



HOUSING AUTHORITY REPORT

DATE ISSUED: January 9, 2009

REPORT NO. HAR09-006

ATTENTION: Members of the Housing Authority
For the Agenda of February 3, 2009

SUBJECT: Loan for Golden Age Garden Apartments Supplemental Report
(Council District 4)

REQUESTED ACTION:

Approve changes in the financing of Golden Age Garden Apartments.

STAFF RECOMMENDATIONS:

Approve the following:

1. Funding of the Housing Commission permanent loan for acquisition and rehabilitation would not be subject to the developer obtaining tax credit financing.
2. Deferral of payments on the Housing Commission residual receipts loan until the end of the fourth full year of operation.
3. Either The Amerland Group (Amerland) as the developer and general partner, or the tax credit partnership, Golden Age Housing Partners, LP (Partnership), shall take title to the property.
4. Authorization for the President and Chief Executive Officer of the Housing Commission, or designee, to execute necessary documents.

SUMMARY:

A Housing Commission loan of up to \$3,662,000 to Golden Age Housing Partners, LP for acquisition and rehabilitation of Golden Age Garden Apartments was approved by the Housing Authority on July 15, 2008 (see Attachment 1). The previous approval made this loan contingent upon the project receiving financing from the sale of bonds and four percent tax credits. The project sponsor and developer, Amerland, is requesting funding of the Housing Commission loan for a project that may not be financed with low-income housing tax credits.

Amerland was able to secure tax-exempt bond financing for a first position permanent loan of \$6,300,000 from Citibank. However, it has been unable to identify an investor interested in purchasing tax credits. Due to the current economic situation, organizations that invest in low-income housing tax credits are offsetting their tax liabilities with losses from other investments. This has curtailed the demand for tax credits and caused a decrease in tax credit pricing that is a disadvantage to affordable housing developers.

Funding of the Housing Commission loan before tax credit financing is secured would allow Amerland to acquire the property. Waiting for the tax credit market to improve, Amerland would delay its tax credit application for up to three years after closing of the acquisition. If tax credit pricing does not increase to a level that makes tax credit financing advantageous to the project within three years, Amerland will forego tax credit participation in the project. Delaying acquisition until tax credit financing is obtained would cause the loss of site control by the developer and the possible loss of an opportunity to preserve and enhance the affordability of 75 rent-restricted units for low-income seniors.

Amerland's consultant prepared a Physical Needs Assessment (PNA), dated May 9, 2008, concluding that all building systems are in good to fair condition with no items needing immediate attention. The consultant estimated that \$1,862,000 of rehabilitation work would preserve the serviceability of the improvements for 30 years. Housing Commission staff inspected the property on April 3, 2008, and estimated that \$1,104,880 of renovation would meet the Housing Commission's 15-year standard of serviceability.

Comparing the developer's original rehabilitation budget of approximately \$1,859,000 (\$24,461 per unit) to the current estimate of \$866,400 (\$11,400 per unit) shows a reduction in the amount of funding for renovation work of \$992,600. This decrease in the estimated rehabilitation costs is due to declining costs for building improvements and a reduction in the scope of work for this project.

Amerland would undertake an initial renovation phase costing approximately \$866,400 (\$11,400 per unit for 76 units) immediately following acquisition of the property, including structural and accessibility upgrades. A second phase would be completed if tax credit financing is secured and would add approximately \$2,643 per unit for a total rehabilitation cost of up to \$14,043 per unit. However, if tax credit financing is not obtained and the second phase is not undertaken, the suitability of the property as rental housing for seniors and the disabled would not be compromised. The Housing Commission would require Amerland to set aside adequate reserves for future capital improvements.

The estimated total development cost for this project has been reduced from \$13,580,705 to \$10,569,293. The loans-to-value ratio, based upon an April 28, 2008, "as-is" appraisal of \$8,760,000, would increase from 98 percent to 110 percent due to the loss of tax credit equity. The Housing Commission loan would leverage \$6,907,293 from other sources. The updated financial assumptions, without tax credit financing, are outlined in Attachment 3.

To lessen the impact of the lack of approximately \$4.4 million of tax credit financing for this project as originally budgeted, Amerland will not take a \$1,300,000 developer fee and has identified two alternate sources of funding. The seller would carry back \$600,000 at zero interest and deferred until tax credit financing is obtained, which would be secured by a deed of trust subordinate to the Housing Commission deed of trust. If tax credit financing is not used for this project, the \$600,000 seller participation would be forgiven as a discount to reduce the \$8,600,000 sales price to \$8,000,000. Amerland would make an \$7,293 general partner capital

contribution to the financing that would be repaid, without interest, only upon the receipt of tax credit financing. The following table outlines the proposed changes in the financing:

Debt Position	Previous Estimate	Amount	Proposed Source	Amount
1st	CalHFA	\$ 5,500,000	Citibank	\$ 6,300,000
2nd	Housing Commission	\$ 3,662,000	Housing Commission	\$ 3,662,000
3rd			Seller	\$ 600,000
	4% tax credits	\$ 4,418,705		\$ 0
			Amerland	\$ 7,293
	Total Development Cost	\$13,580,705		\$10,569,293

FISCAL CONSIDERATIONS:

There would be no increase in the amount of the Housing Commission loan with this action. The maximum Housing Commission participation in the financing of Golden Age Garden Apartments would remain a \$3,662,000 residual receipts loan at three percent simple interest per year.

