required by the approval of the disposition. In the event of such default, SDHC would assume the project debt as part of termination of the lease and perfect its security interests in the project. The Commission believes that this scenario would meet the definition of "acquire and produce" contained within the reverter.

4. Same as 3 above (except that tax credits are involved in the financing of the deal). In this case, at the end of 15 year tax credit period, the ownership of the multi-family housing buildings will be acquired by the Commission. This would be done under an option and/or first right of refusal that would be granted to the Commission at the inception of the project, so that the entire fee simple interest in the property and buildings would be owned by the Commission at the end of the 15 year period. SDHC would continue to operate and maintain the project for the balance of the 55 year term as low income housing.

5. Same as 3 above except that the Commission would be a general and/or a limited partner of a tax credit limited partnership and it would have the right at the end of the 15 year tax credit period to acquire all of the limited partnership interests in the multi-family property/project/partnership and assume complete control of the project as the general partner and as owner of all limited partnership interests. SDHC would continue to own and operate the project as low income housing for the balance of the 55 year term of affordability restrictions recorded against the property. (This is simply an alternate legal method for accomplishing the same goal as set forth in 3 above.)

6. The SDHC would acquire multi-family housing to be restricted for a minimum of 55 years at levels at or below 80% area median income at initial occupancy through related entities. These related entities would be completely owned and controlled by the San Diego Housing Commission. These entities could include limited partnerships and/or limited liability companies that are single asset bankruptcy remote entities.

7. The Housing Commission would acquire single family properties, and rent to families earning 80% or less of median area income at initial occupancy for 55 years and/or sell and/or finance the sale of properties to families earning 80% or less of median area income at initial occupancy and restrict occupancy to same for 55 years.

It appears to the San Diego Housing Commission that each of the scenarios mentioned in paragraphs 1 through 7, above, meets the definition of the "acquisition and/or production" of low income units. Please provide us with your written confirmation that projects utilizing scenarios set forth in paragraphs 1 through 7, above, meet the terms and intent of the disposition approval and the reverter language contained within the grant deed from the Housing Authority to the San Diego Housing Commission.

As you may know, SDHC provides financial support to other affordable housing developers, both for profit and non profit. We would like to determine if units developed by other, non SDHC, entities are also eligible to be counted toward the SDHC's commitment to produce an additional 350 units.

Thus, the following scenario, No. 8, involves the Housing Commission making a construction and/or permanent loan to other affordable housing developers.

8. The Commission could fund a construction/permanent loan to the developer of multi-family housing with affordability restrictions at or below 80% at initial occupancy area median income on the project for a term of 55 years.

It is possible that the Commission would have to borrow some or all of the funds to be loaned to applicant/developers from conventional lenders at market rates and loaned by SDHC at market or greater than market rates. In the event of a default in the terms of the loan from the Commission to the applicant, where payments were not made by the developer or not made at all because of lack of cash flow, the Commission would have to fund the defaults out of its other funds until a judicial or non judicial foreclosure could be perfected concerning the defaulting project and/or against the developer.

While this does not appear to be the most cost effective method to develop affordable housing, we are trying to ascertain if HUD would consider this approach as meeting the intent of the disposition approval and the reverter. In this scenario, the Housing Commission would NOT own the affordable units produced but would count the units produced by others toward achieving the required 350 units.

San Diego
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In order to make the hypothetical loans described in No. 8, the Commission may have to encumber its assets, including its portfolio of the prior public housing stock.

Your written approval or disapproval of scenario No. 8 is also requested, provided that such projects can be done in a cost effective and prudent business manner, as determined by the Commission.

Time is of the essence in this matter so that the San Diego Housing Commission may expeditiously proceed to "produce and/or acquire" the required units in compliance with the terms of the approval and the grant deed reverter provisions.

We will appreciate your expedited response. I am available to discuss this matter with you at your convenience as are various members of the San Diego Housing Commission staff. Thank you for your anticipated assistance.

Sincerely,

Charles B. Christensen
General Counsel
San Diego Housing Commission

Attachment 1: Grant Deed
Attachment 2: Disposition Approval Letter

cc: Sal Salas
Carrol Vaughan
Steve Snyder

Production/Acquisition methods No. 1 and No. 2 are approved as to form and content and San Diego Housing Commission may proceed as outlined in methods No. 1 and No. 2.

Marcell Insua, Attorney Advisor
U.S. Department of Housing and Urban Development
Date

Production/Acquisition methods No. 3 thru No. 7 are approved as to form and content and the San Diego Housing Commission may proceed as outlined in method No. 3 through No. 7.

Marcell Insua, Attorney Advisor
U.S. Department of Housing and Urban Development
Date

Production/Acquisition method No. 8 is approved as to form and content and the San Diego Housing Commission may proceed as outlined in method No. 8, provided that the San Diego Housing Commission determines that the proposed production may be done in a cost effective and prudent business manner.

