

REPORT

DATE ISSUED: May 20, 2009 REPORT NO: HCR 09-053
ATTENTION: Chair and Members of the Housing Commission
For the Agenda of June 19, 2009
SUBJECT: Preliminary Items Pursuant to Issuing Multifamily Housing Revenue Bonds for
Mission Apartments (Council District 2)

REQUESTED ACTION:

Take the initial steps to issue Housing Authority mortgage revenue bonds to fund the acquisition and new construction of an 89-unit rental complex located at 1815 and 1875 Hancock Street in the Midway Community of San Diego. Borrower would acquire the property, construct an 89-unit rental housing development and restrict rents below market; issuance of bonds would require Housing Authority approval at a later date.

STAFF RECOMMENDATION:

1. Housing Commission recommend the:
 - A. Housing Authority approve a bond inducement resolution (a declaration of official intent) for up to \$27 million in multifamily housing revenue bonds for Mission Apartments to be developed by AMCAL Multi-Housing Inc. (AMCAL);
 - B. Housing Authority approve an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt "private activity bonds" in an amount up to \$27 million for Mission Apartments; and,
 - C. City Council hold a public hearing (*known as a TEFRA hearing -Tax Equity and Fiscal Responsibility Act*) and adopt a resolution approving the issuance of tax-exempt bonds in an amount up to \$27 million by the Housing Authority for Mission Apartments located at 1815 and 1875 Hancock Street in the City of San Diego.
 - D. Housing Commission approve a financing team of Stradling Yocca Carlson & Rauth as bond counsel and Public Financial Management as financial advisor to begin work on the project.
 - E. Authorize the President and Chief Executive Office of the Housing Commission, or a designee, to execute necessary documents.

BACKGROUND:

The Project

Mission Apartments is a new construction development that will create an 89-unit affordable housing complex located at 1815 and 1875 Hancock Street. The project will provide 25 two-bedroom and 63 three-bedroom units in a three-story building over underground parking. The development is currently utilized as a surface parking lot located adjacent to the Mission Brewery building. Amenities include a

community room with offices, a kitchen, computer room, tot lots/play areas, outdoor seating, BBQ, and planters. The project will comply with Universal Design standards.

Originally, the project site was planned as a condominium development by Pacifica Companies (the Seller). Due to the economic slowdown in the housing construction market, the Seller was unable to move forward with the original project. AMCAL has entered into a Purchase and Sale Agreement with the Seller for acquisition of the site.

Housing Affordability

Through the Housing Commission's Bond Program, rents on all the units will be restricted at 50% and 60% of Area Median Income (AMI) (\$41,300 and \$49,560 for a family of four) for a minimum of 55 years. One three-bedroom unit will be reserved for occupancy by a resident manager and would not be rent-restricted. Actual rents will be calculated to meet more stringent MHP, tax credit, and Redevelopment Agency requirements, and as a result, will be affordable to tenants with incomes as low as 35% of AMI. Because of the Redevelopment Agency financing, this project is subject to California Redevelopment Law (CRL). It is anticipated that the Housing Commission will use the CRL methodology for setting rents and periodic rent restriction adjustments. This methodology is different than the Housing Commission's standard HUD-based rent calculation methodology.

Development Team

AMCAL Multi-Housing, Inc. ("AMCAL") has been developing high quality housing throughout California since 1978. For the past several years AMCAL's focus has been affordable housing, with over 2,800 affordable rental or for-sale units completed or under construction. Financing for these units has included over \$290 million in State and Federal low-income housing tax credits.

AMCAL has built much of its reputation on the strength and integrity of its construction affiliate, AMCAL General Contractors (AGC), which constructs all of AMCAL's projects. AMCAL has won numerous awards for its affordable housing communities including the "Best of Downtown" award for AMCAL's new affordable development called "Castelar Apartments" in Chinatown; a National Association of Housing and Redevelopment Officials (NAHRO) Award for its "Positano" development in Santa Barbara; and AMCAL's "Avenue 26 Master Plan" was nominated for Affordable Housing Finance magazine's 2006 "Project of the Year." AMCAL's affordable developments offer amenities similar to market rate developments in addition to computer centers, job training, childcare, English as a second language, and senior services.

Locally, in 2007, AMCAL worked with the San Diego Redevelopment Agency to develop Los Vientos – an 89-unit family housing development located in Barrio Logan and scheduled to be completed in July 2009. The company is headquartered in Agoura Hills with regional offices in Fresno and Irvine, California. Mission Apartments is the first development that the Housing Commission has participated in with AMCAL. A developer disclosure statement for AMCAL is included as Attachment 2.

Selection of the Financing Team Members

Staff recommends assigning Public Financial Management as financial advisor and Stradling Yocca Carlson & Rauth as bond counsel to work on the project. The proposed financing team members have been selected in accordance with the existing policy for the issuance of bonds. Financial advisors and bond counsels are designated on a rotating basis from the firms selected under the program through a competitive RFP process.

Proposed Housing Bonds

The Housing Commission utilizes the Housing Authority's tax-exempt borrowing status to pass on lower interest rate financing (and make federal tax credits available) to developers of affordable housing. The Housing Authority's ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a project, the Housing Authority must first submit an application to CDLAC for a bond allocation. Prior to submitting applications to CDLAC, projects are brought before the Housing Commission, Housing Authority, and City Council. Housing Authority bond inducement resolutions must be obtained prior to application submittal and City Council TEFRA resolutions must be secured no later than 30 days after application submittal.

It is anticipated that the project will receive a bond allocation at CDLAC's September meeting; however, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the project. A general description of the Multifamily Bond Program and actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 3.

The \$27 million allocation that will be sought from CDLAC is approximately 25% higher than the amount for which the project is currently being underwritten (\$21.6 million). The developer has requested this cushion to account for possible increases in the bond amount due to the volatility of the financial markets and construction interest rates. The bond amount that is ultimately issued will be based upon project costs, revenues, and interest rates at the time of bond issuance. Of the total estimated \$21.6 million bond issuance, approximately \$17.5 million of the bond amount will be retired upon conversion to permanent financing, resulting in a permanent bond amount of approximately \$4,152,367.

The total development cost of the project is estimated to be approximately \$34 million. Other sources of permanent funds for the project will include federal tax credits, Redevelopment Agency financing, State of California Multifamily Housing Program (MHP), a deferred developer fee, and income from operations. Proposed permanent financing sources are summarized in the following table.