Residual receipts would be split equally between the borrower and the Housing Commission. Until the earlier of tax credit financing or the end of the first three full years of operation, the Housing Commission and Amerland would forego residual receipts payments and all residual cash would be placed into a dedicated reserve account and made available to pay for rehabilitation costs. After tax credit financing is obtained and for every year thereafter, the Partnership would retain 50 percent of the residual receipts annually to use for any costs of the project and the Housing Commission would receive 50 percent of the residual receipts annually as payment on its loan.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The \$3,662,000 Housing Commission loan for this development was approved by the Housing Authority on July 15, 2008 (HAR08-025). The Housing Commission voted its approval of these recommendations.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The proposed development received support from the Mountain View Community Council on April 16, 2008. Community group approval is not required for this action.

ENVIRONMENTAL REVIEW:

This proposed development has been reviewed by the City of San Diego under the California Environmental Quality Act (CEQA) and determined to be exempt pursuant to State CEQA guidelines Section 15301 (Existing Facilities). This project is also categorically excluded according to 24 CFR 58.35(a)(3)(ii) under the National Environmental Policy Act (NEPA) and converts to exempt per Section 58.34(a)(12) because it does not require mitigation.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

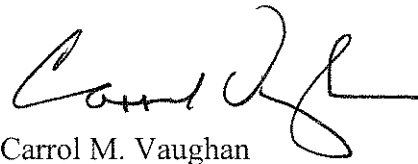
Stakeholders would include Amerland as the administrative general partner and project sponsor, Pacific Housing as the nonprofit managing general partner, and the community of Southeastern San Diego. The project is expected to have a positive impact on the neighborhood because it will contribute to the quality of housing in the surrounding area and provide much-needed affordable rental units for low-income seniors and disabled residents.

Respectfully submitted,



Cissy Fisher
Director of Housing Finance

Approved by,



Carrol M. Vaughan
Executive Vice President and Chief
Operating Officer

Attachments:

1. Previous Report (HAR08-025)
2. Development Timeline
3. Housing Commission General Application

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.

Information: Mr. Dan Cady (619) 578-7594



HOUSING AUTHORITY REPORT

DATE ISSUED: June 17, 2008 REPORT NO.: HAR08-25
ATTENTION: Members of the Housing Authority
For the Agenda of June 24, 2008
ORIGINATING DEPARTMENT: San Diego Housing Commission
SUBJECT: Loan for Golden Age Garden Apartments
COUNCIL DISTRICT: District 4

REQUESTED ACTION:

Approve a loan to finance acquisition and rehabilitation of a 76-unit rental housing development for very low-income seniors.

STAFF RECOMMENDATION:

Approve a loan of up to \$3,662,000 to Golden Age Housing Partners, LP as permanent financing for acquisition and rehabilitation of 76 units (one unrestricted unit would be occupied by a resident manager) of rental housing for very low-income seniors and disabled residents.

DISCUSSION:

This request is for a Housing Commission loan as gap financing for Golden Age Garden Apartments. The project sponsor, The Amerland Group (Amerland), submitted a loan application in response to a Notice Of Funding Availability (NOFA) for Construction, Acquisition, and Operation of Affordable Rental Housing dated March 14, 2008.

Amerland is a San Diego-based for-profit organization founded in 2001 by Ruben Islas and Jules Arthur. The firm specializes in the development and preservation of affordable multifamily housing and currently owns and operates 2,894 units. The developer's non-profit partner is Pacific Housing, Inc., a 501(c)(3) public benefit corporation serving as the managing general partner.

Amerland worked in cooperation with Housing Commission staff on two previous successful developments. In 2007, the Housing Authority issued bonds for the acquisition and rehabilitation of Bay Vista, a 268-unit affordable housing complex located at 4888 Logan Avenue. In 2001, the Housing Commission worked with Amerland to finance the acquisition and rehabilitation of the 170-unit Bella Vista Apartments located at 4742 Solola Avenue. If the Golden Age Garden Apartments project is approved and four percent tax credits are awarded, Amerland would form Golden Age Housing Partners, LP as a single asset entity to own and operate the development.

Located at 740 South 36th Street in the Mountain View community, the four-story building was designed and constructed as a senior housing facility. There are 75 one-bedroom apartments and

one manager's unit. The development also has a tenant lounge, cafeteria, laundry rooms, meeting space, outdoor recreation area and site offices. It is conveniently located approximately one block south of public transportation access on Ocean View Boulevard and two blocks north of retail grocery and other commercial services on National Avenue (see Attachment 1, Location Map).

