



REPORT TO THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO

DATE ISSUED: January 7, 2019

REPORT NO: HAR19-001

ATTENTION: Chair and Members of the Housing Authority of the City of San Diego
For the Agenda of February 12, 2019

SUBJECT: Preliminary Bond Authorization for Keeler Court Apartments

COUNCIL DISTRICT: 9

REQUESTED ACTION

Take the initial steps to issue Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds to fund the acquisition and development of Keeler Court Apartments, a proposed 71-unit new construction development, located at 1290-1294 Keeler Court, San Diego 92113, which will remain affordable for 55 years.

STAFF RECOMMENDATION

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions, as described in this report.

- 1) Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for Keeler Court Apartments, a proposed 71-unit new construction affordable rental housing development, located at 1290-1294 Keeler Court, San Diego 92113, which will remain affordable for 55 years:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$25,000,000 in Multifamily Housing Revenue Bonds for the acquisition and construction of Keeler Court Apartments by Community Housing Works;
 - b. Authorize 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 \$25,000,000 for Keeler Court Apartments;
 - c. Approve the financing team of Kutak Rock, LLP as Bond Counsel and PFM as Financial Advisor; and
- 2) Authorize the San Diego Housing Commission (Housing Commission) President & Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.

SUMMARY

Keeler Court Apartments is supported by the initial phase of HOUSING FIRST – SAN DIEGO, the Housing Commission’s homelessness action plan, launched on November 12, 2014. Keeler Court Apartments received a preliminary commitment of seven Veterans Affairs Supportive Housing (VASH)

vouchers through the Permanent Supportive Housing Notice of Funding Availability that was released by the Housing Commission on October 7, 2015, in the second year of HOUSING FIRST – SAN DIEGO.

Development Summary is included as Attachment 1.

Table 1 – Development Details

Address	1290-1294 Keeler Court, San Diego, 92113
Council District	9
Community Plan Area	Southeastern San Diego
Development Type	New Construction
Construction Type	Type-V
Parking Type	Surface – 86 parking spaces
Housing Type	Multifamily
Lot Size	1.61 acres – 70,132 square feet
Units	71
Density	44 dwelling units per acre
Affordable Unit Mix	10 studio units, 20 one-bedroom units, 18 two-bedroom units, 22 three-bedroom units, and 1 one-bedroom manager unit
Gross Building Area	78,939 square feet
Net Rentable Area	71,027 square feet

The Development

Keeler Court Apartments is a proposed 71-unit new construction affordable rental housing development. The project site is 1.61 acres, located at 1290-1294 Keeler Court in the Southeastern Community Plan Area of Council District 9. A site map is included as Attachment 2. The development will consist of one four-story building, connected with exterior bridges, and incorporating 10 studio units, 20 one-bedroom units, 18 two-bedroom units, 22 three-bedroom units and a one-bedroom on-site manager’s unit. Site amenities include on-site laundry, elevator, multipurpose room, bicycle storage, and covered and open parking. The project will include solar, and energy efficient appliances. Additionally, the project will incorporate neighborhood bicycle circulation improvements and other neighborhood infrastructure improvements required by the Affordable Housing and Sustainable Communities Program (AHSC) funding.

Project Sustainability

Keeler Court Apartments will comply with the California Tax Credit Allocation Committee’s (TCAC) minimum energy efficiency standards.

Development Team

The current owner of the project is Kalmia Street Housing Associates, L.P. At closing, the Limited Partnership will be composed of Keeler Court Housing Associates, L.P. as Administrative General Partner, Las Conchas Housing Opportunities LLC, as Managing General Partner, and a tax credit Investor Limited Partner. A developer disclosure statement is included as Attachment 3.

Community Housing Works is a nationally recognized nonprofit organization that helps low-income individuals and families by developing and owning affordable rental housing and providing on-site services and opportunities for residents. Their developments include rehabilitation and new construction of senior, multifamily, and special needs housing.

Table 2 - Development Team Summary

ROLE	FIRM/CONTRACT
Owner	Keeler Court Housing Associates, LP
Administrative General Partner	Keeler Court Housing Associates, LP
Managing General Partner	Las Conchas Housing Opportunities, LLC
Investor Limited Partner	Esperanza Housing & Community Development Corporation
Developer	Community Housing Works
Architect	BNIM
General Contractor	Highland PM, LLC
Property Management	ConAm Management
Construction Lender	To-be-determined
Permanent Lender	To-be-determined

Financing Structure

Keeler Court has an estimated total development cost of \$35,692,466. Financing will include a combination of tax-exempt Multifamily Housing Revenue Bonds, federal 4 percent tax credits, City of San Diego loan as the Successor Agency, Affordable Housing Sustainable Communities (AHSC) loan, Federal Home Loan Bank Affordable Housing Program (AHP) loan, Infill Infrastructure Grant (IIG), seller carryback note, general partner contribution to the project, and a deferred developer fee.

There will be no Housing Commission loan proceeds provided to this development.

Estimated permanent sources and uses of financing are provided in Table 3. The developer's project proforma is provided as Attachment 4.

Table 3 –Estimated Sources and Uses of Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts
Permanent Loan	\$2,870,000	Acquisition Costs	\$3,271,794
AHSC Loan	7,394,135	Construction Costs	20,650,582
Successor Agency Loan	6,000,000	Soft Costs	4,571,530
AHP Loan	940,000	Financing Costs	2,992,124
IIG Grant	700,000	Reserves	198,018
Seller Carryback Note	2,115,000	Developer Fee	4,008,418
Deferred Developer Fee	175,000		
GP Contribution (developer fee contributed to the project)	2,433,418		
Accrued Interest Soft Debt	352,573		
Refunds	103,500		
Tax Credit Equity	12,608,840		
Total Development Cost	\$35,692,466	Total Development Cost	\$35,692,466

Developer Fee

\$ 4,008,418 – gross developer fee
- 2,433,418 – developer fee contribution to the project
- 175,000 – deferred developer fee
\$ 1,400,000 – net cash developer fee

The net cash developer fee shall be \$1,400,000 provided, however, that in the event financing terms or construction costs change and result in a financing gap, the developer may defer additional developer fee.

The fee proposed is consistent with the Request for Approval of Updated Developer Fees (HAR17-011) approved by the Housing Authority on April 25, 2017.

Prevailing Wages

Prevailing wages will be paid for this project. Issuance of the bonds does not require the payment of state or federal prevailing wages. However, other sources of funds used to finance the construction require the payment of prevailing wages.

Development Cost Key Performance Indicators

Housing Commission staff has identified development cost performance indicators, which were used to evaluate the proposed development. The key performance indicators listed in Table 4 are commonly used by real estate industry professionals and affordable housing developers.

Table 4 – Key Performance Indicators

Development Cost Per Unit	$\$35,692,466 \div 71 \text{ units} =$	\$502,711
Acquisition Cost Per Unit	$\$3,271,794 \div 71 \text{ units} =$	\$46,082
Net Rentable Square Foot Hard Cost	$\$20,650,582 \div 71,027 \text{ sq. ft.} =$	\$291
Gross Building Square Foot Hard Cost	$\$20,650,582 \div 78,939 \text{ sq. ft.} =$	\$262

Project Comparison Chart

There are multiple factors and variables that influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, site improvements needed, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City impact fees, developer experience and capacity, and amenities necessary to gain tax credit approval. Table 5 shows a comparison of the subject property and other developments of the same construction type.

Table 5 – Comparable New Construction Projects

Project Name	Year	Construction Type	Units	Total Development Cost	Cost Per Unit	SDHC Subsidy Per Unit *	Gross Hard Cost Per Sq. Ft.
Keeler Court	2019	V	71	\$35,692,466	\$502,711	\$0	\$262
Playa Del Sol	2017	V	42	\$13,595,880	\$424,871	\$0	\$161
Villa Encantada	2016	V	67	\$26,197,399	\$391,005	\$111,940	\$190

Proposed Housing Bonds

The Housing Commission utilizes the Housing Authority’s tax-exempt borrowing status to pass on lower interest rate financing (and make 4 percent low-income housing tax credits available) to developers of affordable rental housing. The Housing Authority’s ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first submit an application to the California Debt Limit Allocation Committee (CDLAC) for a bond

allocation. Prior to submitting applications to CDLAC, developments 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 Tax Equity and Fiscal Responsibility Act (TEFRA) resolutions must be secured no later than 30 days after application submittal. These actions do not obligate the Housing Authority to issue bonds.

The developer plans to submit a bond allocation application to CDLAC in April 2019, for a June 2019 bond allocation meeting; however, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the development.