Proposed Permanent Financing Sources	
Housing Revenue Bonds	\$4,152,367
Tax Credits	9,732,967
Redevelopment Agency	\$11,811,282
MHP	\$7,836,367
Deferred Developer Fee	280,000
Total	\$33,812,983

The developer currently proposes to issue the bonds through a private placement which means that bonds would be sold directly to a bank or other lender instead of being sold via a public offering. The bonds would meet all the requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and would fully comply with the City's ordinance on bond disclosure.

FISCAL CONSIDERATIONS:

There are no fiscal impacts to the Housing Commission, City, or Housing Authority associated with the requested actions. Approval of the bond inducement and TEFRA resolutions do not commit the Housing Authority to issue bonds. The bonds would not constitute a debt of the City of San Diego. If bonds are ultimately issued for the project, the bonds will not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources. Neither the faith and credit nor the taxing power of the City or the Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission's annual administrative fee.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On November 12, 2008, the Midway Community Planning Advisory Committee voted unanimously to approve the revised project. On December 11, 2008, the Planning Commission also voted unanimously to recommend City Council approval of the project.

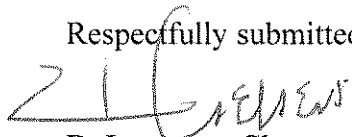
ENVIRONMENTAL REVIEW:

A Mitigated Negative Declaration Number 52078 was prepared by the City of San Diego in accordance with the State of California Environmental Quality Act (CEQA) Guidelines. A mitigation, monitoring, and reporting program will be implemented, which will reduce the identified potential environmental impacts to below a level of significance. The Mitigated Negative Declaration document will be considered by the City Council concurrently with the proposed Community Plan Amendment and Planned Development Permit; this is expected to be heard on July 14, 2009.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

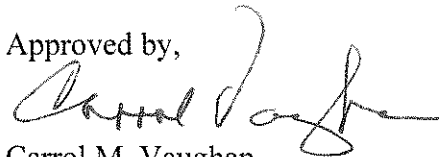
AMCAL will acquire and construct the project. The seller of the property is Pacifica Companies who also owns the adjacent Mission Brewery building. AMCAL has selected Union Bank as the tax credit investor for the project.

Respectfully submitted,



D. Lawrence Clemens
Senior Vice President, Housing Development
& Finance

Approved by,



Carrol M. Vaughan
Executive Vice President & Chief
Operating Officer

May 19, 2009

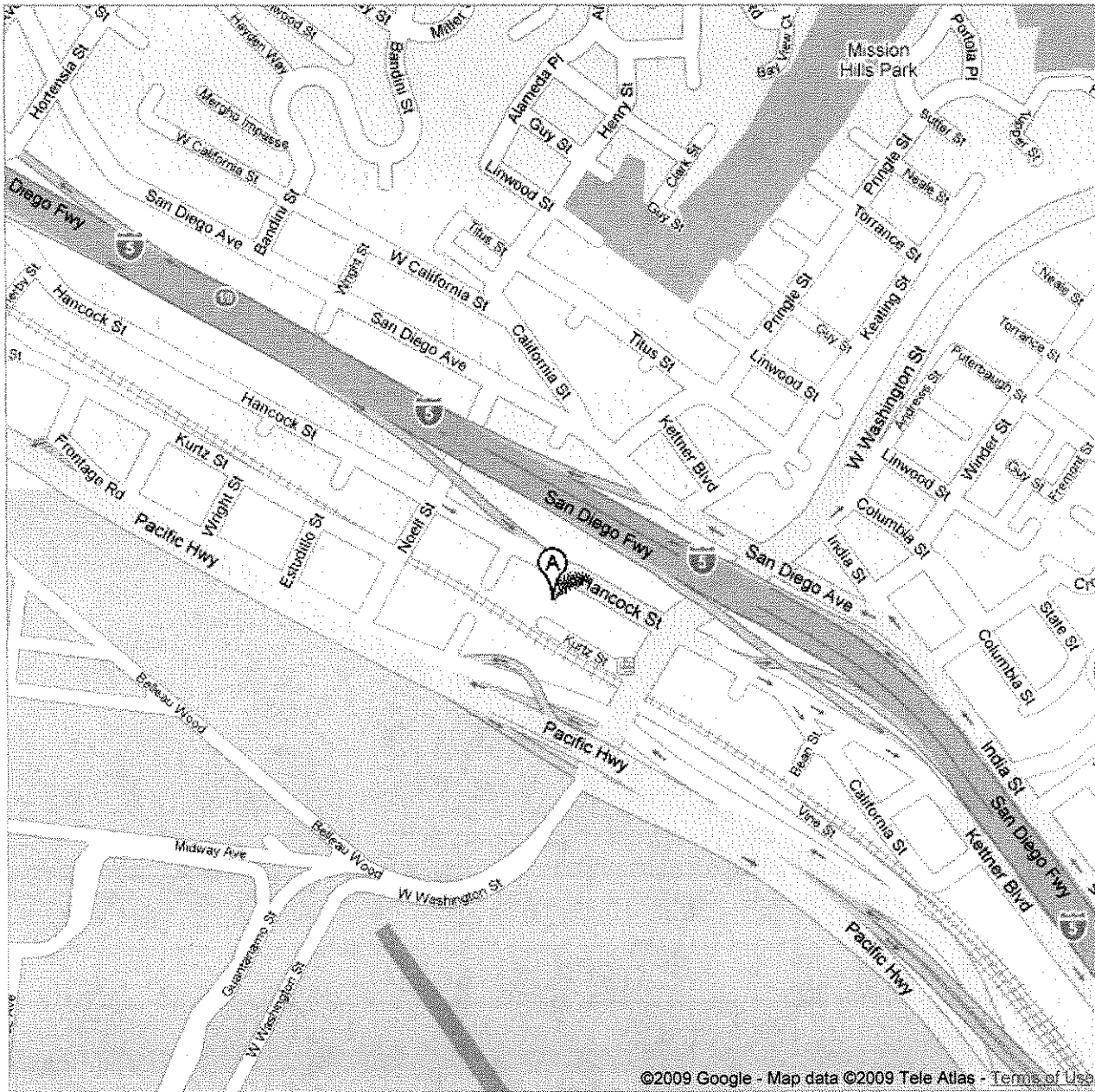
Preliminary Bond Items for Mission Apartments

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- Attachments:
1. Site Map
 2. Developer Disclosure Statement*
 3. Multifamily Bond Program Summary

* Distribution of these attachments may be limited. 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.