In 1981, the City awarded this development a Conditional Use Permit (CUP) for operation of 75 rental housing units for tenants 62 years of age and older. In 1983, construction of the project was completed and the developer obtained a Housing Assistance Payment (HAP) contract from the California Housing Finance Agency (CHFA) which subsidizes the rents. The current HAP contract expires in 2013.

Amerland intends to acquire the property, maintain the HAP contract, and rehabilitate the existing building. The proposed improvements will total approximately \$1.8 million (\$39 per square foot) and would include extensive renovation of unit interiors, roof replacement, exterior painting, window replacement, plumbing and landscaping upgrades, and modernization of the elevators.

The following table outlines the development team:

ROLE/FIRM	CONTACT	OWNED BY
Owner- Golden Age Housing Partners, LP	Mr. Ruben Islas	Amerland/Golden Age, LLC would be the administrative general partner.
Fee Developer- Islas Development, LLC	Mr. Ruben Islas	Mr. Ruben Islas, Chief Executive Officer
Construction Manager/Contractor- Phase 3 Construction	Mr. Michael Hagigeorgiou, Senior Project Manager	Mr. Jeremy Turner, President
Property Manager- Logan Property Management, Inc.	Ms. Martha Enriquez	Ms. Martha Enriquez, President

AFFORDABLE HOUSING IMPACT:

The Housing Commission would record 55-year rent restrictions against the property making 23 units affordable to tenants with annual incomes of 50 percent or less of Area Median Income (currently \$31,600 for a one-person household) and 52 units affordable to tenants with annual incomes of 60 percent or less of AMI (currently \$37,920 for a one-person household). The proposed rents are outlined in the San Diego Housing Commission General Application Form (see Attachment 4).

FISCAL CONSIDERATIONS:

The "as is" market value of the property was appraised at \$8,760,000 on April 28, 2008, which results in a 98 percent loan-to-value ratio before completion of rehabilitation. The \$8,600,000 purchase price is below the appraised market value.

The developer requested a loan of \$3,662,000 (\$48,184 per unit for 76 units) from the Housing Commission as permanent gap financing for this project. With an estimated total development cost of \$13,580,705 (\$178,693 per unit for 76 units), approval of the proposed 55-year residual receipts loan would leverage \$9,918,705 from other sources including four percent tax credits and tax-exempt private activity bonds (see Attachment 4, General Application Form).

The first position debt would be an estimated \$5,500,000, 5.75 percent interest, 35-year amortized loan from the California Housing Finance Agency's (CalHFA) Permanent Financing Program. Because CalHFA would be the issuer of the tax-exempt bonds, action by the City Council and the Housing Authority would not be required for bond issuance. As the current first position lender, CalHFA would issue the bonds as a condition of refinancing because its previous loan to the development cannot be prepaid.

The Housing Commission loan would be a deferred loan secured by a second trust deed with payments equal to 50 percent of residual receipts estimated to begin in the first year of the project. The remaining residual cash would be split between the managing general partner and the limited partner.

Although there is the risk that residual cash flow would not be adequate to fund payments on the Housing Commission loan, cash flow projections indicate that project income would generate residual receipts (estimated at \$41,546 beginning in the first year) sufficient for payments to the Housing Commission to begin at the end of the first year (estimated at \$20,773). With the approval of the senior lender and the tax credit investor, the Housing Commission would receive an annual payment equal to the greater of 50 percent of residual receipts or half of the estimated residual receipts available at the end of the first year (\$10,387) as a minimum payment. However, a minimum payment to the Housing Commission would be made only to the extent of residual receipts available and payment would not exceed 100 percent of residual receipts. The Housing Commission loan would become due and payable in full at the earlier of the end of the 35-year term of the senior loan or project refinancing.

The following table outlines the estimated sources of financing:

Debt Position	Sources of Financing	Amount	Terms
1st	Cal HFA	\$ 5,500,000	35 yrs. @ 5.75 % interest; amortized
2nd	Housing Commission Loan	\$ 3,662,000	55 yrs. @ 3% interest; residual receipts
	4% Tax Credits	\$ 4,418,705	
	Total Development Cost	\$13,580,705	

Approval of this proposal would result in a Housing Commission investment of up to \$3,662,000. Although cash flow projections indicate that the Housing Commission is unlikely to be repaid in full until after the first position loan matures or the project is refinanced, this is a relatively low-risk investment because the developer is experienced and would bring equity to the project in the form of tax credits, and would maintain a rental income subsidy in the form of a HAP contract. If there is an increase in the amount of the HUD per-unit rent subsidy that would allow an increase of alternative debt to the project, the amount of the Housing Commission loan would be decreased accordingly.