Marcell Insua, Attorney Advisor
U.S. Department of Housing and Urban Development
Date

U.S. Department of Housing and Urban Development
Office of Public Housing
Los Angeles Field Office, Region IX
611 W. 6th Street, Suite 1040
Los Angeles, CA 90017

Attachment 2

OCT 17 2008

COPY

Mr. Rick C. Gentry
President & Chief Executive Officer
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, CA 92101

Dear Mr. Gentry:

Subject: Acquisition and/or Production of 350 Low Income Units by SDHC

This is in response to your request for HUD to provide clarification and approval of the obligation and intent of the San Diego Housing Commission (SDHC) to develop, acquire and/or produce 350 low income units for eligible families, as a result of the disposition of 1366 low income public housing units in the City of San Diego. These units, per the reverter, are "defined as being affordable to and occupied by households earning 80% or less of the area median income for the San Diego Statistical Metropolitan Area, at initial occupancy and adjusted for household size from time to time by HUD or any successor thereto."

Your agency has provided 8 scenarios that the SDHC is considering to fulfill its obligation regarding the 350 low income units and has requested HUD to verify what proposals would meet HUD approval. Upon review of the information provided to our office by Kathy Szybist, Program Analyst, HUD Special Applications Center (SAC) and discussions with Marcall Insua, Attorney, Office of Counsel, Los Angeles, it appears all the scenarios below, #1-8, meet the definition of "acquisition and/or production" of the 350 low income units. However, our office believes that scenario #8 is not in the full spirit of the SDHC making a firm commitment to meet the obligation in question. Therefore, it is the opinion of the Los Angeles Office of Public Housing (LAOPH), that only scenarios #1-7 below are approvable by the LAOPH.

It is further understood that any method of ownership and/or development by SDHC to satisfy the covenant to "acquire and/or produce 350 additional low income units" will include maintaining such units as low income housing for a minimum period of 55 years.

The scenarios provided by the SDHC and aforementioned are as follows:

1. If SDHC were to buy multi-family developments and/or single family homes and hold fee simple title in its name and operate these new rental units for and as low income housing for families with income not exceeding 80% of median area income at initial occupancy for 55 years, the Commission believes that this action would, obviously, satisfy the requirement of "acquiring" units.

2. If the Commission were to construct new multi-family units on property owned by it, provided that the units are low income units (affordable at 80% AMI or less at initial occupancy), and, further provided, that they are maintained as low income units for a period of 55 years that would also satisfy the requirement of "producing" units.

SDHC is also seeking verification that the following forms of project involvement and/or ownership and/or development, listed as paragraphs 3 through 7, below, will also qualify as either "acquisition and/or production" of the low income units:

3. The SDHC would purchase real property ("the ground") and then lease that ground to a developer for construction of low income multi-family housing, affordable to and occupied by persons and/or households at or below 80% of area median income at initial occupancy. Under this scenario, the term of the ground lease would be the shorter of the term of the permanent financing for the project or 55 years. At the end of the lease term, the SDHC would own both the land and the buildings and would, if it became an owner before the end of the 55 year affordability restriction, continue to operate the project as a low income (80% AMI or less at initial occupancy) project for the balance of the 55 year term.

In this proposal no federal tax credits are assumed in the project, but other traditional sources for the development of the project such as HOME funds, traditional bank financing, bond financing may be involved. Upon an early default by the developer, SDHC could and would terminate the ground lease and become the owner of the entire project, including the buildings, and continue to operate the project as low income housing for the balance of the 55 year period, as required by the approval of the disposition. In the event of such default, SDHC would assume the project debt as part of termination of the lease and perfect its security interests in the project. The Commission believes that this scenario would meet the definition of "acquire and produce" contained within the reverter.

4. Same as 3 above (except that tax credits are involved in the financing of the deal). In this case, at the end of 15 year tax credit period the ownership of the multi-family housing buildings will be acquired by the Commission. This would be done under an option and/or first right of refusal that would be granted to the Commission at the inception of the project, so that the entire fee simple interest in the property and buildings would be owned by the Commission at the end of the 15 year period. SDHC would continue to operate and maintain the project for the balance of the 55 year term as low income housing.

5. Same as 3 above except that the Commission would be a general and/or a limited partner of a tax credit limited partnership and it would have the right at the end of the 15 year tax credit period to acquire all of the limited partnership

interests in the multi-family property/project/partnership and assume complete control of the project as the general partner and as owner of all limited partnership interests. SDHC would continue to own and operate the project as low income housing for the balance of the 55 year term of affordability restrictions recorded against the property (this is simply an alternate legal method for accomplishing the same goal as set forth in 3 above).