ATTACHMENT 1



A. Park & Ride - Lot #6
1815 Hancock St., San Diego, CA -
(619) 295-5427

ATTACHMENT 2



Housing Finance & Development

DEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE

(add extra sheets if you need more space)

1. Name of developer: **AMCAL Enterprises, Inc.**

2. Address, phone number and ZIP Code: **30141 Agoura Road, Suite 100
Agoura Hills, CA 91301**

3. IRS Number of Developer: **95-4677941**

4. If the developer is not an individual doing business under his own name, the developer has the status indicated below and is organized or operating under the laws of California as:

 A corporation
 A nonprofit or charitable institution or corporation
 A partnership known as: _____
 A business association or a joint venture known as _____
 A Federal, State or local government or instrumentality thereof.
 Other (explain)

5. If the developer is not an individual or a government agency or instrumentality, give date of organization: **3/12/1998**

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

Percival Vaz – Sole Owner

Officers: Percival Vaz – President, CEO
Arjun Nagarkatti – Executive Vice President, CFO
David Yarden – Secretary, General Counsel

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

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

- d. If the developer is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest. N/A

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

<u>Name, Address & Zip Code</u>	<u>Phone Number</u>	<u>Position Title (if any) and percent of interest or description of character and extent of interest</u>
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- 7. Name, address and nature and extent of interest of each person or entity (not named in response to Item 6) who has a beneficial interest in any of the shareholders or investors named in response to Item 6 which gives such person or entity more than a computed 10% interest in the developer (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the developer; or more than 50% of the stock in a corporation which holds 20% of the stock of the developer): N/A

Developer Disclosure Statement Page 3

<u>Name, Address and Zip Code</u>	<u>Description of character and extent of interest</u>
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8. Names (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 6 or Item 7 above: N/A

9. Is the developer a subsidiary of or affiliated with any other corporation or corporations or any other firm or firms? If yes, list each such corporation or firm by name and address, specify its relationship to the developer, and identify the officers and directors or trustees common to the developer and such other corporation or firm. **AMCAL Enterprises, Inc. acts as the developer entity and is related to AMCAL Multi-Housing, Inc.(AMHI). AMHI acts as Administrative General Partner of a single-asset LP entity created for the sole purpose of developing the specific development. AMCAL General Contractors, Inc.(AGC) is the general contractor on all AMCAL developments. Both AMHI and AGC have the same officers and Percival Vaz is the sole owner of these entities as well.**

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

Construction period financing will include:

Bonds – A tranche:	\$4,152,367
Bonds – B tranche:	\$17,533,320
Deferred Developer Fee:	\$500,000
Deferred Operating Reserve:	\$194,054
Gap Financing – San Diego RDA:	\$9,000,000
Investor Bridge Loan/Tax Credit Equity:	<u>\$2,433,242</u>
TOTAL	\$33,812,982

Permanent financing will include:

Federal Tax Credit Equity:	\$9,732,967
Permanent Loan (1 st Trust Deed):	\$4,152,367
Deferred Developer Fee:	\$280,000
Gap Financing – San Diego RDA:	\$11,811,282
MHP:	<u>\$7,836,367</u>
TOTAL	\$33,812,982

As part of the financing plan, AMCAL will obtain local Redevelopment funds, tax exempt bonds, 4% tax credit equity, as well as conventional construction and permanent financing. AMCAL will also make good faith effort to secure MHP financing in the first round of 2009.

AMCAL will apply to CDLAC for a bond allocation on July 24, 2009, followed by an allocation meeting on September 23, 2009. A 4% tax credit application will be submitted on July 31, 2009. The closing and construction start is anticipated to occur on or before December 15, 2009.

11. Sources and amount of cash available to developer to meet equity requirements of the proposed undertaking:

a. In banks:

<u>Name, Address and ZIP Code of Bank</u>	<u>\$ Amount</u>
Pacific Western Bank (LOC), 9454 Wilshire Blvd, Beverly Hills, CA 90212	\$4,500,000

b. By loans/Deferred Fees from affiliated or associated corporations or firms:

<u>Name, Address and ZIP Code of Source</u>	<u>\$ Amount</u>
AMCAL Enterprises, Inc. Deferred Developer Fee	\$280,000

c. By sale of readily salable assets: N/A

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

Pacific Western Bank-9454 Wilshire Blvd, Beverly Hills, CA 90212-Cheryl Murphy-(818) 610-2769

California Community Reinvestment Corp.-225 W. Broadway, Glendale, CA 91204-Mark Rassmussen-(818) 550-9807

Bank of America-333 South Hope Street, Los Angeles, CA 90071-Charmaine Atherton-(213) 621-4816

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

14. Has the developer or anyone referred to above as "principals of the developer" been indicted for or convicted of any felony within the past 20 years? Yes ____ No X
If yes, give for each case (1) date, (2) charge, (3) place, (4) Court, and (5) action taken. Attach any explanation deemed necessary.

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

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

- a. Name and address of such contractor or builder:

**AMCAL General Contractors, Inc.
30141 Agoura Road, Suite 100 Agoura Hills, CA 91301**

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

- c. Total amount of construction or development work performed by such contractor or builder during the last three years: **\$226,787,736**

General description of such work:

17 Tax Credit developments throughout California with completion dates from 2006 through 2008. The amount above represents total development costs.

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

<u>Identification of Contract or Development</u>	<u>Location</u>	<u>Amount</u>	<u>Date to be Completed</u>
Los Vientos	San Diego	\$18,691,927	July 2009
Regency Apartments	Palmdale	\$ 6,090,480	November 2009
Andalucía Heights*	Los Angeles	\$14,087,178	November 2010
Santa Fe Apartments*	Bakersfield	\$ 7,002,833	October 2010
Cordova Apartments*	Selma	\$ 8,510,560	July 2010

*Projects expected to start construction in June 2009.

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

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

17. Brief statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor: **See AMCAL corporate resume and corporate officer bios attached.**
18. Does any member of the governing body of the San Diego Housing Commission, to which the accompanying proposal is being made, or any officer or employee of the San Diego Housing Commission who exercises any functions or responsibilities in connection with the carrying out of the project covered by the developer's proposal, have any direct or indirect personal financial interest in the developer or in the proposed contractor?
 Yes _____ No **X**
 If yes, explain.
19. Statements and other evidence of the developer's qualifications and financial responsibility (other than the financial statement referred to in Item 10) are attached

Developer Disclosure Statement Page 7

hereto and hereby made a part hereof as follows: **See AMCAL corporate resume attached.**

CERTIFICATION

I (We) Arjun Nagarkatti on behalf of AMCAL Enterprises, Inc. certify that this Developer's Statement for Public Disclosure and the attached evidence of the developer's qualifications and financial responsibility, including financial statements, are true and correct to the best of my (our) knowledge and belief.