As an alternative, the Housing Authority could deny loan approval. Without the Housing Commission financing, the project would likely not move forward because project income would not support significantly increased institutional debt. The City could lose an opportunity to preserve and extend the affordability of 75 units of much needed rental housing for low-income seniors and disabled residents with improvements to the property that would have a positive influence on the neighborhood.

PREVIOUS ACTIONS:

On June 6, 2008, the Housing Commission voted to recommend this loan to the Housing Authority for approval.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The proposed development received support from the Mountain View Community Council on April 16, 2008. Because community group action is not required for approval of the proposed acquisition and rehabilitation project, no vote was taken.

ENVIRONMENTAL REVIEW:

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 the National Environmental Policy Act (NEPA). This project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA guidelines Section 15301 (Existing Facilities).

KEY STAKEHOLDERS & PROJECTED IMPACTS:

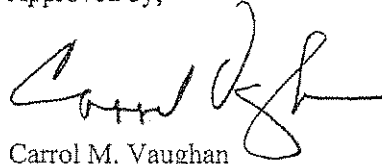
Stakeholders would include Amerland/Golden Age, LLC as the for-profit administrative general partner, Pacific Housing as the nonprofit managing general partner, Red Capital as the tax credit equity investor, and the community of Southeastern San Diego. The project is expected to have a positive impact on the neighborhood because it will contribute to the quality of housing in the surrounding area and provide much-needed affordable rental units for low-income seniors and disabled residents.

Respectfully submitted,



Cissy Fisher
Director of Housing Finance

Approved by,



Carrol M. Vaughan
Interim President and Chief Executive Officer

- Attachments:
1. Location Map
 2. Development Summary
 3. Development Timeline
 4. General Application
 5. General Partner Disclosure Statement *
 6. Partner Financial Information *
 7. Housing Commission Loan Terms
 8. Commitment Letter

*Distribution of this attachment is limited. A copy is available for review at the Housing Commission offices located at 1122 Broadway, Suite 300 and at the offices of the City Clerk located on the 2nd floor of 202 "C" Street.

Information: Mr. Dan Cady (619) 578-7594

ATTACHMENT - 2

**GOLDEN AGE GARDEN APARTMENTS
AFFORDABLE RENTAL HOUSING FOR SENIORS
ESTIMATED TIMELINE**

January 20, 2009	Housing Authority approval
February 12, 2009	Housing Commission loan and property acquisition closing
February 20, 2009	Start of rehabilitation
November 30, 2009	Completion of rehabilitation

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

Last revised: November 27, 2007

ATTACHMENT - 3

DATE: December 12, 2008

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

REQUEST FOR: EARLY ASSISTANCE PROJECT FUNDING \$ 3,662,000
 TECHNICAL ASSISTANCE PREDEVELOPMENT LOAN \$ _____
 _____ PROJECT SUPPORT GRANT \$ _____

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

PROJECT CONDITION: UNIMPROVED SITE RESIDENTIAL COMMERCIAL
YEAR BUILT: 1982 EXISTING STRUCTURE OTHER (DESCRIBE) _____

PROJECT NAME: Golden Age Garden Apartments

ADDRESS: 740 South 36th Street San Diego CA 92113
STREET CITY STATE ZIP

LEGAL DESCRIPTION: 546-340-060-00
LOT NO. BLOCK NO. SUBDIVISION NAME ASSESSORS PARCEL NO. CENSUS TRACT

SITE CONTROL: DEED OPTION OTHER (DESCRIBE) purchase and sale agreement

DWELLING UNITS:		<u>76</u>				<u>76</u>	<u>76</u>
	0-BEDROOM	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	TOTAL UNITS BEDROOMS

HC Assisted Units:		<u>75</u>				<u>75</u>	<u>75</u>
	0-BEDROOM	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	TOTAL UNITS BEDROOMS

EXISTING USES OF PROPERTY: multi-family rental housing

DESCRIPTION OF PROPOSED PROJECT: preservation of 75 affordable housing units for seniors through acquisition, renovation, and renewal of a Housing Assistance Payment (HAP) contract.

NO. OF BUILDINGS: 1

APPLICANT/BORROWER:

NAME: The Amerland Group, LLC CONTACT PERSON: Mr. Ruben Islas
ADDRESS: 1927 Adams Avenue, Suite 200 San Diego CA 92116
STREET CITY STATE ZIP
TELEPHONE: (619) 260-5562 FAX NO. () E-mail address: _____

LEGAL DESCRIPTION OF APPLICANT:

FOR PROFIT CORPORATION NONPROFIT CORPORATION PARTNERSHIP INDIVIDUAL OWNER
 CHDO OTHER _____
DESCRIBE

TAXPAYER IDENTIFICATION NUMBER: 20-1591015

CURRENT OWNER/SELLER INFORMATION:

NAME: Golden Age Apartments, LP LEGAL DESCRIPTION: _____
ADDRESS: 6849 Federal Boulevard Lemon Grove CA 91945
STREET CITY STATE ZIP
TELEPHONE: (619) 262-2621 FAX NO. (619) 265-5886

ZONING: MF-3000 COMMUNITY PLAN AREA: Southeast San Diego
COUNCIL DISTRICT: 4 SCHOOL DISTRICT: San Diego Unified

SIGNATURE PRINT NAME TITLE DATE

**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: Golden Age Garden Apartments

ADDRESS: 740 South 36th Street San Diego CA 92113
ADDRESS CITY STATE ZIP

OWNERSHIP NAME: Golden Age Garden Housing Partners, LP (to be formed) DATE: #####

1. Mr. Ruben Islas Chief Executive Officer
NAME TITLE/POSITION NATURE OF INTEREST
1927 Adams Avenue, Suite 200 (619) 840-6305 41
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
San Diego CA 92116
CITY STATE ZIP

2. Mr. Jules Arthur Chief Financial Officer
NAME TITLE/POSITION NATURE OF INTEREST
1927 Adams Avenue, Suite 200 (619) 260-5562 ext. 12 39
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
San Diego CA 92116
CITY STATE ZIP

3. Mr. Casey Haeling Director of Acquisitions
NAME TITLE/POSITION NATURE OF INTEREST
1927 Adams Avenue, Suite 200 (619) 260-5562 ext. 12 10
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
San Diego CA 92116
CITY STATE ZIP

4. _____
NAME TITLE/POSITION NATURE OF INTEREST
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
CITY STATE ZIP

5. _____
NAME TITLE/POSITION NATURE OF INTEREST
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
CITY STATE ZIP

6. _____
NAME TITLE/POSITION NATURE OF INTEREST
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
CITY STATE ZIP

7. _____
NAME TITLE/POSITION NATURE OF INTEREST
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
CITY STATE ZIP

8. _____
NAME TITLE/POSITION NATURE OF INTEREST
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
CITY STATE ZIP

USE ADDITIONAL SHEETS AS NECESSARY

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

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

DATE: December 12, 2008

PROJECT TYPE ACQUISITION ACQUISITION & REHABILITATION RENTAL
 NEW CONSTRUCTION REHABILITATION OWNERSHIP

PROJECT NAME: Golden Age Garden Apartments
 ADDRESS: 740 South 36th Street San Diego CA 92113
 STREET CITY STATE ZIP

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

Type (X) in ONE box _____
 Paid by Tenant (T) or Owner/Landlord (L)
 FILL IN ALL BOXES G or E FILL IN ALL BOXES T or L

<input checked="" type="checkbox"/> Apartment	Heat	G	L
<input type="checkbox"/> Duplex, Townhouse	Cooking	G	L
<input type="checkbox"/> House, Mobile Home	Water Heater	G	L
	Water/Sewer		L
	Basic Electric		L

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.	EQUALS: MONTHLY Tenant Paid RENT	COMPARE TO: MONTHLY MARKET RENT	AFFORDABILITY LEVEL: PERCENT MEDIAN INCOME**	YEARLY GROSS RENTS ALL UNITS	YEARLY MARKET RENTS
TC	52	1	1.00	600	\$ 888	\$ 888	\$ 27	\$ 861	\$ 978	60 %	\$ 537,264	\$ 610,272
TC	23	1	1.00	600	\$ 740	\$ 740	\$ 27	\$ 714	\$ 978	51 %	\$ 197,064	\$ 269,928
					\$	\$	\$	\$	\$	%	\$	\$
					\$	\$	\$	\$	\$	%	\$	\$
					\$	\$	\$	\$	\$	%	\$	\$
					\$	\$	\$	\$	\$	%	\$	\$
					\$	\$	\$	\$	\$	%	\$	\$
					\$	\$	\$	\$	\$	%	\$	\$
					\$	\$	\$	\$	\$	%	\$	\$
					\$	\$	\$	\$	\$	%	\$	\$
					\$	\$	\$	\$	\$	%	\$	\$
					\$	\$	\$	\$	\$	%	\$	\$
MGR	1	1	1.00	600	\$ 888	\$ 888	\$	\$ 888	\$ 978	62 %	\$ 10,656	\$ 11,736
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)	\$ 744,984	\$ 891,936
Comp. to 90% of Market:	\$ 744,984	\$ 802,742

OTHER INCOME

HAP contract	\$ 94,056
laundry and miscellaneous	\$ 5,016

TOTAL ANNUAL INCOME \$844,056

TOTAL UNITS 76

TOTAL UNIT SQ. FT. 45,600 + TOTAL COMMUNITY FACILITIES SQ. FT. 800

TOTAL SQ. FT. 46,400

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

DATE: December 12, 2008

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: Golden Age Garden Apartments