The developer will be seeking a CDLAC bond allocation of approximately \$25,000,000. The developer proposes to issue the bonds through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego's (City) ordinance on bond disclosure. The up to \$25,000,000 bond allocation that will be sought from CDLAC is approximately 15 percent higher than the estimated \$21,287,700 amount for which the development is being underwritten. This increased amount represents a bond contingency to account for possible increases in the bond amount due to increases in construction costs, and/or decreases in the assumed interest rate, and/or the loss of other planned funding sources. The bond amount that is ultimately issued will be based upon development costs, revenues, and interest rates prevailing at the time of bond issuance.

The developer proposes that the bonds will be used for acquisition, construction and permanent financing. Housing Commission staff will later return to both the Housing Commission and Housing Authority for approval of the final bond amount. A general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 5.

Staff recommends assigning Kutak Rock LLP as Bond Counsel and PFM as Financial Advisor to work on the development. 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 selected in accordance with the Housing Commission's Bond Policy.

AFFORDABLE HOUSING IMPACT

Under the proposed bond financing, Keeler Court Apartments would have 70 units restricted to households with incomes from 30 percent to 60 percent of San Diego Area Median Income (AMI). The remaining unit will be an unrestricted manager's unit. The affordable units will be restricted for a 55-year term. Table 6 summarizes the affordability:

Table 6 – Affordability & Monthly Estimated Rent Table

Unit Type	AMI	Number of Units	Maximum Gross Rents
1-bedroom	30%	4	\$512
2-bedroom	30%	6	\$608
3-bedroom	30%	5	\$687
Studio	40%	2	\$682
1-bedroom	40%	2	\$695
2-bedroom	40%	2	\$827
3-bedroom	40%	1	\$940
Studio	50%	6	\$822
1-bedroom	50%	8	\$878
2-bedroom	50%	6	\$1,043
3-bedroom	50%	8	\$1,193
Studio	60%	2	\$993
1-bedroom	60%	6	\$1,060
2-bedroom	60%	4	\$1,265
3-bedroom	60%	8	\$1,446
1-bedroom Manager	--	1	--
Total		71	

Development Schedule

The estimated development timeline is as follows.

Milestones	Estimated Dates
<ul style="list-style-type: none"> • Housing Authority Meeting Preliminary Bond Approval • TCAC and CDLAC application submittals • TCAC and CDLAC allocation meetings • Housing Commission final bond authorization • Housing Authority final bond authorization • Estimated bond issuance and escrow closing • Estimated start of construction work • Estimated completion of construction work 	<ul style="list-style-type: none"> • February 2019 • March 2019 • May 2019 • November 2019 • December 2020

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action are included in the Housing Authority-approved Fiscal Year (FY) 2019 Housing Commission Budget. Approving this action will not change the FY 2019 total budget.

Funding sources approved by this action will be as follows:

Bond Issuance Fees - \$62,500.00 (\$25,000,000 x .0025)

Funding uses approved by this action will be as follows:

Rental Housing Finance Program Administration Costs - \$62,500.00

Approval of the bond inducement and TEFRA resolutions does not commit the Housing Authority to issue the bonds. The bonds would not constitute a debt of the City. If bonds are ultimately issued for the development, 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 of the development. Neither the faith and credit nor the taxing power of the City or the Housing Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission annual administrative fee, as well as Housing Commission Bond Council and Financial Advisor fees.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

As required by the Housing Commission Bonds Program, the developer presented their proposal for Keeler Court to the Southeastern San Diego Community Planning Group on November 26, 2018.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include Community Housing Works, the Southeastern San Diego community and residents. Development of the property is expected to have a positive impact on the community by increasing the inventory of affordable housing in the City of San Diego for low- and very-low income households, including seven units for Veterans experiencing homelessness who will receive rental assistance and supportive services through VASH vouchers awarded by the Housing Commission.

ENVIRONMENTAL REVIEW

This activity is not a “project” and is therefore not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15060(c)(3). This determination is predicated on Section 15004 of the Guidelines, which provides direction to lead agencies on the appropriate timing for environmental review. This action does not constitute approval of a project. Approval will occur once the environmental review has been completed in accordance with CEQA Section 15004. This action will not foreclose review of alternatives or mitigation measures by the public as part of the CEQA process. The proposed actions are approval of preliminary steps to issue bonds and do not constitute approval of the development activity or authorization for the issuance of bonds. Future actions to consider and approve development entitlement approvals related to the future development of the site will require additional review under the provisions of CEQA by the lead agency. Processing under the National Environmental Policy Act (NEPA) is not required as no federal funds are involved in this action.

Respectfully submitted,

Tina Kessler

Tina Kessler
Housing Programs Manager
Real Estate Division

Approved by,

Jeff Davis

Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

- Attachments: 1) Development Summary
2) Site Map
3) Developer Disclosure Statements
4) Developer’s Project Pro forma
5) Multifamily Housing Revenue Bond Program

January 7, 2019

Preliminary Bond Authorization for Keeler Court Apartments

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Hard copies are available for review during business hours at the security information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at www.sdhc.org.

Attachment 1

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1-bedroom Manager	--	1	--
Total		71	



**DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/
ENTITY SEEKING GRANT/BORROWERS
(Collectively referred to as "CONTRACTOR" herein)
Statement for Public Disclosure**

1. Name of CONTRACTOR: Community HousingWorks
2. Address and ZIP Code: 2815 Camino del Rio South, Suite 350
3. Telephone Number: 619-450-8709
4. Name of Principal Contact for CONTRACTOR: Anne B. Wilson, Senior Vice President
5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0317950
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:
 - A corporation (Attach Articles of Incorporation)
 - A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status) **See Articles of Incorporation - TAB 9**
 - A partnership known as: _____
(Name)

Check one:

 - General Partnership (Attach Statement of General Partnership)
 - Limited Partnership (Attach Certificate of Limited Partnership)
 - A business association or a joint venture known as: _____
(Attach joint venture or business association agreement)
 - A Federal, State or local government or instrumentality thereof.
 - Other (explain)
7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
1988
8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
 - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10 percent of any class of stock.
 - (b)** If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

- c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
- d. If the CONTRACTOR 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.
- e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10 percent.(Attach extra sheet if necessary)

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: *Please refer to the Board of Directors list included in TAB 1	
Address:	
Name:	
Address:	
Name:	
Address:	

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail.

**We have had a few board members transition and a few new ones added.
No change in CHDO status or total number of board members has been made.**

10. Is it *anticipated* that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.

Every year, a small number of board members may transition due to term limits and are replaced.

11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8, which gives such person or entity more than a computed 10 percent interest in the CONTRACTOR (for example, more than 20 percent of the stock in a corporation that holds 50 percent of the stock of the CONTRACTOR, or more than 50 percent of the stock in the corporation that holds 20 percent of the stock of the CONTRACTOR):

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: * Not Applicable	
Address:	
Name:	
Address:	
Name:	
Address:	

12. Names, addresses and telephone numbers (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 8 or Item 11 above:

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: * See List of Board Members - TAB 1	
Address:	
Name:	
Address:	
Name:	
Address:	

13. Is the CONTRACTOR a subsidiary of or affiliated with any other corporation or corporations, any other firm or any other business entity or entities of any nature? If yes, list each such corporation, firm or business entity by name and address, specify its relationship to the CONTRACTOR, and identify the officers and directors or trustees common to the CONTRACTOR and such other corporation, firm or business entity.

Name and Address	Relationship to CONTRACTOR
Name: *No, Not Applicable	
Address:	
Name:	
Address:	
Name:	
Address:	

14. Provide the financial condition of the CONTRACTOR as of the date of the statement and for a period of twenty-four (24) months prior to the date of its statement, as reflected in the **attached** financial statements, including, but not necessarily limited to, profit and loss statements and statements of financial position.

See 2017 Audited Financials -TAB 2.

15. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project:

See Sources and Uses - TAB 3.

16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking:

- a. In banks/savings and loans: **Community HousingWorks will provide a complete list of these sources and the amount of cash available to meet proposed equity requirements at a later date.**
- Name:
- Address:
- Amount: \$

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

Name:

Address:

Amount: \$

c. By sale of readily salable assets/including marketable securities:

Description	Market Value (\$)	Mortgages or Liens (\$)

17. Names and addresses of bank references, and name of contact at each reference:

Name and Address	Contact Name
Name: Union Bank, N.A.	Jessica Mackenzie, Vice President
Address: 1901 Avenue of the Stars	(310) 551-8969
Los Angeles, CA 90067	Jessica.Mackenzie@unionbank.com
Name: Bank of America	Charmaine Atherton, Senior Vice President
Address: 333 South Hope Street, 11th Fl	(213) 631-4861
Los Angeles, CA 90017	Charmaine.atherton@baml.com
Name: National Equity Fund	Todd Fabian, Vice President
Address: 500 S Grand Ave, #2300	(213) 240-3144
Los Angeles, CA 90017	tfabian@nefinc.org

18. Has the CONTRACTOR or any of the CONTRACTOR's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past 10 years?

Yes No

If yes, give date, place, and under what name.