Date: May 18, 2009

Date: _____



Signature

Signature

Title: Executive Vice President

Title: _____

Address & ZIP Code

30141 Agoura Road, Suite 100

Agoura Hills, CA 91301

COMPARABLE PROJECTS - 4 LEVEL ON PODIUM GARAGE

PROJECT NAME	LOCATION	YEAR BUILT	# OF UNITS	HOUSING TYPE
Casa Figueroa	Los Angeles	2003	49	FAMILY
Castelar	Los Angeles	2003	101	FAMILY
Camino al Oro	Los Angeles	2005	101	SENIOR
Tesoro del Valle	Los Angeles	2006	102	FAMILY
Las Brisas	Los Angeles	2006	66	FAMILY
Flores del Valle	Los Angeles	2006	146	FAMILY
Maywood Villas	Maywood	2007	54	SENIOR
Temple Villas	Los Angeles	2007	52	FAMILY
Casa de Angeles	Los Angeles	2008	49	FAMILY
Villa del Lago	Los Angeles	2008	74	FAMILY
Villas Las Americas	Panorama City-LA	2008	55	FAMILY
Los Vientos	San Diego	2009	89	FAMILY
Villa Serena	East Los Angeles-LA	2009	85	FAMILY
			1023	



AMCAL

"DELIVERING THE DREAM"



For more than 25 years, AMCAL has developed quality market-rate and affordable housing throughout California.

AMCAL specializes in the financing and construction of family 'workforce' and senior apartments. We also build for-sale market-rate houses, condominiums and urban lofts.

AMCAL's affordable developments look and feel like and have the same high quality as our market-rate developments.

We invite you to view some of the AMCAL communities.

30141 Agoura Rd. • Ste. 100 • Agoura Hills, CA • 91301 • (818) 706-0694
www.AmcalHousing.com



AMCAL

About Us

AMCAL has developed quality housing throughout California since 1978.

In recent years, AMCAL has focused on the affordable housing sector, including family and senior apartments. New for-sale workforce housing also is being built at infill locations in emerging urban neighborhoods.

During the past several years, AMCAL has developed, or is currently in the planning process of building and developing more than 2,800 affordable rental and for-sale units. The new housing is located throughout California, including Santa Barbara, Goleta, Ventura, Simi Valley, Pomona, Victorville, Coachella, Palmdale, Maywood, Sacramento, San Diego, the San Joaquin Valley, the Bay Area, and numerous revitalization projects in urban central Los Angeles and the San Fernando Valley.

The value of AMCAL projects currently under development exceeds \$268,000,000. Financing is based frequently on allocations of Low-Income Housing Tax Credits and traditional institutional equity and bank loans. Since 2003, AMCAL has been awarded among the highest allocations of state and federal tax credits in California, valued at more than \$290,000,000.

Strong financial institutions are impressed by AMCAL's competence and regularly partner on for-sale and rental product, including the SunAmerica Affordable Housing Partners, Genesis Workforce Housing Fund (Phoenix Realty Group), Wells Fargo Bank, Citibank Community Development, California Bank and Trust, John Hancock Life Insurance, Hudson Housing Capital and Verizon Capital.

Award-winning architects are partners at the earliest stages of planning, including Van Tilburg, Banvard and Soderbergh, Withee Malcolm, Newman Garrison Gilmour + Partners and KTG Y Group. Design excellence is incorporated in every project, and AMCAL's Castelar Apartments in Chinatown was named a "Best of Downtown" new affordable development in 2004.

AMCAL has won numerous awards for its rental and for-sale products, including the National Association of Housing and Redevelopment Officials Award for its Positano development in Santa Barbara and several Efan Awards for its Canyon Cove for sale development in Oak Park. Its Avenue 26 Master Plan was a nominee for "Project of the Year" for Affordable Housing Finance magazine's 2006 "Readers' Choice" awards.

Most often, AMCAL's affordable developments offer amenities similar to market-rate projects. Computer centers, job training, childcare, English language lessons and senior services are available at most new communities.

AMCAL is vertically integrated with acquisition, development, finance, asset management, and construction departments, which results in efficiencies and cost savings. From land acquisition to design, to the coordination with municipalities and final construction, AMCAL communities always look and feel like market-rate developments.

Quality is built in, and with AMCAL, 'affordable' never means less.

"Delivering the Dream"



AMCAL

Recent Developments

AMCAL Multi-Housing and AMCAL Homes are developing or have constructed the following projects with agency funding throughout California from 2006-08:

1. Puerta del Sol, Los Angeles: 165 workforce condominiums and live-work, mixed-use with retail on 2.9-acre infill redevelopment site. City and State funding: First-time homebuyer assistance.



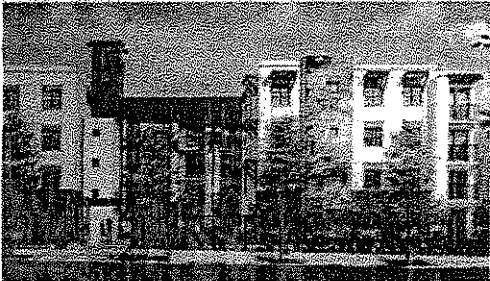
2. Maywood Villas, Maywood: 54 senior affordable apartments and retail on an 0.4-acre redevelopment site. City RDA funding: \$1,100,000.



3. Villas del Lago, Los Angeles: 74 family affordable apartments on a 0.8-acre redevelopment site. L.A. Housing Dept. funding: \$5,280,000.