ADDRESS: 740 South 36th Street San Diego CA 92113
STREET CITY STATE ZIP

TOTAL NUMBER OF UNITS: 76

OPERATING EXPENSE ITEM	ANNUAL COST	COST PER UNIT	COST PER SQ. FT.
Administrative Expenses			
Office Supplies & Equipment	\$ 14,212	\$ 187	\$ 0.31
Telephone	\$	\$	\$
Training & Travel	\$	\$	\$
Payroll Services	\$ 76,912	\$ 1,012	\$ 1.66
Program Services	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total <u>26%</u>	\$ 91,124	\$ 1,199	\$ 1.96
Marketing Expenses			
Advertising	\$ 11,400	\$ 150	\$ 0.25
Other:	\$	\$	\$
Subtotal Percent of Total <u>3%</u>	\$ 11,400	\$ 150	\$ 0.25
Professional Fees			
Property Management	\$ 31,300	\$ 412	\$ 0.67
Auditing Services	\$	\$	\$
Legal Services	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total <u>9%</u>	\$ 31,300	\$ 412	\$ 0.67
Utilities			
Electric	\$ 20,000	\$ 263	\$ 0.43
Gas	\$ 21,419	\$ 282	\$ 0.46
Water/Sewer	\$ 36,860	\$ 485	\$ 0.79
Other:	\$	\$	\$
Subtotal Percent of Total <u>22%</u>	\$ 78,279	\$ 1,030	\$ 1.69
Contract Services			
Exterminating	\$	\$	\$
Trash Removal	\$ 22,800	\$ 300	\$ 0.49
Security Patrol	\$	\$	\$
Building/Grounds Maintenance	\$	\$	\$
Janitorial Services	\$	\$	\$
Repair Services	\$ 34,200	\$ 450	\$ 0.74
Elevator & Other Equipment	\$	\$	\$
Garage Operations/Maintenance	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total <u>16%</u>	\$ 57,000	\$ 750	\$ 1.23
Cleaning & Decorating			
Painting Supplies	\$ 26,600	\$ 350	\$ 0.57
Grounds Supplies	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total <u>8%</u>	\$ 26,600	\$ 350	\$ 0.57
Taxes & Insurance			
Real Property Tax Assessment	\$ 9,000	\$ 118	\$ 0.19
Property Insurance	\$ 25,514	\$ 336	\$ 0.55
Director's & Officer's Insurance	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total <u>10%</u>	\$ 34,514	\$ 454	\$ 0.74
Other			
SDHC Monitoring Fees	\$ 4,180	\$ 55	\$ 0.09
Other: replacement reserve	\$ 15,200	\$ 200	\$ 0.33
Other:	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total <u>6%</u>	\$ 19,380	\$ 255	\$ 0.42
Total Annual Operating Costs	\$ 349,597	\$ 4,600	\$ 7.53

**SAN DIEGO HOUSING COMMISSION
DEVELOPMENT FORM - DEVELOPMENT COST - DC**

Last revised: November 27, 2007

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

DATE: December 12, 2008

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

PROJECT NAME: Golden Age Garden Apartments
ADDRESS: 740 South 36th Street San Diego CA 92113
STREET CITY STATE ZIP
Number of Units 76

DEVELOPMENT COST ITEM	PERCENT	AMOUNT
ACQUISITION / LAND COST		
LAND		\$ 540,000
BUILDINGS		\$ 8,060,000
SUBTOTAL		\$ 8,600,000
LEGAL/BROKER'S FEE/TITLE		\$ 200,000
OTHER		\$
TOTAL ACQUISITION / LAND COST		\$ 8,800,000
REHABILITATION / CONSTRUCTION		
SITE WORK		\$
DEMOLITION		\$
STRUCTURES		\$ 760,000
TOTAL HARD COSTS		\$ 760,000
GENERAL REQUIREMENTS	6.0 %	\$ 45,600
CONTRACTOR'S OVERHEAD	8.0 %	\$ 60,800
CONTRACTOR'S PROFIT	%	\$
TOTAL REHABILITATION / CONSTRUCTION		\$ 866,400
CONSTRUCTION CONTINGENCY	9.0 %	\$ 76,000
BOND PREMIUM		\$ 16,942
CONSTRUCTION LOAN		
CONSTRUCTION INTEREST COST		\$
APPLICATION FEE		\$
LOAN ORIGINATION FEE		\$ 62,000
OTHER <u>legal & underwriter</u>		\$ 15,000
		\$ 77,000
PERMANENT LOAN		
APPLICATION FEE		\$
LOAN ORIGINATION FEE		\$
OTHER		\$
		\$
RELOCATION COST		\$ 65,000
ARCHITECTURAL FEES		
DESIGN		\$
SUPERVISION		\$
TOTAL ARCHITECTURAL FEES	%	\$
SURVEYS, SOIL BORINGS, & ENGINEERING		
		\$