6. The SDHC would acquire multi-family housing to be restricted for a minimum of 55 years at levels at or below 80% area median income at initial occupancy through related entities. These related entities would be completely owned and controlled by the San Diego Housing Commission. These entities could include limited partnerships and/or limited liability companies that are single asset bankruptcy remote entities

7. The Housing Commission would acquire single family properties, and rent to families earning 80% or less of median area income at initial occupancy for 55 years and/or sell and/or finance the sale of properties to families earning 80% or less of median area income at initial occupancy and restrict occupancy to same for 55 years.

8. The Commission could fund a construction/permanent loan to the developer of multi-family housing with affordability restrictions at or below 80% at initial occupancy area median income on the project for a term of 55 years.

We appreciate your willingness to move forward on this matter in an expeditious manner. If you have any additional questions, please contact Mr. Sebastian King, Public Housing Revitalization Specialist at (21) 534-2607.

Sincerely,

K.J. Brockington
HUB Director
Office of Public Housing

Attachment 3

Projected Cash Flow for the Local Units for Fiscal Years 2008-2028 and funds available for future Commission uses
Current Monthly Rental Income - $1,538,281 (elderly are at the lower of 50% or market; families are at the lower of 80% or market)

Inflows/Income	**Actuals FY2008**	1 **Projected FY2009**	2 **Projected FY2010**	3 **Projected FY2011**	4 **Projected FY2012**	5 **Projected FY2013**	6 **Projected FY2014**	7 **Projected FY2015**	8 **Projected FY2016**	9 **Projected FY2017**	10 **Projected FY2018**	11 **Projected FY2019**
Units	**1,366**	**1,419**	**1,489**	**1,559**	**1,629**	**1,699**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**
Tenant rents @$1,126 per unit FY2009-2014, $1,175 FY2015-2019, $1,225 FY2020-2024;$1,275 FY2025-2028	11,952,500	19,168,828	20,114,770	21,060,711	22,006,652	22,952,594	23,189,079	24,195,600	24,195,600	24,195,600	24,195,600	24,195,600
Bad Rents @ 1% of rental income	(33,875)	(191,688)	(201,148)	(210,607)	(220,067)	(229,526)	(231,891)	(241,956)	(241,956)	(241,956)	(241,956)	(241,956)
Vacancy Loss @ 5%	(597,625)	(958,441)	(1,005,738)	(1,053,036)	(1,100,333)	(1,147,630)	(1,159,454)	(1,209,780)	(1,209,780)	(1,209,780)	(1,209,780)	(1,209,780)
Loan Proceeds (70% LTV)	-	14,700,000	14,700,000	14,700,000	14,700,000	14,700,000						
Transfer in from Developmental Reserve/Other Reserves		6,300,000	6,300,000	6,300,000	6,300,000	6,300,000						
Transfer in from Replacement Reserve Fd	-	-	-	3,000,000	-	-		2,500,000	-	-	-	2,500,000
Misc. Income		207,687	217,936	228,184	238,433	248,682	251,245	251,245	251,245	251,245	251,245	251,245
Interest Income	160,000	240,000	300,000	240,000	270,000	300,000	330,000	255,000	300,000	345,000	384,000	279,000
Total Cash Inflows/Income	**11,481,000**	**39,466,385**	**40,425,819**	**44,265,253**	**42,194,687**	**43,124,121**	**22,378,979**	**25,750,109**	**23,295,109**	**23,340,109**	**23,379,109**	**25,774,109**
Operating Outflows												
Total Operating Outflows	**8,516,538**	**11,386,617**	**11,827,957**	**12,334,732**	**12,846,546**	**13,363,573**	**13,613,864**	**13,922,789**	**14,239,858**	**14,565,313**	**14,899,403**	**15,242,387**
Financing Outflows												
Interest Expenses @ 6.41% on $14,700,000		703,062	1,629,445	2,544,066	3,446,149	4,334,865	4,506,271	4,439,167	4,367,633	4,291,376	4,210,085	4,123,427
Principal Payments		125,349	303,514	493,441	695,906	911,738	1,016,469	1,083,573	1,155,107	1,231,364	1,312,655	1,399,313
Total Financing Outflows	-	**828,411**	**1,932,959**	**3,037,507**	**4,142,055**	**5,246,603**	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**
Capital Outflows												
Land & Building Purchases	-	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	-	-	-	-	-	-
Ongoing Extraordinary Maintenance	63,845	932,594	998,188	1,045,130	1,092,072	1,139,014	1,150,749	1,168,011	1,185,531	1,203,314	1,221,363	1,239,684
Major Property Repairs	-	-	-	2,500,000	-	-		2,000,000	-	-	-	2,000,000
Major Equipment Purchases	-	-	-	500,000	-	-		500,000	-	-	-	500,000
Total Capital Outflows	**63,845**	**21,932,594**	**21,998,188**	**25,045,130**	**22,092,072**	**22,139,014**	**1,150,749**	**3,668,011**	**1,185,531**	**1,203,314**	**1,221,363**	**3,739,684**
Total Outflows of Cash	**8,580,383**	**34,147,622**	**35,759,104**	**40,417,369**	**39,080,673**	**40,749,190**	**20,287,354**	**23,113,540**	**20,948,129**	**21,291,367**	**21,643,506**	**24,504,810**
Balance available to allocate to Reserves	**2,900,617**	**5,318,763**	**4,666,715**	**3,847,883**	**3,114,014**	**2,374,931**	**2,091,626**	**2,636,569**	**2,346,980**	**2,048,742**	**1,735,602**	**1,269,298**
Local Units Reserve Allocations:												
Allocated to subsidize Commission programs		*(1,000,000)*	*(500,000)*	*(500,000)*	*(500,000)*	*(250,000)*		*(250,000)*	*(250,000)*	*(150,000)*		
Allocated to Replacement Reserve ($1,646.10/unit/yr)	-	*(1,402,399)*	*(1,452,032)*	*(1,520,317)*	*(1,588,602)*	*(1,656,887)*	*(1,673,958)*	*(1,656,697)*	*(1,639,177)*	*(1,621,394)*	*(1,603,344)*	*(1,585,024)*
Allocated to Development Reserve	-	*(500,000)*	*(1,000,000)*	*(500,000)*	*(500,000)*	*(250,000)*		*(250,000)*	*(250,000)*	*(250,000)*		
Disbursed from (Allocated to) Contingency Reserve	*(2,900,617)*	*(2,416,364)*	*(1,714,683)*	*(1,327,567)*	*(525,412)*	*(218,044)*	*(417,667)*	*(479,872)*	*(207,803)*	*(27,348)*	*(132,258)*	*315,726*
Total Allocation of Local Unit to Reserves	**(2,900,617)**	**(5,318,763)**	**(4,666,715)**	**(3,847,884)**	**(3,114,014)**	**(2,374,931)**	**(2,091,625)**	**(2,636,569)**	**(2,346,980)**	**(2,048,742)**	**(1,735,602)**	**(1,269,298)**
Undistributed Balance of allocation to Reserves	-	0	0	(0)	0	(0)	0	(0)	(0)	0	(0)	0