4. Sandstone, Fresno: 69 family affordable apartments on 4.9-acre site. City RDA funding: \$1,200,000.



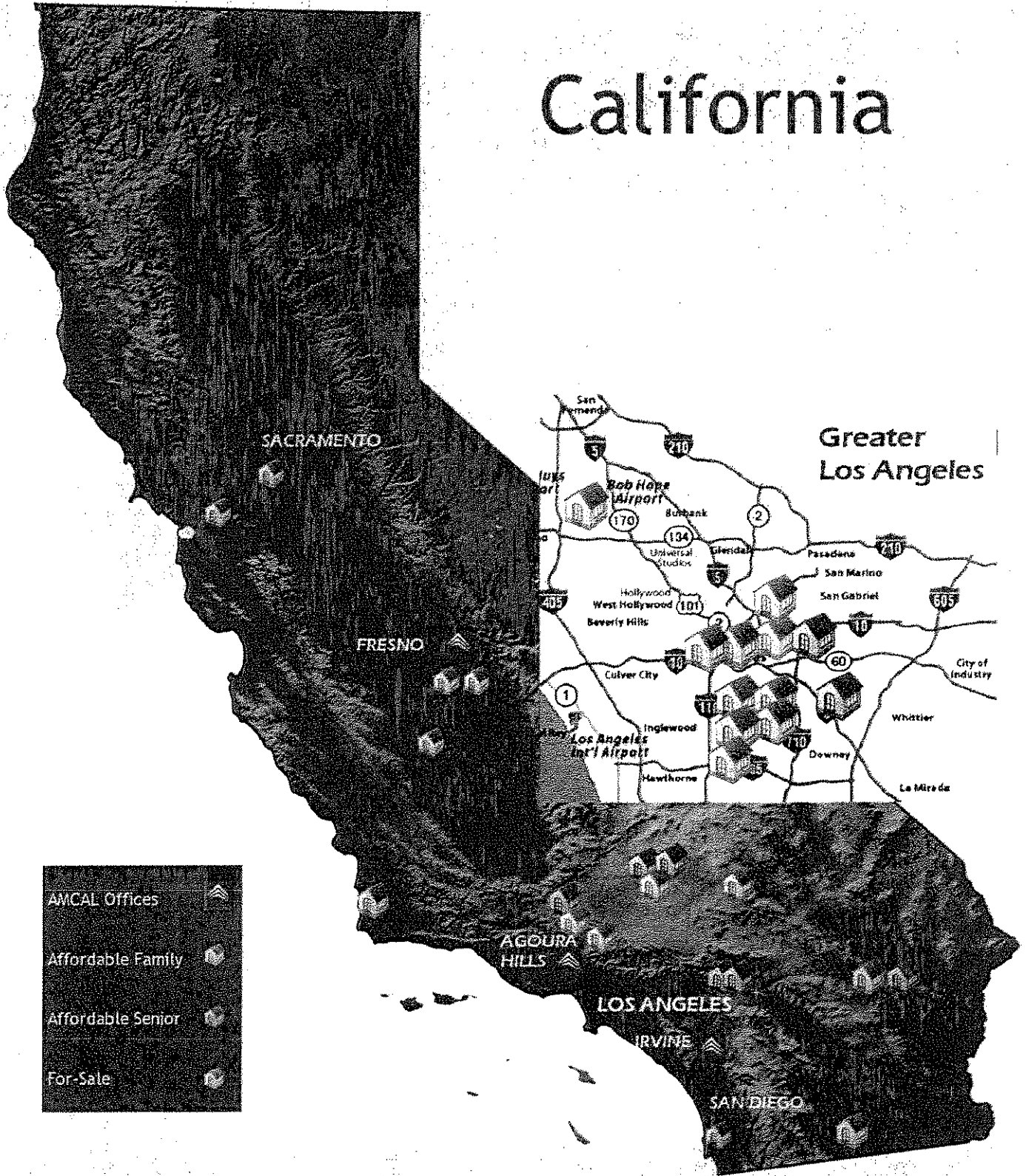
5. Villa Serena, Los Angeles: 85 family affordable apartments on a 1.7-acre site. L.A. County Community Development Commission funding: \$5,500,000.

6. Los Vientos, San Diego: 89 family affordable apartments on two redevelopment sites of 1.0 acres. City RDA funding: \$8,300,000.

30141 Agoura Rd. • Ste. 100 • Agoura Hills, CA • 91301 • (818) 706-0694

www.AmcalHousing.com

California



Greater Los Angeles

- AMCAL Offices
- Affordable Family
- Affordable Senior
- For-Sale



AMCAL

References

Institutional Partners

Mr. Mike Fowler, President

Mr. Dana Mayo, Senior Vice President
AIG SunAmerica (Fortune 500 company)
1 SunAmerica Center
Los Angeles, CA 90067

Mr. Sam Ganeshan, Managing Director
JER Hudson Housing Capital
Rockefeller Center
630 5th Ave., 23rd Floor
New York, NY 10111

Mrs. Lisa Swenerton, Managing Director & Vice President
Mr. John Lordi, Portfolio Manager
Edison Capital (Fortune 500 company)
18101 Von Karman Ave., Ste. #800
Irvine, CA 92715

Mr. Peter Rutherford, Vice President
Verizon Capital (a Fortune 500 Co.)
245 Park Ave.
New York, NY 10167

Ms. Cynthia Lacasse, President
John Hancock Realty Advisors (Fortune 500 company)
Hancock Place
200 Clarendon St., Ste. #T-53
Boston, MA 02117-0111

Mr. Doug Neff
Institutional Housing Partners (Advisor to CALPERS Pension Fund)
2201 Dupont Dr.
Irvine, CA 92715

Private Partners

Mr. Ken Scribner, President
General Optics
554 Flynn Ave.
Moorpark, CA 93021

Mr. William Cappel, President
The Cappel Companies
10243 Cinnamon Teal Dr.
Klamath Falls, CA 97601

Mr. Raveesh Kumra, President
AZ NEW Telecom
18630 Wilhey Rd.
Monte Serrena, CA 95030

Mr. Mike Bagramian
29 Sea Isle
Long Beach, CA 90803

Dr. R. Singhania
1095 Sunstream Ln.
Anaheim, CA 92808

Construction / Permanent Lender

Mr. Jim Francis
Union Bank
200 Pringle Ave., Ste. #200
Walnut Creek, CA 94596

Mr. John Epstein, Vice President
Wells Fargo Bank
707 Wilshire Blvd., 18th Floor
Los Angeles, CA 90017

Mr. Peter Woo & Mr. Eddie Chang, Senior Vice President
General Bank
1420 E. Valley Blvd.
Alhambra, CA 91809

Mr. Dan Jackson, Senior Vice President
Alliance Bank
100 Corporate Pointe
Culver City, CA 90230

Mr. Keeley Kirkendall
Executive Vice President
ARCS Commercial Mortgage
26901 Agoura Rd., Ste. #200
Calabasas Hills, CA 91301-5109

Ms. Charmaine Atherton, Senior Vice President
Bank of America
555 Flower St.
Los Angeles, CA 90071

Mr. Charles B. Cline, Vice President
California Bank & Trust
1940 Century Park East
Los Angeles, CA 90067

Mary Kaiser, President
Mark Rasmussen, Vice President
California Community Reinvestment Corp.
225 W. Broadway, Ste. #120
Glendale, CA 91204

PERCIVAL VAZ
PRESIDENT / CHIEF EXECUTIVE OFFICER
AMCAL Multi-Housing, Inc.