19. Has the CONTRACTOR or anyone referred to above as "principals of the CONTRACTOR" been convicted of any felony within the past 10 years?

Yes No

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

20. List undertakings (including, but not limited to, bid bonds, performance bonds, payment bonds and/or improvement bonds) comparable to size of the proposed project which have been completed by the CONTRACTOR, including identification and brief description of each project, date of completion, and amount of bond, whether any legal action has been taken on the bond:

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
Kalos Public Improvements	Grading and improvement plans to build affordable housing	7/26/2013	\$932,204	Released
North Park Seniors Public Improvements	Grading and improvement plans to build affordable housing	1/30/2018	\$252,058	In process of being released

21. If the CONTRACTOR, or a parent corporation, a subsidiary, an affiliate, or a principal of the CONTRACTOR is to participate in the development as a construction contractor or builder, provide the following information:

- a. Name and addresses of such contractor or builder: ***NOT APPLICABLE**

Name and Address	Affiliation
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract?

Yes No

If yes, please explain, in detail, each such instance:

- c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: \$_____

General description of such work:

List each project, including location, nature of work performed, name, address of the owner of the project, bonding companies involved, amount of contract, date of commencement of project, date of completion, state whether any change orders were sought, amount of change orders, was litigation commenced concerning the project, including a designation of where, when and the outcome of the litigation. (Attach extra sheet if necessary)

Project Name		
Project Owner Contact Information		
	Name	Address
Project Location		
Project Details		
Bonding Company Involved		
	Name	Amount of Contract
Change Order Details		
Change Order Cost		
Litigation Details		
	Location/Date	Outcome Details

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

22. Provide a detailed and complete statement regarding 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 CHW Developer Qualifications - TAB 4.

23. Does any member of the governing body of SDHC, Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of SDHC, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor?

Yes No

If yes, explain:

24. Statements and other evidence of the CONTRACTOR's qualifications and financial responsibility (other than the financial statement referred to in Item 8) are attached hereto and hereby made a part hereof as follows:

Not Applicable

25. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation?

Yes No

If yes, explain:

26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverage's. List the amount of coverage (limits) currently existing in each category:

a. General Liability, including Bodily Injury and Property Damage Insurance [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

Check coverage(s) carried:

- Comprehensive Form
- Premises - Operations
- Explosion and Collapse Hazard
- Underground Hazard
- Products/Completed Operations Hazard
- Contractual Insurance
- Broad Form Property Damage
- Independent Contractors
- Personal Injury

- b. Automobile Public Liability/Property Damage [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

Check coverage(s) carried:

- Comprehensive Form
- Owned
- Hired
- Non-Owned

- d. Workers Compensation [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

See CHW Workers Comp Insurance - TAB 5.

- Tab Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

Not Applicable

- e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

See CHW Liability Insurance, \$15,000,000 – TAB 6.

- f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

Not Applicable

- 27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by SDHC setting forth the provisions of this nondiscrimination clause.
- 28. The CONTRACTOR warrants and certifies that it will not, without prior written consent of SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of SDHC, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
- 29. CONTRACTOR warrants and certifies that no member, Commissioner, Councilperson, officer, or employee of SDHC, the AUTHORITY and/or the CITY, and no member of the governing body of the locality in which the PROJECT is situated, no member of the governing body in which SDHC was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has, during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

30. List all citations, orders to cease and desist, stop work orders, complaints, judgments, fines, and penalties received by or imposed upon CONTRACTOR for safety violations from any and all government entities including but not limited to, the City of San Diego, County of San Diego, the State of California, the United States of America and any and all divisions and departments of said government entities for a period of five (5) years prior to the date of this statement. If none, please state:

Government Complaint	Entity	Making	Date	Resolution
*None				

31. Has the CONTRACTOR ever been disqualified, removed from or otherwise prevented from bidding on or completing a federal, state, or local government project because of a violation of law or a safety regulation?

Yes No

If yes, please explain, in detail,

32. Please list all licenses obtained by the CONTRACTOR through the State of California and/or the United States of America, which are required and/or will be utilized by the CONTRACTOR and/or are convenient to the performance of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT, or RENDITION OF SERVICES. State the name of the governmental agency granting the license, type of license, date of grant, and the status of the license, together with a statement as to whether the license has ever been revoked:

Government Agency	License Description	License Number	Date Issued (Original)	Status (Current)	Revocation (Yes/No)
City of San Diego	Business License	B2004013671	1/1/2018	Current	No

See Tab 7.

33. Describe in detail any and all other facts, factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with SDHC.

*None

34. Describe in detail, any and all other facts, factors or conditions that may favorably affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with SDHC.

Community HousingWorks has a proud history of successful contract administration that will assure its successful completion of this project. We have developed and currently own and operate five affordable housing projects and are currently in construction of one project in the City. We have met our loan obligations with each.

35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, and SALES of Real Property to SDHC, AUTHORITY and/or the CITY within the last five (5) years:

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
	*See Evidence of Compliance with Previous SDHC Loans – TAB 8		

36. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, been the subject of a complaint filed with the Contractor's State License Board (CSLB)?

Yes No

If yes, explain:

Not Applicable. Community HousingWorks is not a General Contractor.

37. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, had a revocation or suspension of a CONTRACTOR's License?

Yes No

If yes, explain:

Not Applicable

38. List three local references that would be familiar with your previous construction projects:

1. Name: **Jessica Mackenzie, Vice President – Union Bank**
 Address: **1901 Avenue of the Stars, Suite 600, Los Angeles, CA 90067**
 Phone: **310-551-8969**
 Project Name and Description: **Kalos Apartments (new construction, 83 apts., in San Diego)**
2. Name: **Charmaine Atherton, Senior Vice President – Bank of America**
 Address: **333 South Hope Street, 11th Fl, Los Angeles, CA 90017**
 Phone: **213-621-4816**
 Project Name and Description: **Mayberry Townhomes (rehabilitation, 70 apts., in San Diego), Avocado Court Apartments (new construction, 36 apts., in Escondido)**

3. Name: **Todd Fabian, Vice President, National Equity Fund**

Address: **500 S Grand Ave, #2300, Los Angeles, CA 90017**

Phone: **213-240-3144**

Project Name and Description: **Las Serenas Apartments (rehabilitation, 102 apts., in San Diego)**

39. Give a brief statement regarding equipment, experience, financial capacity and other resources available to the CONTRACTOR for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment and the general experience of the CONTRACTOR.

Not Applicable

40. Give the name and experience of the proposed Construction Superintendent.

Name	Experience
TBD	

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

By providing the "Personal Information", (if any) as defined in Section 1798.3(a) of the Civil Code of the State of California (to the extent that it is applicable, if at all), requested herein and by seeking a loan from, a grant from, a contract with, the sale of real estate to, the right to develop from, and/or any and all other entitlements from the SAN DIEGO HOUSING COMMISSION ("SDHC"), the HOUSING AUTHORITY OF THE CITY OF SAN DIEGO ("AUTHORITY") and/or the CITY OF SAN DIEGO ("CITY"), the CONTRACTOR consents to the disclosure of any and all "Personal Information" and of any and all other information contained in this Public Disclosure Statement. CONTRACTOR specifically, knowingly and intentionally waives any and all privileges and rights that may exist under State and/or Federal Law relating to the public disclosure of the information contained herein. With respect to "Personal Information," if any, contained herein, the CONTRACTOR, by executing this disclosure statement and providing the information requested, consents to its disclosure pursuant to the provisions of the Information Practices Act of 1977, Civil Code Section 1798.24(b). CONTRACTOR is aware that a disclosure of information contained herein will be made at a public meeting or meetings of SDHC, the AUTHORITY, and/or the CITY at such times as the meetings may be scheduled. CONTRACTOR hereby consents to the disclosure of said "Personal Information," if any, more than thirty (30) days from the date of this statement at the duly scheduled meeting(s) of SDHC, the AUTHORITY and/or the CITY. CONTRACTOR acknowledges that public disclosure of the information contained herein may be made pursuant to the provisions of Civil Code Section 1798.24(d).

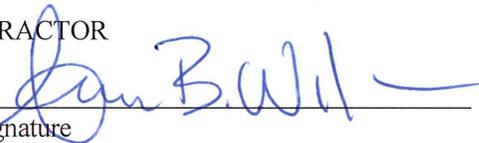
CONTRACTOR represents and warrants to SDHC, the AUTHORITY and the CITY that by providing the information requested herein and waiving any and all privileges available under the Evidence Code of the State of California, State and Federal Law, (to the extent of this disclosure that the information being submitted herein), the information constitutes a "Public Record" subject to disclosure to members of the public in accordance with the provisions of California Government Section 6250 et seq.