12 Projected FY2020	13 Projected FY2021	14 Projected FY2022	15 Projected FY2023	16 Projected FY2024	17 Projected FY2025	18 Projected FY2026	19 Projected FY2027	20 Projected FY2028	Totals
1,716	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	
25,225,200	25,225,200	25,225,200	25,225,200	25,225,200	26,254,800	26,254,800	26,254,800	26,254,800	492,568,334
(252,252)	(252,252)	(252,252)	(252,252)	(252,252)	(262,548)	(262,548)	(262,548)	(262,548)	(4,840,033)
(1,261,260)	(1,261,260)	(1,261,260)	(1,261,260)	(1,261,260)	(1,312,740)	(1,312,740)	(1,312,740)	(1,312,740)	(24,628,417)
									73,500,000
									31,500,000
-	-	-	-	1,250,000					9,250,000
251,245	251,245	251,245	251,245	251,245	251,245	251,245	251,245	251,245	4,909,590
294,000	309,000	318,000	324,000	300,000	300,000	300,000	300,000	300,000	6,148,000
24,256,933	**24,271,933**	**24,280,933**	**24,286,933**	**25,512,933**	**25,230,757**	**25,230,757**	**25,230,757**	**25,230,757**	**588,407,474**
15,594,529	**15,956,105**	**16,327,399**	**16,708,702**	**17,100,316**	**17,502,554**	**17,915,737**	**18,340,198**	**18,776,279**	310,981,396
4,031,048	3,932,571	3,827,593	3,715,685	3,596,389	3,469,217	3,333,649	3,189,131	3,035,073	70,725,902
1,491,692	1,590,169	1,695,147	1,807,055	1,926,351	2,053,523	2,189,091	2,333,609	2,487,667	27,302,733
5,522,740	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**	98,028,635
-	-	-	-	-	-	-	-	-	
1,258,279	1,277,153	1,296,311	1,315,755	1,335,492	1,355,524	1,375,857	1,396,495	1,417,442	24,467,801
-	-	-	-	1,000,000	-	-	-	-	7,500,000
-	-	-	-	250,000	-	-	-	-	1,750,000
1,258,279	**1,277,153**	**1,296,311**	**1,315,755**	**2,585,492**	**1,355,524**	**1,375,857**	**1,396,495**	**1,417,442**	**138,717,801**
22,375,548	**22,755,999**	**23,146,449**	**23,547,197**	**25,208,548**	**24,380,818**	**24,814,334**	**25,259,432**	**25,716,461**	**547,727,832**
1,881,384	**1,515,934**	**1,134,483**	**739,736**	**304,385**	**849,939**	**416,423**	**(28,676)**	**(485,705)**	**40,679,642**
									(3,400,000)
(1,566,428)	*(1,547,554)*	*(1,528,397)*	*(1,508,952)*	*(1,489,216)*	*(1,469,184)*	*(1,448,851)*	*(1,428,213)*	*(1,407,266)*	**(23,551,163)**
									(3,500,000)
(314,956)	*31,620*	*393,914*	*769,217*	*1,184,831*	*619,245*	*1,032,428*	*1,456,889*	*1,892,970*	**(2,985,751)**
(1,881,384)	**(1,515,934)**	**(1,134,483)**	**(739,735)**	**(304,385)**	**(849,939)**	**(416,423)**	**28,676**	**485,704**	**(40,679,643)**
									-
(0)	(0)	0	0	(0)	(0)	(0)	0	(0)	**(0)**