With more than 29 years of industry experience, AMCAL Multi-Housing, Inc.'s President and Chief Executive Officer Percival Vaz is an expert in single and multi-family developments, construction, property management and real estate investment.

After founding AMCAL in 1978, Vaz successfully transformed the company into one of the industry's leading builders by planning, developing, building and managing projects valued at more than \$350,000,000 throughout California. In 1996, due to market demand, AMCAL shifted its focus primarily on affordable housing. With more than \$216 million awarded in tax credits since 2003, AMCAL continues to develop high-quality urban multi-family housing that provides architecturally attractive, meticulously constructed and environmentally smart opportunities for affordable family living in both for-sale and rental properties.

Born in Bombay, India, Vaz immigrated to the United States in 1966. After graduating from the University of California, Los Angeles with a master's degree in electronics and a minor in business, Vaz worked within the aerospace and electronics industries before obtaining his contractor's license in 1979 and building his first apartment building.

Vaz is on the Board of Directors for the California Housing Consortium, an organization dedicated to advancing affordable housing and community development issues throughout California. He is also a member of the Southern California Association of Non-Profit Housing (SCANPH), the California Redevelopment Association and the Building Industry Association (BIA). A recognized leader in the affordable housing industry, Vaz has been invited to speak about urban redevelopment for several forums, including the Urban Land Institute, Pacific Coast Builders Conference, National Housing Conference, BIA, the University of Southern California and SCANPH.

A recipient of the West Angeles Community Development Corporation's "Outstanding Corporate Citizen" Award, Vaz also received the William F. McKenna Award for leadership in the field of affordable housing from LINC Housing Corporation. In addition, Vaz was inducted into the California Housing Coalition's "Affordable Housing Hall of Fame" for his contributions to the industry. In 2006, Vaz' leadership helped AMCAL win the NAHB's "Innovation in Workforce Housing" award for the Avenue 26 Master Plan development.

In addition to his participation in the real estate industry, Vaz is an active member of the community, previously serving on the Board of Directors for The Wellness Community in Westlake Village, a national non-profit organization dedicated to providing free emotional support, education and hope for people with cancer and their loved ones. He is also the co-founder of the Sonaz Peace Foundation, an organization that has funded over 6,000 cataract surgeries for people in rural India. Vaz is a benefactor of the Civic Arts Plaza and St. Maximilian Kolbe Church, both located in his home city of Thousand Oaks.

7/2007

ARJUN NAGAKATTI
EXECUTIVE VICE PRESIDENT
AMCAL Multi-Housing, Inc.



Arjun Nagarkatti has 25 years of experience in residential development, and he began working at AMCAL in 1988.

Upon graduation with an Architectural Degree, Arjun worked for Woodward and Associates, an architectural firm in Dallas, and helped to design Commercial and Residential buildings in the Dallas area. He later joined Morrison Knudsen Co., a large construction company based in Boise, Idaho, and worked on the Fort Drum Army training installation in upstate New York, which was built over a five-mile radius. At Morrison Knudsen, Arjun was with the Quality Control Team and worked on maintaining specifications and the quality of construction of the project.

Arjun joined AMCAL as an Assistant Project Manager responsible for overseeing the sales and marketing of single-family and multi-family 'for sale' housing tracts. Later as Project Manager for Development, Arjun was responsible for the entitlement process of projects, including meeting with homeowner groups in an effort to receive project support and approval. Arjun also interfaced with brokers and negotiated land acquisition deals for AMCAL after running market-rate 'for sale' housing proformas to ascertain the viability of projects.

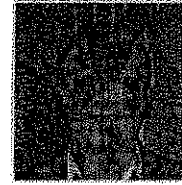
As Executive Vice President, Arjun structures the financing for all of AMCAL's market-rate and affordable projects, which include residential and mixed-use. Under Arjun's direction, AMCAL has developed and constructed \$340,000,000 in real estate during the last two decades.

Arjun is an expert at public financing for affordable housing, and AMCAL's developments regularly are awarded funding via low-income housing tax credits, which are funded by the Department of the Treasury and administered by the California Tax Credit Allocation Committee. Most AMCAL projects receive allocations of the highly competitive 9% credits, and Arjun arranges the syndication of the credit to major international financial service organizations. Other developments are financed via 4% credits or bonds.

Arjun also structures projects using homebuyer grants from city agencies, including the Los Angeles Housing Department and BEGIN funds, and 'soft' funds from local city housing agencies. AMCAL also procures funds from public sources, such as City of Industry Funds, AHP and MHP.

Arjun graduated from the Massachusetts Institute of Technology with a Masters of Science in Architecture Studies. He was born in India and emigrated to the United States in 1982.

MAURICE RAMIREZ
VICE PRESIDENT OF OPERATIONS AND FINANCE
AMCAL Multi-Housing, Inc.



Maurice has 25 years of experience in construction and development. He joined AMCAL in 2006 as Vice President of Operations and Finance. Maurice is involved in all aspects of organizational development as it relates to AMCAL Multi-Housing and its affiliates and manages project development through the different departments, including: Acquisitions, Development, Finance, Construction and Accounting. Maurice directly oversees AMCAL's Development and Asset Management Departments.

Maurice has played an integral part in the acquisition and development of over 3,100 units of affordable housing in Los Angeles and has worked to fund the development of an additional 7,000-10,000 apartments and over 200,000 square feet of commercial space. Prior to joining AMCAL, Maurice was the Director of Acquisitions and Development for Los Angeles Housing Partnership (LAHP), where he was responsible for overseeing all aspects of LAHP's developments from acquisition through asset management. Prior to LAHP, Maurice worked for Local Initiatives Support Corporation (LISC), a national intermediary/investment bank/foundation. At LISC he managed and underwrote real estate investments in affordable housing, health clinics, child care centers and other office/retail uses. While at LISC, Maurice received the President's Award for Outstanding Work in Advancing Community Development.