CONTRACTOR specifically waives, by the production of the information disclosed herein, any and all rights that CONTRACTOR may have with respect to the information under the provisions of Government Code Section 6254 including its applicable subparagraphs, to the extent of the disclosure herein, as well as all rights of privacy, if any, under the State and Federal Law.

Executed this 5 day of october, 20 18, at San Diego, California.

CONTRACTOR

By: _____



Signature

Senior Vice President

Title

CERTIFICATION

The CONTRACTOR, Community HousingWorks, hereby certifies that this CONTRACTOR's Statement for Public Disclosure and the attached information/evidence of the CONTRACTOR's qualifications and financial responsibility, including financial statements, are true and correct to the best of CONTRACTOR's knowledge and belief.

By: *Anne B. Wilson* By: _____
Title: Senior Vice President Title: _____
Dated: 10/5/2018 Dated: _____

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious or fraudulent statement or entry, in any matter within the jurisdiction or any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

JURAT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 5 day of October, 20 18

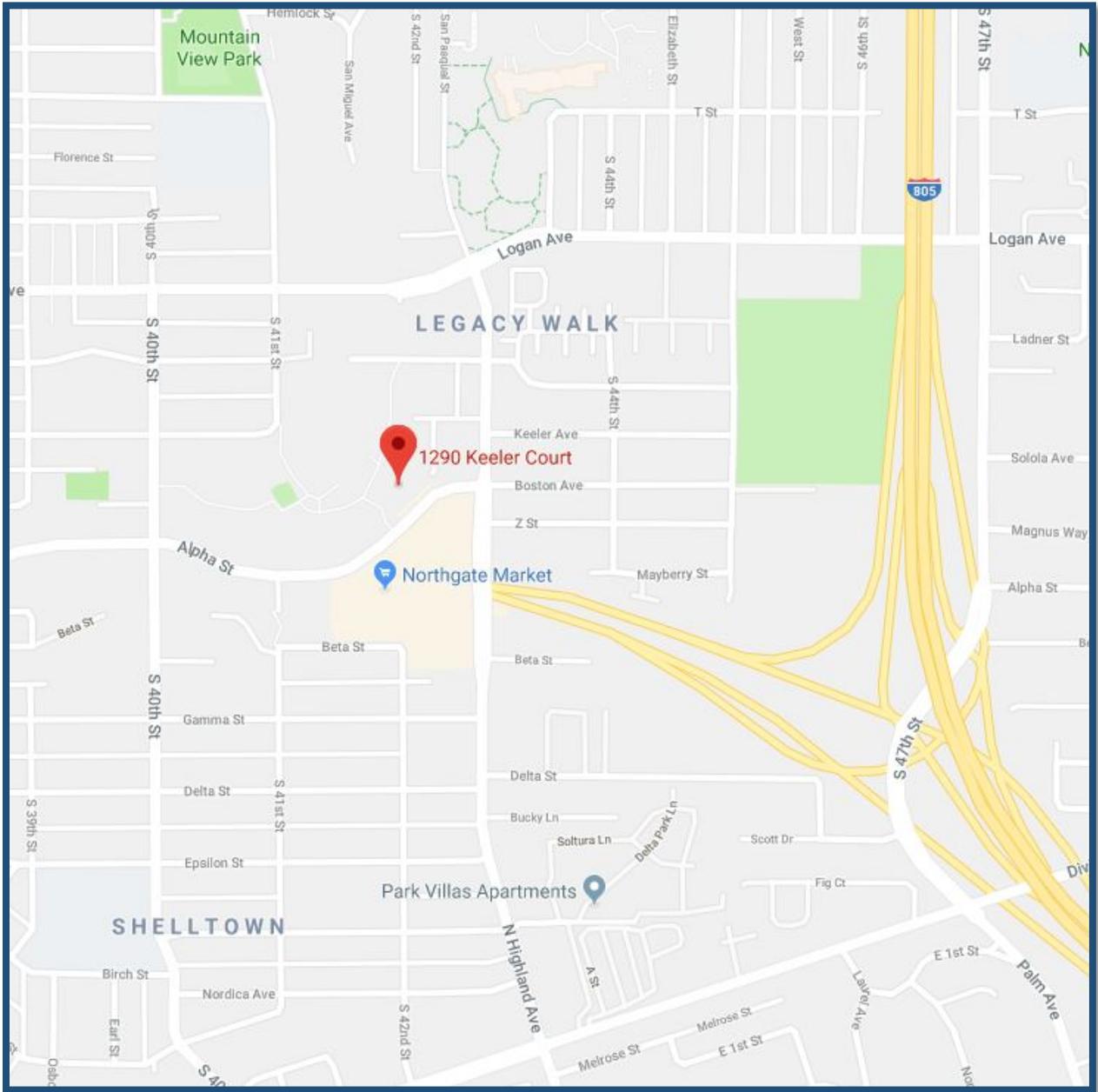
by ANNE B. WILSON personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Adriana McCambridge
Signature of Notary

SEAL



Attachment 2



Community HousingWorks
San Diego, Ca |Keeler Court
4% LIHTC | New Construction | IIG and AHSC version
Development Summary
9/10/2018

DEVELOPMENT ASSUMPTIONS			
Site & Structures			
Site (Square Feet / Acres)	70,132	1.61	
Site 1		1.59	
Site 2		0.02	
Assessor's P. Number(s)	551-273-04, 551-273-05, 551-150-22		
Address	1290-1294 Keeler Court		
Purchase Price			
	Per Unit	Total	
	\$42,113	\$2,990,000	
Bldg Value (Acq. Basis)	0%	\$0	\$0
Land Value	\$42,113	\$2,990,000	
Valuation			
CAP Rate (Broker Proforma NOI)			
CAP Rate (This Proforma)			
Residential/Commercial Space			
Number of Buildings		1	
Number of Units		71	
Restricted Units		70	
Density/Acre		44	
Residential - Net Rentable SF		71,027	
Residential - Corridor Space	8%	5,782	
Residential - Community Space		2,130	
Residential - Other		0	
Total Building SF		78,939	
Parking Calculation			
	ratio	unit mix	total spaces
Studio Units	1.00	7	7.0
1 Bed Units	1.00	21	21.0
2 Bed Units	1.00	19	19.0
3+ Bed Units	1.00	23	23.0
Total Spaces Required	0.99		70
Total Spaces Provided	1.21		86
Surplus (Deficit)			16
SF Per Parking Stall	Total Pkng SF		22,000
Construction Cost			
	w/o PW	w/ PW	
Prevailing Wages	yes	20%	
Site Work psf	26.93	32.31	
Hard Cost/GSF	123.84	148.60	
Hard Cost/NRSF	137.63	165.16	
Hard Cost/Prkng GSF	52.52	63.03	
Hard Cost/Parking Spc.	9,722	16,123	
GC Contingency	5.00%		
General Conditions & Req. (/month)	\$58,875		
GC Fee	5%		
Contractor Bonds	1.25%		
Liability Insurance (GC)	0.80%		
Months Construction	16		
Owner's Contingency	10.00%		
Total Hard Cost Per Unit	\$	290,853	

OPERATING/UNDERWRITING ASSUMPTIONS	
Income Inflation	2.50%
Expenses Inflation	3.50%
Property Tax Inflation	2.00%
Vacancy - Housing	5.00%
Loss to Lease - Year 1	\$0
Loss to Lease - Year 2	\$0
Replacement Reserves/unit/year	\$600
Initial Replacement Res. \$600 /unit =	\$42,600
Asset Management Fee	\$12,500
Partnership Fee	\$10,000
Investor Cash Flow Participation	10%
Sponsor Cash Flow Participation	90%
Resident Services (Above the Line)	\$45,000
Resident Services (From Cash Flow)	\$0
Total Resident Services	\$45,000

PERMANENT FINANCING SOURCES		PER UNIT	% OF TOTAL
Perm Loan	\$2,870,000	\$40,423	8.04%
AHSC loan	\$7,394,135	\$104,143	20.72%
Civic San Diego	\$6,000,000	\$84,507	16.81%
IIG Grant (GP loan)	\$940,000	\$13,239	2.63%
AHP (GP loan)	\$700,000	\$9,859	1.96%
			0.00%
Land Seller carryback (GP loan)	\$2,115,000	\$29,789	5.93%
CHW Developer Loan (Deferred Fee)	\$175,000	\$2,465	0.49%
CHW General Partner Contribution	\$2,433,418	\$34,273	6.82%
Accrued Interest on Soft Debt	\$352,573	\$4,966	0.99%
Refunds	\$103,500	\$1,458	0.29%
Tax Credit Equity @ 0.96	\$12,608,840	\$177,589	35.33%
TOTAL SOURCES	\$35,692,466	\$502,711	100.00%
Surplus (Gap)	\$0		