DEVELOPMENT COST ITEM	PERCENT	AMOUNT
LEGAL, PERMIT, & AUDIT		
SDHC'S LEGAL (not to exceed)		\$ 5,000
BORROWER'S LEGAL		\$ 250,000
LENDERS' LEGAL		\$ 30,000
PERMITS		\$
TITLE & RECORDING		\$ 25,000
INSURANCE		\$ 35,000
AUDIT		\$
TAXES DURING CONSTRUCTION		\$
OTHER <u>Nonprofit LP expenses</u>		\$
TOTAL LEGAL, PERMIT, & AUDIT		\$ 345,000
OTHER COSTS		
DEVELOPER'S FEE	%	\$
CONSULTANT FEE	1.4 %	\$ 150,000
APPRAISAL COSTS		\$ 6,500
ENVIRONMENTAL STUDY		\$ 8,000
MARKET STUDY		\$ 6,000
MARKETING & RENT-UP		\$
SDHC MONITOR SET-UP		\$ 500
SDHC LOAN ORIGINATION FEE		\$ 2,000
REPLACEMENT RESERVES	MONTHS	\$
OPERATING RESERVES	MONTHS	\$
REHABILITATION PROJECTS:		\$
SDHC TECHNICAL SERVICES FEE (\$5,000)		\$ 5,000
Physical Needs Assessment		\$ 4,500
Predevelopment Costs		\$ 10,000
Bond Issuance		\$ 103,350
Nonprofit Partner Costs		\$ 15,000
Insurance		\$ 12,101
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
TOTAL OTHER COSTS		\$ 322,951
SOFT COSTS CONTINGENCY	%	\$
TOTAL DEVELOPMENT COST		\$ 10,569,293

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

NUMBER OF UNITS: 76

PROJECT NAME: Golden Age Garden Apartments

ADDRESS: 740 South 36th Street San Diego CA 92113

SOURCES

POSITION	TERMS	COMMITMENT	AMORTIZED	DEFERRED	TAX CREDIT	GRANT	EQUITY
1ST Citibank	35 YRS. 5.25% RATE	<input checked="" type="checkbox"/> Y/N DATE OR EXPECTED	\$ 6,300,000				
2ND SDHC	55 YRS. 3.00% RATE	<input checked="" type="checkbox"/> Y/N DATE OR EXPECTED	\$ 3,662,000	\$ 3,662,000			
(Select one) Residual Receipts or Amortized	<input checked="" type="checkbox"/>	Subsidy/Assisted Unit \$ 48,827 Subsidy/Assisted Bdrr \$ 48,827					
Seller		<input type="checkbox"/> Y/N DATE OR EXPECTED	\$ 600,000	\$ 600,000			
TAX CREDIT		<input type="checkbox"/> Y/N DATE OR EXPECTED			\$		
EQUITY GP contribution		<input type="checkbox"/> Y/N DATE OR EXPECTED					\$ 7,293
TOTAL			\$ 10,569,293	\$ 6,300,000	\$ 4,262,000		\$ 7,293

FUNDING SCHEDULE FOR SOURCES

	TOTAL	CLOSING	CONSTRUCTION PERIOD			COMPLETION 4TH QUARTER	RENT UP QTRS 5 & 6
			1ST QUARTER	2ND QUARTER	3RD QUARTER		
Citibank	\$ 6,300,000	\$ 6,300,000	\$	\$	\$	\$	\$
SDHC	\$ 3,662,000	\$ 3,662,000	\$	\$	\$	\$	\$
Seller	\$ 600,000	\$ 600,000	\$	\$	\$	\$	\$
	\$ -	\$	\$	\$	\$	\$	\$
	\$ -	\$	\$	\$	\$	\$	\$
GP contribution	\$ 7,293	\$ 7,293	\$	\$	\$	\$	\$
TOTAL	\$ 10,569,293	\$ 10,569,293	\$ -	\$ -	\$ -	\$ -	\$ -

INFORMATION ON CONSTRUCTION LOAN

CONSTRUCTION LENDER: _____

CONSTRUCTION TIME: _____ (MONTHS)

CONSTRUCTION INTEREST: _____ %

COMMITTED: YES NO

DATE OF COMMITMENT/EXPECTE: _____

**SAN DIEGO HOUSING COMMISSION
DEVELOPMENT FORM - PRO FORMA - PF**

Last revised: November 27, 2007

PLEASE PROVIDE ALL KNOWN INFORMATION - CHECK ALL BOXES THAT APPLY

Date: #####

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

PROJECT NAME: Golden Age Garden Apartments
 ADDRESS: 740 South 36th Street San Diego CA 92113
STREET CITY STATE ZIP

Replacement Reserve	\$	LP Asset Mgmt Fee	\$	7,500	GP Management Fee	\$	7,500
Rental Income	\$	Project Income Increase		2.50 %	Mortgage Amount	\$	6,300,000
Other Income	\$	Operating Exp. Increase		3.50 %	Mortgage Rate		5.250
Operating Expenses	\$	Vacancy Loss		5.00 %	Mortgage Term(Years)		35
LP & GP Annual Increase		Deferred Dev. Fee	\$		Interest on Deff. Dev. Fee		