During the rebuilding efforts after the Northridge Earthquake, Maurice worked as a Finance Development consultant to the City of Los Angeles Housing Department (LAHD), to craft and implement the Housing Department's program for investing over \$121,000,000 during a two-year rebuilding effort. Additionally, he administered and managed the Los Angeles County Housing Opportunities for Persons with AIDS (HOPWA) housing construction program and invested approximately \$3,000,000 to finance the construction of 200 units of housing for persons with HIV/AIDS.

Maurice's real estate and community development experience began with Los Angeles Neighborhood Development Corporation (LANDCorp), an East Los Angeles community-based nonprofit corporation, where he served as Director of Real Estate Development for two years. Maurice's other work-related experience extends into Construction Management Consulting, providing construction management services to several large-scale developments including the John Wayne Airport in Irvine, the rehabilitation of the Beverly Hills City Hall, and the remodeling of the Santa Monica Place Mall. Maurice has also worked as an Urban Planning Consultant, where he worked on new elements and revisions of public planning documents as well as planning studies for local cities and municipalities. Maurice's construction experience dates back to the early 80's where he worked as foreman for a concrete company and in carpentry.

Maurice is a graduate of the University of Virginia where he graduated with Interdisciplinary Honors from the College of Arts and Sciences and the McIntire School of Business.

DARIN HANSEN
VICE PRESIDENT OF FORWARD PLANNING AND
ENTITLEMENTS
AMCAL Multi-Housing, Inc.



Darin Hansen has 19 years of entitlement and project management experience, focusing on the complex entitlement of family and senior affordable projects for AMCAL. He joined AMCAL in 2007, and he manages the entitlement of several developments in urban Los Angeles, Los Angeles first-ring suburbs, and rural cities in southern California.

As Vice President of Forward Planning and Entitlements, Darin is primarily responsible for all due diligence, entitlement and design oversight of affordable housing projects within the state.

Darin's entitlement work for urban infill projects is complex and typically includes plan amendments, zone changes, and variances to allow higher-density development at underutilized locations. He works regularly with planning department staffs, and his AMCAL projects are on the front line of Los Angeles' strategy to increase housing at infill locations to accommodate the city's large expected growth in future decades.

Darin is also active in garnering community support for affordable projects, which is important as Los Angeles seeks to reduce its shortage of affordable housing. He regularly meets with community groups to incorporate their desires into AMCAL projects and seeks to build consensus prior to submitting entitlement applications.

Darin determines the best product type for each location, which may include small-lot single-family houses, attached townhouses and attached multi-family flats/lofts, or traditional apartment homes or combinations thereof.

Prior to AMCAL, Darin was a Community Builder/Manager for K. Hovnanian Homes, where he represented the company as the onsite business manager of homebuilding operations for a master-planned community in Santa Clarita.

Darin also was a community Manager for eight years at Lennar/ Newhall Land where he was responsible for the design, planning and management of a 1,800-acre master-planned community that included 3,000 single-family, multi-family and active adult component units. He also entitled many projects throughout Southern California.

Darin attended CSU Northridge and currently lives in Thousand Oaks. He served as a member of the Board of Directors of the West Valley Community Development Corp. for more than five years.

DAVID YARDEN
VICE PRESIDENT & GENERAL COUNSEL
AMCAL Multi-Housing, Inc.



David joined AMCAL in 2003 and has served in acquisition, development, and finance roles all in relation to affordable housing. Currently, he is Vice President and General Counsel and Director of Tax Credit Programs for AMCAL.

David is primarily engaged in directing and managing the financing for all new projects, overseeing all phases of financial transactions, negotiating loan documents, partnership agreements, and development agreements with cities and counties, and maintaining new and existing banking and investment relationships. He reviews capital market offerings for financing alternatives and provides input and guidance to development directors and project managers on proposed financing structures.

Obtaining 9% Tax Credit allocations is a crucial activity for affordable housing builders such as AMCAL. To that end, David oversees the preparation and submittal of the application packages and examines them for compliance with the Qualified Allocation Plan. David is responsible for keeping abreast of the latest developments in tax credit financing and evaluating the allocation plans to ensure AMCAL's applications are competitive.

David also develops and oversees the financial modeling for tax credit projects and performs financial review at various stages in the development process to ascertain feasibility and competitiveness.

Additionally, David serves as AMCAL's general counsel on legal matters. He provides counsel and advice to the President and Executive Team on various aspects of the legal environment. He manages outside counsel retained for specific tasks on corporate and partnership issues.

Before joining AMCAL, David was an attorney in private practice for six years in Los Angeles representing developers, general contractors, and subcontractors in litigation and insurance coverage matters. Prior to law school, David worked in the electrical power industry in the design and fabrication of heat exchangers.

David holds a Master Degree in Real Estate Development (MRED) from the University of Southern California, as well as degrees in law from the University of Texas, and mechanical engineering from the University of California Los Angeles. He is licensed to practice law in California and Colorado and is a native of Los Angeles.

MARIO TURNER
DIRECTOR OF DEVELOPMENT
AMCAL Multi-Housing, Inc.



Mario Turner joined AMCAL Multi-Housing in January 2006 and opened the company's satellite office in Orange County.

As Director of Development, Mr. Turner is responsible for creating and managing development activities throughout Southern California. His responsibilities encompass all aspects of the development process including acquisition, governmental subsidy negotiation, planning and design, entitlements, and financing.

Prior to joining AMCAL, Mr. Turner served as Chief of the Housing Development Section for the County of Orange, where he oversaw all affordable housing finance programs (rental and for sale), including the gap financing for over 15 projects in Orange County. He was also directly responsible for the negotiation and disposition of County-owned land for affordable housing projects.

Prior to serving at the County of Orange, Mr. Turner worked as a Project Manager for Mercy Housing California, where he managed all day-to-day development activities in cities throughout Southern California. His responsibilities including land acquisition, feasibility studies and cash flow analysis, site planning, design, entitlement processing, budgeting, project scheduling, coordinating consultants (architects, engineers, contractors), securing public and private financing, overseeing construction and marketing.

Mr. Turner holds a Master in City Planning from the Massachusetts Institute of Technology and a BA from the University of California at Berkeley. He served on the Redevelopment and Housing Commission for the City of Santa Ana from 2003-2007. In 2009, he was appointed to serve on the Santa Ana Planning Commission.