CONSTRUCTION FINANCING SOURCES AND USES		PER UNIT	% OF TOTAL
Construction Loan	23,652,714	\$333,137	66.27%
Civic San Diego	\$5,400,000	\$76,056	15.13%
IIG Grant (GP loan)	\$790,000	\$11,127	2.21%
AHP (GP loan)	\$700,000	\$9,859	1.96%
			0.00%
Land Seller carryback (GP loan)	\$2,115,000	\$29,789	5.93%
Deferred Costs	\$1,773,868	\$24,984	4.97%
Tax Credit Equity 10%	\$1,260,884	\$17,759	3.53%
TOTAL CONSTRUCTION SOURCES	\$35,692,466	\$502,711	100.00%
Excess (Deficit)	\$0		

PERMANENT FINANCING USES		PER UNIT	% OF TOTAL
Acquisition Costs	3,271,794	\$46,082	9.17%
Residential Const Cost	20,650,582	\$290,853	57.86%
Architecture & Engineering	1,383,035	\$19,479	3.87%
Financing Costs	2,992,124	\$42,143	8.38%
Accrued Interest on Soft Debt	352,573	\$4,966	0.99%
Reserves	198,018	\$2,789	0.55%
Local Permits and Fees	1,573,206	\$22,158	4.41%
Fee & Syndication	4,107,718	\$57,855	11.51%
Other Soft Costs	\$1,163,415	\$16,386	3.26%
TOTAL USES	\$35,692,466	\$502,711	100.00%
Excess (Deficit)	\$0		

DEVELOPER FEE		
Total Developer Fee	FEE IS OVER ALL	\$4,008,418
Deferred Developer Fee		\$175,000
GP 'In-Kind' Contribution		\$2,433,418
Net Developer Fee @ Completion		\$1,400,000
Earned @ Const Close 25%		\$350,000
Developer Fee During Const & Close out		\$1,050,000

ANALYSIS		
	\$0.96	
	\$242,543	(\$484,734)
	6.00%	
	\$36,125	(\$54,436)

San Diego, Ca | Keeler Court
4% LIHTC | New Construction | IIG and AHSC version
Financing Summary

FINANCING ASSUMPTIONS		
Predevelopment Loan		\$1,858,552
Assumed Balance		50%
Interest Rate		7.00%
Term (months)		12
Construction Loan		\$23,652,714
Interest Rate	see calc	5.09%
Term (months)		22
Assumed Balance		87%
Lease-up and Conversion Term		6
Const Interest (Capitalize?)	Yes	1,396,551
Lease Up Interest		601,962
Total Construction Interest		1,998,512
CONSTRUCTION Loan LTV		130%
Cap Rate	5.50%	
Value of Restricted NOI		5,644,993
Value of tax Credits		12,608,840
Total Value		18,253,833
Perm Loan		\$2,870,000
Interest Rate		6.00%
Amortization		35
Debt C. Ratio		1.240
Term (years)		15
Annual Debt Svc. - Housing		\$196,373
Amount Due at end of Term		\$2,284,162
AHSC loan		\$7,394,135
Interest Rate		0.42%
Amortization		40
Debt Coverage Ratio		1.150
Term (years)		40
Annual Payment		\$31,055
Amount Due at end of Term		\$0
Residual Loan Funding Sources		
Civic San Diego		\$6,000,000
Interest		3.00%
Term (years)		55
Minimum Annual Payment		
Residual Annual Payment	Y	
Accrued Interest - During Const		\$240,000
	GAP	(\$0)
A. Housing Portion		\$0
B. Commercial		\$0
Interest Rate		3.00%
Term (years)		55
Accrued Interest - During Const		(\$0)
Residual Payment	Y	
AHP (GP loan)		700,000
Interest Rate		3.00%
Term (years)		55
Accrued Interest - During Const		28,000
Residual Payment	Y	
Other Funding Sources		
Civic San Diego NOFA	Y	\$0
Amount per Assisted Unit		
Interest Rate		3.00%
Term (years)		55
Accrued Interest - During Const		\$0
Minimum Annual Payment		1
Residual Annual Payment	Y	
Total Annual Payment		
IIG Grant (GP loan)	Y	\$940,000
Amount per Assisted Unit		
Interest Rate		3.00%
Term (years)		55
Accrued Interest - During Const		\$37,600
Residual Annual Payment	Y	0
Total Annual Payment		
Land Seller carryback (GP loan)	Y	\$2,115,000
Amount per Assisted Unit		
Interest Rate		3.00%
Term (years)		55
Accrued Interest - During Const		\$84,600
Residual Annual Payment	N	0
Total Annual Payment		
50% BASIS TEST Y		
Eligible Basis		30,731,206
Land Cost		2,990,000
Total Aggregate Basis		33,721,206
Required Bond Amount	56%	18,883,875

RESIDUAL LOAN CALCULATION		
		50%
Civic San Diego	21.3%	6,000,000
AHSC loan	26.2%	7,394,135
AHP (GP loan)	2.5%	700,000
Civic San Diego NOFA	0.0%	-
TOTAL		14,094,135

TAX CREDIT EQUITY			
2018 San Diego County 9% Threshold Basis Limits			
# UNITS	Bedroom Count	LIMIT	TOTAL
10	Studio	\$196,718	\$1,967,180
20	1	\$226,814	\$4,536,280
19	2	\$273,600	\$5,198,400
22	3	\$350,208	\$7,704,576
0	4+	\$390,154	\$0
71	TOTAL THRESHOLD BASIS LIMIT		\$19,406,436
ADJUSTMENTS:			
Prevailing Wages (1)		20.0%	3,881,287
Parking Beneath Units(1)		7.0%	1,358,451
Day Care Center (1)		2.0%	0
100% Special Needs (1)		2.0%	0
Energy Title 24		4.0%	0
Seismic/Environmental		at cost	0
Elevator		10.0%	1,940,644
Energy Technologies		at cost	100,000
Impact Fees		at cost	1,488,006
50% - 36% AMI (4% only)		71%	13,861,740
< 35% AMI (4% only)		21%	4,158,522
ADJUSTED THRESHOLD BASIS LIMIT			\$46,195,086
		Acquisition	Construction
Total Eligible Basis		0	\$30,731,206
		\$30,731,206	
Percentage of Adjusted TBL		67%	
Ineligible Amounts		\$0	\$0
% Voluntarily Excluded			0.0%
Voluntarily Excluded		\$0	\$0
Unadjusted Eligible Basis		\$0	\$30,731,206
DDA/QCT	YES		\$9,219,362
ADJUSTED ELIGIBLE BASIS		\$0	\$39,950,567
Percentage Affordable		100%	
Qualified Basis		\$0	\$39,950,567
Total Qualified Basis		\$39,950,567	
Total Credit Reduction		0.0%	0.0%
ADJUSTED QUALIFIED BASIS			\$39,950,567
Tax Credit Construction Rate			9.00%
Tax Credit Acquisition/Subsidy Rate			3.29%
SELECT 4% or 9% CREDIT OPTION			4.00%
Annual Federal Credit Amount (CALCULATED)			1,314,374
Annual Federal Credit Amount (MAX ALLOWED)			\$2,500,000
FEDERAL CREDIT AMOUNT			\$13,143,737
Total State Credit Amount			\$0
Percentage of Credits Sold			100.0%
Price Per Tax Credit Dollar			0.96
Price Per State Tax Credit Dollar			-
Equity from Federal Credit			\$12,608,840
Equity from State Credit			\$0
Total Gross Proceeds			\$12,608,840
Cost of Syndication			
TOTAL TAX CREDIT EQUITY			\$12,608,840
Tax Credit Equity at Construction	10.00%		\$1,260,884
Tax Credit Equity at Takeout			\$11,347,956