Attachment 4

Projected Cash Flow for the Local Units for Fiscal Years 2008-2028 and funds available for future Commission uses
Monthly rental income - $1,252,878 all at 50% AMI on all units
(Notice elimination of major repairs and major equipment line items at this level)
(No interest income since operations are at a loss)

		1	2	3	4	5	6	7	8	9	10
Inflows/Income	**Actuals FY2008**	**Projected FY2009**	**Projected FY2010**	**Projected FY2011**	**Projected FY2012**	**Projected FY2013**	**Projected FY2014**	**Projected FY2015**	**Projected FY2016**	**Projected FY2017**	**Projected FY2018**
Units	**1,366**	**1,419**	**1,489**	**1,559**	**1,629**	**1,699**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**
Tenant rents @$917 per unit FY2009-2014, $975 FY2015-2019, $1,025 FY2020-2028;	11,952,500	15,612,364	16,382,801	17,153,239	17,923,676	18,694,114	18,886,723	20,077,200	20,077,200	20,077,200	20,077,200
Bad Rents @ 1% of rental income	(33,875)	(156,124)	(163,828)	(171,532)	(179,237)	(186,941)	(188,867)	(200,772)	(200,772)	(200,772)	(200,772)
Vacancy Loss @ 5%	(597,625)	(780,618)	(819,140)	(857,662)	(896,184)	(934,706)	(944,336)	(1,003,860)	(1,003,860)	(1,003,860)	(1,003,860)
Loan Proceeds (70% LTV)	-	14,700,000	14,700,000	14,700,000	14,700,000	14,700,000					
Transfer in from Developmental Reserve/Other Reserves		6,300,000	6,300,000	6,300,000	6,300,000	6,300,000					
Transfer in from Replacement Reserve Fd	-	-	-	3,000,000	-	-		-	-	-	-
Misc. Income		207,687	217,936	228,184	238,433	248,682	251,245	251,245	251,245	251,245	251,245
Interest Income	160,000	240,000	300,000	330,000	-	-	-	-	-	-	-
Total Cash Inflows/Income	**11,481,000**	**36,123,309**	**36,917,769**	**40,682,229**	**38,086,689**	**38,821,149**	**18,004,764**	**19,123,813**	**19,123,813**	**19,123,813**	**19,123,813**
Operating Outflows											
Total Operating Outflows	**8,516,538**	**11,386,617**	**11,827,957**	**12,334,732**	**12,846,546**	**13,363,573**	**13,613,864**	**13,922,789**	**14,239,858**	**14,565,313**	**14,899,403**
Financing Outflows											
Interest Expenses @ 6.41% on $14,700,000		703,062	1,629,445	2,544,066	3,446,149	4,334,865	4,506,271	4,439,167	4,367,633	4,291,376	4,210,085
Principal Payments		125,349	303,514	493,441	695,906	911,738	1,016,469	1,083,573	1,155,107	1,231,364	1,312,655
Total Financing Outflows	**-**	**828,411**	**1,932,959**	**3,037,507**	**4,142,055**	**5,246,603**	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**
Capital Outflows											
Land & Building Purchases	-	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	-	-	-	-	-
Ongoing Extraordinary Maintenance	63,845	932,594	998,188	1,045,130	1,092,072	1,139,014	1,150,749	1,168,011	1,185,531	1,203,314	1,221,363
Major Property Repairs	-	-	-	2,500,000	-	-		-	-	-	-
Major Equipment Purchases	-	-	-	500,000	-	-		-	-	-	-
Total Capital Outflows	**63,845**	**21,932,594**	**21,998,188**	**25,045,130**	**22,092,072**	**22,139,014**	**1,150,749**	**1,168,011**	**1,185,531**	**1,203,314**	**1,221,363**
Total Outflows of Cash	**8,580,383**	**34,147,622**	**35,759,104**	**40,417,369**	**39,080,673**	**40,749,190**	**20,287,354**	**20,613,540**	**20,948,129**	**21,291,367**	**21,643,506**
Balance available to allocate to Reserves	**2,900,617**	**1,975,687**	**1,158,665**	**264,860**	**(993,984)**	**(1,928,041)**	**(2,282,589)**	**(1,489,727)**	**(1,824,316)**	**(2,167,554)**	**(2,519,694)**
Local Units Reserve Allocations:											
Allocated to subsidize Commission programs		*(500,000)*									
Allocated to Replacement Reserve ($1,646.10/unit/yr)	-	*(1,402,399)*	*(1,452,032)*	*(1,520,317)*	*(1,588,602)*	*(1,656,887)*	*(1,673,958)*	*(1,656,697)*	*(1,639,177)*	*(1,621,394)*	*(1,603,344)*
Allocated to Development Reserve	-	-									
Disbursed from (Allocated to) Contingency Reserve	*(2,900,617)*	*(73,288)*	*293,367*	*1,255,457*	*2,582,586*	*3,584,928*	*3,956,548*	*3,146,424*	*3,463,493*	*3,788,948*	*4,123,038*
Total Allocation of Local Unit to Reserves	**(2,900,617)**	**(1,975,687)**	**(1,158,665)**	**(264,860)**	**993,984**	**1,928,041**	**2,282,590**	**1,489,727**	**1,824,316**	**2,167,554**	**2,519,694**
Undistributed Balance of allocation to Reserves	-	0	0	(0)	0	0	0	(0)	(0)	0	(0)