SDHC Participation \$ 3,662,000 Residual Receipts or Amortize Interest Rate 3.000 %
 Percent of Residual to HC 50% Term (Years) 55

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Gross Project Income	\$ 844,056	\$ 865,157	\$ 886,786	\$ 908,956	\$ 931,680
Vacancy	\$ 42,203	\$ 43,258	\$ 45,339	\$ 45,448	\$ 46,584
Effective Gross Income	\$ 801,853	\$ 821,900	\$ 842,447	\$ 863,508	\$ 885,096
Operating Expense	\$ 349,597	\$ 361,833	\$ 374,497	\$ 387,604	\$ 401,171
Net Operating Income	\$ 452,256	\$ 460,067	\$ 467,950	\$ 475,904	\$ 483,925
Debt Service (1st)	\$ 393,682	\$ 393,682	\$ 393,682	\$ 393,682	\$ 393,682
Coverage (1st)	1.15	1.17	1.19	1.21	1.23
Replacement Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flow	\$ 58,574	\$ 66,385	\$ 74,268	\$ 82,222	\$ 90,244
LP Asset Management Fee	\$ 7,500	\$ 7,763	\$ 8,034	\$ 8,315	\$ 8,606
GP Management Fee	\$ 7,500	\$ 7,763	\$ 8,034	\$ 8,315	\$ 8,606
Deferred Dev. Fee Pmt.	\$ -	\$ -	\$ -	\$ -	\$ -
SDHC Residual Receipts	\$ -	\$ -	\$ -	\$ 32,796	\$ 36,515
Net Cash Flow	\$ 43,574	\$ 50,860	\$ 58,200	\$ 32,796	\$ 36,515

	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Income	\$ 954,972	\$ 978,846	\$ 1,003,317	\$ 1,028,400	\$ 1,054,110
Vacancy	\$ 47,749	\$ 48,942	\$ 50,166	\$ 51,420	\$ 52,706
Effective Gross Income	\$ 907,223	\$ 929,904	\$ 953,151	\$ 976,980	\$ 1,001,405
Operating Expense	\$ 415,212	\$ 429,744	\$ 444,785	\$ 460,352	\$ 476,465
Net Operating Income	\$ 492,012	\$ 500,160	\$ 508,366	\$ 516,628	\$ 524,940
Debt Service (1st)	\$ 393,682	\$ 393,682	\$ 393,682	\$ 393,682	\$ 393,682
Coverage (1st)	1.25	1.27	1.29	1.31	1.33
Replacement Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flow	\$ 98,330	\$ 106,478	\$ 114,685	\$ 122,946	\$ 131,258
LP Asset Management Fee	\$ 8,908	\$ 9,219	\$ 9,542	\$ 9,876	\$ 10,222
GP Management Fee	\$ 8,908	\$ 9,219	\$ 9,542	\$ 9,876	\$ 10,222
Deferred Dev. Fee	\$ -	\$ -	\$ -	\$ -	\$ -
SDHC Residual Receipts	\$ 40,257	\$ 44,020	\$ 47,800	\$ 51,597	\$ 55,407
Net Cash Flow	\$ 40,257	\$ 44,020	\$ 47,800	\$ 51,597	\$ 55,407

	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Gross Income	\$ 1,080,463	\$ 1,107,475	\$ 1,135,161	\$ 1,163,541	\$ 1,192,629
Vacancy	\$ 54,023	\$ 55,374	\$ 56,758	\$ 58,177	\$ 59,631
Effective Gross Income	\$ 1,026,440	\$ 1,052,101	\$ 1,078,403	\$ 1,105,363	\$ 1,132,998
Operating Expense	\$ 493,141	\$ 510,401	\$ 528,265	\$ 546,754	\$ 565,891
Net Operating Income	\$ 533,299	\$ 541,700	\$ 550,138	\$ 558,609	\$ 567,107
Debt Service (1st)	\$ 393,682	\$ 393,682	\$ 393,682	\$ 393,682	\$ 393,682
Coverage (1st)	1.35	1.38	1.40	1.42	1.44
Replacement Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flow	\$ 139,617	\$ 148,018	\$ 156,457	\$ 164,927	\$ 173,425
LP Asset Management Fee	\$ 10,579	\$ 10,950	\$ 11,333	\$ 11,730	\$ 12,140
GP Management Fee	\$ 10,579	\$ 10,950	\$ 11,333	\$ 11,730	\$ 12,140
Deferred Dev. Fee	\$ -	\$ -	\$ -	\$ -	\$ -
SDHC Residual Receipts	\$ 59,229	\$ 63,059	\$ 66,895	\$ 70,734	\$ 74,572
Net Cash Flow	\$ 59,229	\$ 63,059	\$ 66,895	\$ 70,734	\$ 74,572