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Operating Income/Expenses

PROJECTED OPERATING EXPENSES	Notes	ANNUAL TOTAL	Percentage of Total	ANNUAL PER UNIT	PER MONTH	PER UNIT PER MONTH
ADMINISTRATIVE EXPENSES						
Consultants		464	0.10%	6.54	38.67	0.54
Credit Reports		260	0.06%	3.66	21.67	0.31
Office		5,496	1.17%	77.41	458.00	6.45
Legal		6,372	1.35%	89.75	531.00	7.48
Compliance		1,400	0.30%	19.72	116.67	1.64
Audit	*	9,500	2.02%	133.80	791.67	11.15
Book		6,660	1.42%	93.80	555.00	7.82
Telephone		3,364	0.72%	47.38	280.33	3.95
Bad Debt		260	0.06%	3.66	21.67	0.31
Banking		80	0.02%	1.13	6.67	0.09
Security Mon		9,804	2.08%	138.08	817.00	11.51
Monitoring Fee		10,500	2.23%	147.89	875.00	12.32
TOTAL ADMINISTRATIVE EXPENSES		54,160	11.52%	762.82	4,513	63.57
MANAGEMENT FEE	Per Unit/Month \$ 50	42,600	9.06%	600.00	3,550	50.00
UTILITY EXPENSES increase (Reduction)						
Electric		17,124	3.64%	241.18	1,427	20.10
Water/Sewer		28,168	5.99%	396.73	2,347	33.06
Garbage		12,000	2.55%	169.01	1,000	14.08
Gas		14,620	3.11%	205.92	1,218	17.16
TOTAL UTILITY EXPENSES		71,912	15.29%	1,012.85	5,993	84.40
PAYROLL EXPENSES						
Maint		40,880	8.69%	575.77	3,407	47.98
Manager		53,552	11.39%	754.25	4,463	62.85
Payroll Taxes/Benefits	14.80%	13,976	2.97%	196.85	1,165	16.40
TOTAL PAYROLL EXPENSES		108,408	23.05%	1,526.87	9,034	127.24
INSURANCE						
		29,704	6.32%	418.37	2,475	34.86
REPAIRS & MAINTENANCE						
Cleaning & Dec Supply		0	0.00%	0.00	0	0.00
Cleaning & Dec Contract		13,936	2.96%	196.28	1,161	16.36
Exterminating		3,600	0.77%	50.70	300	0.08
Grounds Contract		12,204	2.59%	171.89	1,017	0.08
Appliances		6,096	1.30%	85.86	508	0.08
Repairs Supplies	*	8,796	1.87%	123.89	733	0.08
Repairs Contract		11,074	2.35%	155.97	923	0.08
Elevator		7,492	1.59%	105.52	624	8.79
HVAC	*	4,814	1.02%	67.80	401	5.65
Other: "Non-Routine" Maintenance Items		0	0.00%	0.00	0	0.00
Adjustment	5200	4,904	1.04%	-78.82	409	-6.57
TOTAL REPAIRS & MAINTENANCE		72,916	15.50%	1,026.99	6,076	85.58
TOTAL RESIDENTIAL OPERATING EXPENSES						
		379,700	80.74%	5,347.89	31,642	445.66
RESIDENT SERVICES (Above the line)						
		45,000	9.57%	633.80	3,750	52.82
REPLACEMENT RESERVES						
		42,600	9.06%	600.00	3,550	50.00
REAL ESTATE TAXES & ASSESSMENTS						
	*	3,000	0.64%	42.25	250	3.52
TOTAL ANNUAL OPERATING EXPENSES						
		470,300	100.00%	6,623.94	39,192	552.00

NOTES

TCAC Min 5200/unit -elevator building

Expense Adjustments

- * Audit in line with Leaf & Cole
- * Management Fees to ConAm
- * Management Fees to ConAm
- *
- *
- * Assume RE Tax Exemption

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4% LIHTC | New Construction | IIG and AHSC version
Development Budget

ACCT CODE		Notes	PREDEV	TOTAL COST PW	ACQUIS BASIS	Const/Rehab BASIS	CONSTR	DEFER TO PERM.
1200		LAND ACQUISITION						
1210		Land Cost + Value of Arch & Engr.	-	2,990,000	0		2,990,000	0
1225	0	Demolition + Abatement	-	0	0		0	0
1240	30,000	Legal	12,500	30,000	0		30,000	0
1255	0	Existing Improvements Value		0	0		0	0
1270	6,794	Title Escrow and Recording	-	6,794	0		6,794	0
1285	245,000	Bridge Costs	245,000	245,000	0		245,000	0
	0%	Land Cost Contingency		0	0		0	0
1200		TOTAL ACQUISITION COST	257,500	3,271,794	0		3,271,794	0
	PW	CONSTRUCTION WORK						
	430,163	Offsites (enter as lump sum)		430,163		430,163	430,163	0
	32.31	Site Work		2,266,169	0	2,266,169	2,266,169	0
	148.60	Direct Residential Construction		11,730,578		11,730,578	11,730,578	0
	63.03	Parking Construction		\$1,386,619	0	1,386,619	1,386,619	0
	0			0	0	0	0	0
	5.00%	GC Contingency		790,676	0	790,676	790,676	0
	16	General Conditions (number of months) \$58,875		942,000	0	942,000	942,000	0
	4.99%	GC Fee		828,550	0	828,550	828,550	0
	1.25%	Contractor Bonds		207,553	0	207,553	207,553	0
	0.80%	General Contractor (GC) Liability Insurance		132,834	0	132,834	132,834	0
	0.35%	Prevailing Wage Monitoring		58,115	0	58,115	58,115	0
		TOTAL CONSTRUCTION	-	18,773,257	0	18,773,257	18,773,257	0
1670	10.0%	CONSTRUCTION CONTINGENCY		1,877,326		1,877,326	1,877,326	0
1400		ARCHITECTURAL FEES -						
1410		Design and Con Supervision	725,000	825,000	0	825,000	825,000	0
		Peer Review/Owner's Rep	-	0	0	0	0	0
		Design / Green Certification	20,000	125,000	0	125,000	125,000	0
1420		Expenses	10,000	25,000	0	25,000	25,000	0
1400		TOTAL ARCHITECTURAL COSTS	755,000	975,000	0	975,000	975,000	0
1450		SURVEY & ENGINEERING COSTS	367,232	408,035		408,035	408,035	0
1501		CONSTRUCTION FINANCING						
1510		Construction Loan Interest		1,998,512	0	1,396,551	1,998,512	0
1520	1.00%	Construction Loan Fee	-	236,527	0	236,527	236,527	0
1502	19	Construction Management	16,500	210,000	0	210,000	210,000	0
1535	800	Bank Construction Monitoring		17,600	0	17,600	17,600	0
1540	y	Accrued Interest on Soft Debt		352,600	0	352,600	0	352,600
1545	0.26%	Real Estate Taxes	15,000	15,000	0	15,000	15,000	0
1503	det. Below	Insurance	-	24,300	0	0	24,300	0
	1.00%	Builder's Risk		166,042	0	166,042	166,042	0
	15,000	Construction Loan - Other	8,000	15,000	0	15,000	15,000	0
1565	40,000	Title Escrow & Recording - Construction (LUMP SUM)		40,000	0	40,000	40,000	0
1500		TOTAL CONSTRUCTION INTEREST & FEES	39,500	3,075,582	0	2,449,320	2,722,982	352,600
1570		PERMANENT FINANCING						
1572	1.00%	Permanent Loan Fee - Housing		28,700	0	0	0	28,700
1575	0.00%	SDHC & Civic fees	20,000	106,000	0	106,000	106,000	0
	-	App Fee, GNMA App, Prop Tax Setup	-	0		0	0	0
	0.00%	HUD App Fee	-	0		0	0	0
	0.00%	HUD Inspection Fee 1% of Repairs		0		0	0	0
1578	0.00%	Permanent Loan Fee - Commercial		0	0	0	0	0
1580	0.00%	Rate Lock Fee - Commercial		0	0	0	0	0
1582	det. Below	Cost of Issuance PRIVATE		276,896	0	276,896	276,896	0
1585		Low Floater Cap		0	0	0	0	0
1588	10,000	Title Escrow & Recording - Permanent		10,000	0	0	0	10,000
1570		TOTAL PERMANENT FINANCING COSTS	20,000	421,596	0	0	382,896	38,700
1590		PREDEVELOPMENT FINANCING						
1592	1.00%	Predevelopment Loan Fee	18,586	18,586		0	18,586	0
1595		Predevelopment Loan Interest	65,049	65,049		0	65,049	0
1590		TOTAL PREDEVELOPMENT FINANCING	83,635	83,635	0	0	83,635	0
1600		LEGAL FEES - (ENTER AS LUMP SUM)						
1610	45,000	Lender Counsel & Expenses		45,000		45,000	45,000	0
1620	55,000	Owner Legal - Construction	-	55,000		55,000	55,000	0
	18,000	Bank - Expenses & Fees		18,000	0	18,000	18,000	0
1630	0	Bank Legal - Permanent		0	0	0	0	0
1640	0	Owner Legal - Permanent	-	0	0	0	0	0
1600		TOTAL LEGAL COSTS	-	118,000	0	118,000	118,000	0
1650		RESERVES						
1652	0	Construction Defect Reserve		0	0	0	0	0
1655	\$600	Replacement Reserve - Initial Deposit (Enter per unit)		42,600	0	0	0	42,600
	0	Capitalized Asset Management Fee		0	0	0	0	0
	0	Reserve for AM Fee		0	0	0	0	0
1658	3	Operating Reserve - ENTER # of MONTHS		155,418	0	0	0	155,418
1650		TOTAL RESERVE COSTS	-	198,018	0	0	0	198,018
1660	9,000	APPRAISAL COSTS	9,000	9,000		9,000	9,000	0
1700		OTHER						
1701	det. Below	Tax Credit Fees	120,144	149,254	0		149,254	0
1702	det. Below	Environmental Consultants	82,325	82,325		82,325	82,325	0
1732	6,500	Accounting/Audit	-	6,500		6,500	6,500	0
1735	1,200	Permit Processing Fees - (Enter PER UNIT)	85,200	85,200		85,200	85,200	0
1738	20,958	Development Impact Fees - (PER UNIT)		1,488,006		1,488,006	1,488,006	0
		Refundable Deposits		0		0	0	0
1740	30,000	Signage		30,000		30,000	30,000	0
1742	107,902	Marketing/Rent-Up/1st year services	-	107,902	0		107,902	0
1745	8,500	Market Study	8,500	8,500		8,500	8,500	0
1748	75,000	FFE		75,000		75,000	75,000	0
1750	det. Below	Utility Deposits		3,500	0		3,500	0
1703	det. Below	AHSC program and consulting costs	-	110,000		110,000	110,000	0
	0	Entitlement Fees	-	0	0	0	0	0
1768	10%	Soft Cost Contingency	30,517	227,319		227,319	227,319	0
1700		TOTAL OTHER COSTS	326,686	2,373,506	0	2,112,850	2,373,506	0
1119		SUBTOTAL DEVELOPMENT COST	1,858,552	31,584,748	0	26,722,787	30,995,429	589,318
1801		DEVELOPER COSTS						
1810		Developer Fee		4,008,418	0	4,008,418	1,050,000	2,958,418
1802	det. Below	Syndication		99,300	0	0	99,300	0
		Development Consulting		0	0	0	0	0