11 Projected FY2019	12 Projected FY2020	13 Projected FY2021	14 Projected FY2022	15 Projected FY2023	16 Projected FY2024	17 Projected FY2025	18 Projected FY2026	19 Projected FY2027	20 Projected FY2028	Totals
1,716	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	
20,077,200	21,106,800	21,106,800	21,106,800	21,106,800	21,106,800	21,106,800	21,106,800	21,106,800	21,106,800	406,952,618
(200,772)	(211,068)	(211,068)	(211,068)	(211,068)	(211,068)	(211,068)	(211,068)	(211,068)	(211,068)	(3,983,876)
(1,003,860)	(1,055,340)	(1,055,340)	(1,055,340)	(1,055,340)	(1,055,340)	(1,055,340)	(1,055,340)	(1,055,340)	(1,055,340)	(20,347,631)
										73,500,000
										31,500,000
-	-	-	-	-						3,000,000
251,245	251,245	251,245	251,245	251,245	251,245	251,245	251,245	251,245	251,245	4,909,590
-	-	-	-	-	-	-	-	-	-	1,030,000
19,123,813	**20,091,637**	**20,091,637**	**20,091,637**	**20,091,637**	**20,091,637**	**20,091,637**	**20,091,637**	**20,091,637**	**20,091,637**	**496,560,701**
15,242,387	**15,594,529**	**15,956,105**	**16,327,399**	**16,708,702**	**17,100,316**	**17,502,554**	**17,915,737**	**18,340,198**	**18,776,279**	310,981,396
4,123,427	4,031,048	3,932,571	3,827,593	3,715,685	3,596,389	3,469,217	3,333,649	3,189,131	3,035,073	70,725,902
1,399,313	1,491,692	1,590,169	1,695,147	1,807,055	1,926,351	2,053,523	2,189,091	2,333,609	2,487,667	27,302,733
5,522,740	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**	**5,522,740**	98,028,635
-	-	-	-	-	-	-	-	-	-	
1,239,684	1,258,279	1,277,153	1,296,311	1,315,755	1,335,492	1,355,524	1,375,857	1,396,495	1,417,442	24,467,801
-	-	-	-	-	-	-	-	-	-	2,500,000
-	-	-	-	-	-	-	-	-	-	500,000
1,239,684	**1,258,279**	**1,277,153**	**1,296,311**	**1,315,755**	**1,335,492**	**1,355,524**	**1,375,857**	**1,396,495**	**1,417,442**	**132,467,801**
22,004,810	**22,375,548**	**22,755,999**	**23,146,449**	**23,547,197**	**23,958,548**	**24,380,818**	**24,814,334**	**25,259,432**	**25,716,461**	**541,477,832**
(2,880,998)	**(2,283,912)**	**(2,664,362)**	**(3,054,813)**	**(3,455,560)**	**(3,866,911)**	**(4,289,181)**	**(4,722,697)**	**(5,167,796)**	**(5,624,825)**	**(44,917,132)**
										(500,000)
(1,585,024)	*(1,566,428)*	*(1,547,554)*	*(1,528,397)*	*(1,508,952)*	*(1,489,216)*	*(1,469,184)*	*(1,448,851)*	*(1,428,213)*	*(1,407,266)*	**(23,551,163)**
										-
4,466,022	*3,850,340*	*4,211,916*	*4,583,210*	*4,964,513*	*5,356,127*	*5,758,365*	*6,171,548*	*6,596,009*	*7,032,090*	**76,211,024**
2,880,998	**2,283,912**	**2,664,362**	**3,054,813**	**3,455,561**	**3,866,911**	**4,289,181**	**4,722,697**	**5,167,796**	**5,624,824**	**44,917,132**
										-
0	(0)	(0)	0	0	(0)	(0)	(0)	0	(0)	**1**