DON BRENON, CPM®
ASSET MANAGER
AMCAL Multi-Housing, Inc.



Don Brenon has 23 years of experience in property management and joined AMCAL in 2005 to manage and evolve the company's Asset Management Department.

His current portfolio includes 900 senior and family low-income housing tax-credit multi-family units and 60,000 s.f. in commercial properties. AMCAL has an additional three LIHTC multi-family properties under development, which will add 200 units into the department by the end of 2008.

After graduating in 1980 from CSU Dominguez Hills with a Bachelor's Degree in Management, Mr. Brenon began his career in property management 1982. Over the years, he has been involved with many aspects of commercial, residential and homeowner association property sales and services. He has managed portfolios, departments and a company through his positions as an Assistant Vice President for a national financial institution and Vice President of Operations at a full-service, international real estate firm, and ownership of his own property management company in Nevada during the late 1980s. He has consulted with numerous national and international property management firms and is a principal in several private investments. His property management experience has accumulated to 15,500 multi-family units and 5,000,000 s.f. of commercial buildings, valued at more than \$2.8 billion.

As a student and teacher of the industry, Mr. Brenon is adept in the areas of asset and property management; commercial leasing; property marketing and repositioning strategies including rehabilitation; company and property acquisitions; tenant/property capital improvements; financial reporting and client relations. He has also been an instructor for UCLA Extension since 2002, where he teaches semi-annually a 12-week accredited Property Management course.

Mr. Brenon has been actively involved on committees and as an officer in the Los Angeles Chapter of the Institute of Real Estate Management ("IREM") when in 1994, he obtained the Certified Property Manager (CPM®) accreditation. He has also volunteered his time to his local community including the Conejo Valley AYSO, the Conejo Youth Basketball Association, and the Band Booster Board for Westlake High School.

SID PAUL
VICE PRESIDENT OF FOR-SALE HOUSING
AMCAL Homes, Inc.



As Vice President, For-Sale Housing, Sid Paul oversees AMCAL's For-Sale Housing Division, AMCAL Homes, Inc. AMCAL Homes completed development of Puerta Del Sol, a 165-unit mixed-use condominium project with retail in Lincoln Heights; West Angeles Estates, a 50-unit small-lot detached project in South LA; a 75-unit mixed use condominium project in San Diego; and is in predevelopment on a mixed-use project in North Long Beach.

Mr. Paul brings a strong background in residential development from three of the largest and most prestigious homebuilders in the nation: Shea Homes, John Laing Homes, and Kaufman & Broad. In each of these highly respected companies, Sid has overseen residential developments through the development process.

Mr. Paul joined Shea Homes in 2002 to manage the planning and entitlement process for the Ambassador Campus Planned Development Project in Pasadena. He led the consultant team that developed the Ambassador Campus Master Plan in 2003. Prior to his position at Shea Homes, he was a Project Manager for John Laing Homes, where he oversaw new home community development in Los Angeles and Ventura Counties. He held a similar role at Kaufman & Broad, leading residential projects through the planning and entitlement phases to the first phases of construction. Earlier at Graves Engineering of San Diego, He was responsible for the design and entitlement processing of various subdivisions in that region.

Mr. Paul holds a masters degree in Real Estate Development from the University of Southern California and a B.S. in Civil Engineering from San Diego State University.

ATTACHMENT 3

HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM

Summary

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

Bond Issuer: Housing Authority of the City of San Diego. There is no direct legal liability to the City, the Housing Authority or the Housing Commission in connection with the issuance or repayment of bonds; there is no pledge of the City’s or the Housing Authority’s faith, credit or taxing power. The bonds do not constitute a general obligation of the issuer because security for repayment of the bonds is limited to specific private revenue sources, such as project revenues. The developer is responsible for the payment of costs of issuance and all other costs under each financing.

Affordability: Minimum requirement is that at least 20% of the units are affordable at 50% of Area Median Income (AMI). Alternatively, a minimum of 10% of the units may be affordable at 50% AMI with an additional 30% of the units affordable at 60% AMI. The Housing Commission requires that the affordability restriction be in place for a minimum of 15 years. Due to the combined requirements of state, local, and federal funding sources, projects financed under the Bond Program are normally affordable for 30-55 years and often provide deeper affordability levels than the minimum levels required under the Bond Program.

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

Approval Process:

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

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

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

- Application for Bond Allocation: The issuance of these “private activity bonds” (bonds for projects owned by private developers, including projects with nonprofit sponsors and for-profit investors) requires an allocation of bond issuing authority from the State of California. To apply for an allocation, an application approved by the Housing Authority and supported by an adopted inducement resolution and by proof of credit enhancement (or bond rating) must be filed with the California Debt Limit Allocation Committee (CDLAC). In addition, evidence of a TEFRA hearing and approval must be submitted prior to the CDLAC meeting.
- Final Bond Approval: The Housing Authority retains absolute discretion over the issuance of bonds through adoption of a final resolution authorizing the issuance. Prior to final consideration of the proposed bond issuance, the project must comply with all applicable financing, affordability, and legal requirements and undergo all required planning procedures/reviews by local planning groups, etc.
- Funding and Bond Administration: All monies are held and accounted for by a third party trustee. The trustee disburses proceeds from bond sales to the developer in order to acquire and/or construct the housing project. Rental income used to make bond payments is collected from the developer by the trustee and disbursed to bond holders. If rents are insufficient to make bond payments, the trustee obtains funds from the credit enhancement provider. No monies are transferred through the Housing Commission or Housing Authority, and the trustee has no standing to ask the issuer for funds.

Bond Disclosure: The offering document (typically a Preliminary Offering Statement or bond placement memorandum) discloses relevant information regarding the project, the developer, and the credit enhancement provider. Since the Housing Authority is not responsible, in any way, for bond repayment, there are no financial statements or summaries about the Housing Authority or the City that are included as part of the

offering document. The offering document includes a paragraph that states that the Housing Authority is a legal entity with the authority to issue multifamily housing bonds and that the Housing Commission acts on the behalf of the Housing Authority to issue the bonds. The offering document also includes a paragraph that details that there is no pending or threatened litigation that would affect the validity of the bonds or curtail the ability of the Housing Authority to issue bonds. This is the extent of the disclosure required of the Housing Authority, Housing Commission, or the City. However, it is the obligation of members of the Housing Authority to disclose any material facts known about the project, not available to the general public, which might have an impact on the viability of the project.