1820	0	Project Administration/Other		0	0	0	0	0
1800		TOTAL DEVELOPER COSTS	-	4,107,718	0	4,008,418	1,149,300	2,958,418
		TOTAL PROJECT COST	1,858,552	35,692,466	0	30,731,206	32,144,729	3,547,736

Maximum developer fee lesser of 15% of eligible basis or \$2.5 million

2,500,000

4,008,418

San Diego, Ca Keeler Court		
4% LIHTC New Construction IIG and AHSC version		
Budget Details		
Survey and Engineering Costs		
Civil Engineer		281,100
Soils Engineer		17,335
Survey	incl in civil	-
Traffic Engineer		-
Electrical Engineer		-
Shoring		-
Reimbursables		-
ALTA Survey	1 total	20,000
Materials Testing Eng.		52,100
Utility Consultant		37,500
Total Survey and Eng.		408,035

Insurance Cost			
Owner Liability	1	\$3,000	3,000
1st Year Operations		\$300	21,300
Total Insurance			24,300

Tax Credit Issuance Cost			4%
Application Fee	3.5	2,000	7,000
Reservation Fee	1.0%	\$1,314,374	\$13,144
CDLAC Performance Deposit	0.5%	\$23,652,714	100,000
Monitoring Fee	\$410	29,110	29,110
Total Cost of Issuance			149,254

Environmental Consultants			
Phase I			3,500
Misc. Environmental Reports	PCNA Report, O&M Plans, Seismic, Other		40,000
Traffic Study	in engr.		-
Mitigation			26,125
Archeology/Paleontology			12,700
Phase II + Remediation Testing			-
Total Environmental			82,325

AHSC costs			
Consultant Fee & legal		0	110,000
Transit passes	/unit		-
Active transportation	- /unit		-
Total AHSC			110,000

Syndication Costs			
Consultant			50,000
Legal			35,000
Other - LP costs, Accounting			14,300
Total Syndication			99,300

Refundable Deposits			
Utility Deposit			3,500
Refundable Deposits			0
Property Taxes			
Performance Deposit			100,000
Total Refunds			103,500

Bond Issuance Cost		Private Placement	
Total Amount of the Bond		\$18,883,875	

CDLAC Application Fee	one time	600	600
CDIAC Fee	one time		3,000
CDLAC Fee	one time	0.00035	6,609
Issue Origination Fee	one time	0.125%	29,566
Issuer Expenses	one time	20,000	20,000
Issuer Origination Fee	one time	33,000	33,000
Issuer Const. Mgmt Fee	per year-const	0.001	34,620
Issuer Counsel	one time	20,000	20,000
Issuer Financial Advisor	one time	36,000	36,000
Bond Trustee Fee	one time	10,000	10,000
Bond Counsel	one time	50,000	50,000
Working Capital Reserve LOC		8,500	8,500
Contingency		25,000	25,000
Total Cost of Issuance - Private			276,896

Add for Public Placement			
Remarking Fee (if floater/variable rate)	per year-const	0.0016	
Underwriter	one time	0.0038	
Underwriter Legal	one time	40,000	
Rating Agency	one time	13,500	
Bond Trustee	per year-const	0.0002	
Total Cost of Issuance - Public			

ENTER "PUBLIC" IN CELL E62 TO CALC THESE C

Fee Schedule			
SDUSD School Fees	\$3.20	71,027	\$227,286
Water Capacity Fees	\$3,528	42.6	\$150,293
Misc. Water Connection	\$3,500	2.0	\$7,000
Sewer Capacity Fees	\$4,124	42.6	\$175,682
County Water Authority	\$26,151	2.0	\$52,302
DIF Fee	\$9,565	71	\$679,115
RTCIP	\$2,240	71	\$159,040
RTCIP Credit for Affordable Units	(\$2,240)	70	(\$156,800)
			\$1,293,919
Contingency	15%		\$194,088
			\$1,488,006
		per unit:	\$20,957.84

<http://www.sandi.6/1/2017>
<http://www.sandiego.gov/water/pdf/2014/watersew6/1/2017>
<http://www.sandiego.gov/water/pdf/2014/watersewefees1406.pdf>
[http://www.sdcw2" Meter Charge, eff. 6/1/2017](http://www.sdcw2)
<http://www.sandiego.gov/facilitiesfinancing/pdf/feesc6/1/2017>
<http://www.sandiego.gov/facilitiesfinancing/pdf/feesc6/1/2017>
<http://www.sandiego.gov/facilitiesfinancing/pdf/feesc6/1/2017>

San Diego, Ca | Keeler Court
4% LIHTC | New Construction | IIG and AHSC version
Cash Flow Projections