Operating Outflow Detail

	Actuals	1 Projected	2 Projected	3 Projected	4 Projected	5 Projected	6 Projected	7 Projected	8 Projected	9 Projected	10 Projected	11 Projected	12 Projected	13 Projected	14 Projected
	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Units	**1,366**	**1,419**	**1,489**	**1,559**	**1,629**	**1,699**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**
Operating Outflows															
Salaries & Benefits															
Property Management	688,956	981,739	1,016,100	1,051,663	1,088,472	1,126,568	1,165,998	1,206,808	1,249,046	1,292,763	1,338,009	1,384,840	1,433,309	1,483,475	1,535,397
Routine Maintenance	644,336	1,147,687	1,187,856	1,229,431	1,272,461	1,316,997	1,363,092	1,410,800	1,460,178	1,511,285	1,564,180	1,618,926	1,675,588	1,734,234	1,794,932
DAM Construction Services	1,478	429,441	444,471	460,028	476,129	492,793	510,041	527,893	546,369	565,492	585,284	605,769	626,971	648,915	671,627
DAM Rental Housing Production	-	104,846	108,516	112,314	116,245	120,313	124,524	128,883	133,393	138,062	142,894	147,896	153,072	158,430	163,975
PM Eligibility	-														
WED	423,683	663,826	687,060	711,107	735,996	761,756	788,417	816,012	844,572	874,132	904,727	936,392	969,166	1,003,087	1,038,195
AM Capital	300,464	-	-	-	-	-	-	-	-	-	-	-	-	-	-
										-	-	-	-	-	-
Services & Supplies															
Property Management	723,134	393,474	421,149	440,954	460,760	480,565	485,517	492,799	500,191	507,694	515,310	523,039	530,885	538,848	546,931
Routine Maintenance	226,784	126,847	135,769	142,154	148,538	154,923	156,519	158,867	161,250	163,669	166,124	168,616	171,145	173,712	176,318
DAM Construction Services	4,846	141,383	151,327	158,444	165,560	172,677	174,456	177,073	179,729	182,425	185,161	187,938	190,757	193,619	196,523
DAM Rental Housing Production	-	257,661	275,784	288,753	301,722	314,692	317,934	322,703	327,543	332,457	337,443	342,505	347,643	352,857	358,150
PM Eligibility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WED	159,721	246,396	263,726	276,129	288,531	300,933	304,034	308,594	313,223	317,921	322,690	327,531	332,444	337,430	342,492
AM Capital	54,994	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing Programs															
Protective Services	81,083	174,359	186,623	195,399	204,175	212,952	215,146	218,373	221,648	224,973	228,348	231,773	235,250	238,778	242,360
Property Taxes	5,869	8,500	9,098	9,526	9,954	10,381	10,488	10,646	10,805	10,967	11,132	11,299	11,468	11,640	11,815
Relocation	13,886	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rountine Maintenance															
Utilities	1,278,624	1,403,143	1,501,833	1,572,460	1,643,087	1,713,714	1,731,371	1,765,998	1,801,318	1,837,344	1,874,091	1,911,573	1,949,805	1,988,801	2,028,577
Materials	203,354	339,671	363,562	380,659	397,756	414,854	419,128	425,415	431,796	438,273	444,847	451,520	458,293	465,167	472,144
Contracts	1,786,846	1,726,691	1,848,138	1,935,050	2,021,963	2,108,876	2,130,604	2,162,563	2,195,002	2,227,927	2,261,345	2,295,266	2,329,695	2,364,640	2,400,110
Protective Services	376	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DAM Construction Services															
Relocation	20,804	75,000	80,275	84,050	87,825	91,600	92,544	93,932	95,341	96,772	98,223	99,696	101,192	102,710	104,250
DAM Rental Housing Production															
Housing Development	1,366	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WED															
Resident Expenses	121,741	795,171	851,099	891,124	931,149	971,174	981,180	995,898	1,010,836	1,025,999	1,041,389	1,057,009	1,072,865	1,088,958	1,105,292
Mt Contracts	21,205	25,500	27,294	28,577	29,861	31,144	31,465	31,937	32,416	32,902	33,396	33,897	34,405	34,921	35,445
Protective Services	5,444	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AM Capital															
Relocation	45,810	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office & Dwelling Equipment															
Property Management	1,740	11,250	12,041	12,608	13,174	13,740	13,882	14,090	14,301	14,516	14,733	14,954	15,179	15,406	15,638
Routine Maintenance	44,989	211,040	225,883	236,506	247,129	257,751	260,407	264,313	268,278	272,302	276,387	280,532	284,740	289,012	293,347
DAM Construction Services		99,460	106,456	111,462	116,468	121,474	122,726	124,567	126,435	128,332	130,257	132,211	134,194	136,207	138,250
DAM Rental Housing Production		-	-	-	-	-	-	-	-	-	-	-	-	-	-
WED		1,500	1,606	1,681	1,757	1,832	1,851	1,879	1,907	1,935	1,964	1,994	2,024	2,054	2,085
AM Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Support Services	1,655,005	2,022,032	1,922,293	2,004,655	2,087,835	2,171,863	2,212,541	2,262,748	2,314,278	2,367,171	2,421,468	2,477,210	2,534,441	2,593,205	2,653,548
Total Operating Outflows	**8,516,538**	**11,386,617**	**11,827,957**	**12,334,732**	**12,846,546**	**13,363,573**	**13,613,864**	**13,922,789**	**14,239,858**	**14,565,313**	**14,899,403**	**15,242,387**	**15,594,529**	**15,956,105**	**16,327,399**

15 **Projected** **FY2023**	16 **Projected** **FY2024**	17 **Projected** **FY2025**	18 **Projected** **FY2026**	19 **Projected** **FY2027**	20 **Projected** **FY2028**	**Totals**
1,716	**1,716**	**1,716**	**1,716**	**1,716**	**1,716**	
1,589,136	1,644,755	1,702,322	1,761,903	1,823,570	1,887,395	28,452,223
1,857,755	1,922,776	1,990,073	2,059,726	2,131,816	2,206,430	33,100,559
695,134	719,463	744,645	770,707	797,682	825,601	12,145,933
169,714	175,654	181,802	188,165	194,750	201,567	2,965,012
						-
1,074,532	1,112,140	1,151,065	1,191,352	1,233,050	1,276,206	19,196,471
-	-	-	-	-	-	300,464
-	-	-	-	-	-	-
						-
555,135	563,462	571,914	580,493	589,200	598,038	11,019,493
178,963	181,647	184,372	187,137	189,945	192,794	3,546,094
199,471	202,463	205,500	208,582	211,711	214,887	3,704,532
363,522	368,975	374,510	380,128	385,829	391,617	6,742,426
-	-	-	-	-	-	-
347,629	352,844	358,136	363,508	368,961	374,495	6,607,368
-	-	-	-	-	-	54,994
						-
						-
245,995	249,685	253,431	257,232	261,090	265,007	4,643,679
11,992	12,172	12,355	12,540	12,728	12,919	228,296
-	-	-	-	-	-	13,886
						-
						-
2,069,148	2,110,531	2,152,742	2,195,797	2,239,713	2,284,507	39,054,175
479,227	486,415	493,711	501,117	508,634	516,263	9,091,805
2,436,111	2,472,653	2,509,743	2,547,389	2,585,600	2,624,384	46,970,593
-	-	-	-	-	-	376
						-
						-
105,814	107,401	109,012	110,648	112,307	113,992	1,983,391
						-
						-
-	-	-	-	-	-	1,366
						-
						-
1,121,871	1,138,699	1,155,780	1,173,117	1,190,713	1,208,574	20,929,636
35,977	36,516	37,064	37,620	38,184	38,757	688,485
-	-	-	-	-	-	5,444
						-
						-
-	-	-	-	-	-	45,810
						-
						-
15,872	16,110	16,352	16,597	16,846	17,099	296,128
297,747	302,213	306,746	311,348	316,018	320,758	5,567,447
140,324	142,429	144,565	146,733	148,934	151,168	2,602,652
-	-	-	-	-	-	-
2,116	2,148	2,180	2,213	2,246	2,280	39,252
-	-	-	-	-	-	-
						-
2,715,517	2,779,163	2,844,535	2,911,686	2,980,670	3,051,542	50,983,406
16,708,702	**17,100,316**	**17,502,554**	**17,915,737**	**18,340,198**	**18,776,279**	**310,981,396**