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Year:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Housing Portion																
Gross Scheduled Income - Rents	2.50%	766,644	785,810	805,455	825,592	846,232	867,387	889,072	911,299	934,081	957,433	981,369	1,005,903	1,031,051	1,056,827	1,083,248
Loss to Lease		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Scheduled Income - Sec. 8		48,504	49,717	50,960	52,234	53,539	54,878	56,250	57,656	59,097	60,575	62,089	63,641	65,232	66,863	68,535
Other Income		6,720	6,888	7,060	7,237	7,418	7,603	7,793	7,988	8,188	8,392	8,602	8,817	9,038	9,264	9,495
Vacancy	5%	(41,093)	(42,121)	(43,174)	(44,253)	(45,359)	(46,493)	(47,656)	(48,847)	(50,068)	(51,320)	(52,603)	(53,918)	(55,266)	(56,648)	(58,064)
Effective Gross Income		780,775	800,294	820,301	840,809	861,829	883,375	905,459	928,096	951,298	975,080	999,457	1,024,444	1,050,055	1,076,306	1,103,214
Operating Expenses	3.50%	(379,700)	(392,990)	(406,744)	(420,980)	(435,714)	(450,964)	(466,748)	(483,084)	(499,992)	(517,492)	(535,604)	(554,351)	(573,753)	(593,834)	(614,618)
Resident Services		(45,000)	(46,575)	(48,205)	(49,892)	(51,639)	(53,446)	(55,316)	(57,253)	(59,256)	(61,330)	(63,477)	(65,699)	(67,998)	(70,378)	(72,841)
Replacement Reserves		(42,600)	(44,091)	(45,634)	(47,231)	(48,884)	(50,595)	(52,366)	(54,199)	(56,096)	(58,059)	(60,092)	(62,195)	(64,372)	(66,625)	(68,956)
Real Estate Taxes		(3,000)	(3,060)	(3,121)	(3,184)	(3,247)	(3,312)	(3,378)	(3,446)	(3,515)	(3,585)	(3,657)	(3,730)	(3,805)	(3,881)	(3,958)
Net Operating Income - Resi		310,475	313,578	316,597	319,521	322,344	325,057	327,650	330,113	332,438	334,613	336,628	338,470	340,128	341,589	342,840
VASH Overhang income, net of 10% vacancy		43,654	43,654	43,654	43,654	43,654	44,527	44,527	44,527	44,527	44,527	45,417	45,417	45,417	45,417	45,417
VASH services/furnishings cost		(21,058)	(21,058)	(21,058)	(21,058)	(21,058)	(21,058)	(21,058)	(21,058)	(21,058)	(21,058)	(21,058)	(21,058)	(21,058)	(21,058)	(21,058)
Debt Service - Housing Allocation		(196,373)	(196,373)	(196,373)	(196,373)	(196,373)	(196,373)	(196,373)	(196,373)	(196,373)	(196,373)	(196,373)	(196,373)	(196,373)	(196,373)	(196,373)
Required HCD payment + SDHC bond fee	#DIV/0!	(41,055)	(41,055)	(41,055)	(41,055)	(41,055)	(41,055)	(41,055)	(41,055)	(41,055)	(41,055)	(41,055)	(41,055)	(41,055)	(41,055)	(41,055)
Total Debt Service		(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)
After DS Cash Flow		95,641	98,745	101,764	104,688	107,511	111,097	113,690	116,153	118,478	120,653	123,558	125,400	127,058	128,519	129,770
Cash Flow After Debt Service		95,641	98,745	101,764	104,688	107,511	111,097	113,690	116,153	118,478	120,653	123,558	125,400	127,058	128,519	129,770
Cash Flow Distribution:																
Partnership Fee - Investor		(10,000)	(10,350)	(10,712)	(11,087)	(11,475)	(11,877)	(12,293)	(12,723)	(13,168)	(13,629)	(14,106)	(14,600)	(15,111)	(15,640)	(16,187)
Resident Services From Cash Flow		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset Management Fee		(12,500)	(12,938)	(13,390)	(13,859)	(14,344)	(14,846)	(15,366)	(15,903)	(16,460)	(17,036)	(17,632)	(18,250)	(18,888)	(19,549)	(20,234)
Available for Distribution:		73,141	75,458	77,661	79,742	81,692	84,374	86,031	87,527	88,850	89,988	91,820	92,551	93,059	93,330	93,350
Deferred Developer Fee																
Starting Balance		175,000	101,859	26,401	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Fee Payment		(73,141)	(75,458)	(26,401)	-	-	-	-	-	-	-	-	-	-	-	-
Available for Residual Split		-	-	51,260	79,742	81,692	84,374	86,031	87,527	88,850	89,988	91,820	92,551	93,059	93,330	93,350
Residual Note Payments																
Civic San Diego	22.4%	-	-	11,481	17,861	18,297	18,898	19,269	19,604	19,900	20,155	20,566	20,729	20,843	20,904	20,908
AHSC loan	27.6%	-	-	14,149	22,011	22,549	23,289	23,747	24,159	24,524	24,839	25,344	25,546	25,686	25,761	25,766
Total - Residual Payments	50%	-	-	25,630	39,871	40,846	42,187	43,016	43,764	44,425	44,994	45,910	46,276	46,530	46,665	46,675
Developer Residual	50%	-	-	25,630	39,871	40,846	42,187	43,016	43,764	44,425	44,994	45,910	46,276	46,530	46,665	46,675

ATTACHMENT 5
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 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 faith, credit or taxing power nor of the Housing Authority’s faith or credit. 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 the 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, the 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 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.

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE HOUSING AUTHORITY OF THE
CITY OF SAN DIEGO SETTING FORTH ITS OFFICIAL INTENT
TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS OR
NOTES TO FINANCE KEELER COURT APARTMENTS AND
AUTHORIZING RELATED ACTIONS

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, as amended (Act), the Housing Authority of the City of San Diego (Authority) is authorized to issue revenue bonds or notes for the purpose of financing the acquisition, construction and equipping of multifamily rental housing and for the provision of capital improvements in connection with and determined necessary to the multifamily rental housing; and

WHEREAS, Community Housing Works, as sponsor (CHW) has requested that the Authority issue and sell multifamily housing revenue bonds or notes (Bonds) pursuant to the Act for the purpose of making a loan to Keeler Court Housing Associates, LP, a California limited partnership, or another limited partnership to be formed by CHW (Borrower), to be used by the Borrower to finance the acquisition, construction and equipping of a multifamily rental housing development located at 1290-1294 Keeler Court, San Diego, CA 92113, as more fully identified in Exhibit A hereto (Project); and

WHEREAS, as a part of financing the Project, the Authority desires to reimburse the Borrower, but only from Bond proceeds, for expenditures (Reimbursement Expenditures) made in connection with the Project within the period from the date 60 days prior to the adoption of this Resolution to the date of issuance of the Bonds; and

WHEREAS, sections 1.103-8(a)(5) and sections 1.150-2 of the United States Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Project (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and conditions as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed \$25,000,000 as set forth in Exhibit A; and

WHEREAS, section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (CDLAC) for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such allocation; NOW, THEREFORE,

BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the City of San Diego, as follows:

Section 1. Findings and Determinations.

- (a) The above recitals, and each of them, are true and correct. The Authority

hereby determines that it is necessary and desirable to provide financing to the Borrower for the Project (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act in aggregate principal amount not to exceed \$25,000,000, as set forth in Exhibit A, subject to authorization of the issuance of the Bonds by resolution of the Authority at a meeting to be held for such purpose. The expected date of issue of the Bonds is within eighteen (18) months of the later of the date the first Reimbursement Expenditure was made and the first date the Project is placed in service and, in no event, later than three years after the date of the first Reimbursement Expenditure.

(b) Proceeds of the Bonds to be used to reimburse for Project costs are not expected to be used directly or indirectly to pay debt service with respect to any obligation or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Authority or any entity related in any manner to the Authority, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

(c) As of the date hereof, the Authority has a reasonable expectation that the Bonds will be issued to reimburse Project costs. This Resolution is consistent with the budgetary and financial circumstances of the Authority, as of the date hereof. The Bonds will be repaid solely from proceeds of the Bonds and amounts paid by the Borrower. No other moneys are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Authority (or any related party) pursuant to its budget or financial policies to repay the Bonds.

Section 2. Declaration of Official Intent. This Resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of section 1.103-8(a)(5)

and section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, and nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority, the City of San Diego (City) or any officer or agent of the City will grant any such approval, consent or permit that may be required in connection with the acquisition, construction and equipping of the Project, or that either the Authority or the City will make any expenditure, incur any indebtedness, or proceed with the financing of the Project.

Section 3. Applications to CDLAC. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to CDLAC for an allocation from the state ceiling of private activity bonds to be issued by the Authority for the Project in an amount not to exceed \$25,000,000, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, additional applications to CDLAC (if necessary), and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

Section 4. Effective Date. This Resolution shall take effect immediately upon its adoption.

Section 5. Approval of Bond Counsel and Financial Advisor. The financing team of Kutak Rock LLP, as bond counsel (Bond Counsel) and PFM Financial Advisors, LLC, as financial advisor, is approved for this Project.

Section 6. Authority of President & Chief Executive Officer of Housing Commission. The President & Chief Executive Officer of the Housing Commission, or designee, is hereby authorized to execute

all necessary documents, in a form approved by its General Counsel and/or Bond Counsel, and to perform such acts as are necessary to implement the approvals provided for in this Resolution.

APPROVED: MARA W. ELLIOTT, General Counsel

By: _____
Marguerite E. Middaugh
Deputy General Counsel

MEM:jdf
01/07/19
Or.Dept: Housing Authority
Doc. No. 1903762

EXHIBIT A

DESCRIPTION OF PROJECT

Name:	Keeler Court Apartments
Location:	1290-1294 Keeler Court, San Diego, CA 92113
Number of Units:	71 units (including 1 manager unit)
Maximum Bond Amount:	\$25,000,000



The City of San Diego
Item Approvals

Item Subject: Preliminary Bond Authorization for Keeler Court Apartments.

Contributing Department	Approval Date
DOCKET OFFICE	01/14/2019

Approving Authority	Approver	Approval Date
HOUSING COMMISSION FINAL DEPARTMENT APPROVER	DAVIS, JEFF	01/07/2019
DEPUTY CHIEF OPERATING OFFICER	CALDWELL, ERIK	01/14/2019
CITY ATTORNEY	MIDDAUGH, MARGUERITE	01/24/2019