



REPORT TO THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO

DATE ISSUED: September 4, 2019

REPORT NO: HAR19-023

ATTENTION: Chair and Members of the Housing Authority of the City of San Diego
For the Agenda of October 1, 2019

SUBJECT: Preliminary Bond Authorization for Mission Terrace Apartments

COUNCIL DISTRICT: 7

REQUESTED ACTION

Take the initial steps for the Housing Authority of the City of San Diego to issue up to \$12,000,000 of tax-exempt Multifamily Housing Revenue Bonds or Notes to facilitate Mission Terrace Housing Partners L.P.'s acquisition with rehabilitation of the Mission Terrace Apartments, which consist of 76 rental housing units that will remain affordable for 55 years and one manager's unit, located at 10210 San Diego Mission Road, San Diego.

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 or Notes to facilitate Mission Terrace Housing Partners L.P.'s (MTHP) acquisition with rehabilitation of the Mission Terrace Apartments, which consist of 76 rental housing units that will remain affordable for 55 years and one manager's unit, located at 10210 San Diego Mission Road, San Diego:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$12,000,000 in tax-exempt Multifamily Housing Revenue Bonds or Notes for the acquisition and rehabilitation of Mission Terrace by MTHP;
 - 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 Multifamily Housing Bonds in an amount up to \$12,000,000 for Mission Terrace. Issuance of the Bonds or Notes will require Housing Authority approval at a later date;
 - c. Approve the bond financing team of Kutak Rock LLP as Bond Counsel, and PFM Group as Financial Advisor; and

- 2) Authorize the San Diego Housing Commission's (Housing Commission) 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 the General Counsel and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel.

SUMMARY

A Development Summary is at Attachment 1.

Table 1 - Development Details

Address	10210 San Diego Mission Road, San Diego
Council District	7
Community Plan Area	Mission Valley Community Plan
Developer	Interfaith
Development Type	Acquisition with rehabilitation
Construction Type	Type V
Parking Type	117 parking spaces, (including 89 spaces in two levels of underground parking plus 28 garages).
Housing Type	Multifamily
Lot Size	3.14 acres, 136,778 square feet A portion of the site is unbuildable land.
Units	77
Density	24.5 dwelling units per acre (77 units ÷ 3.14 acres)
Affordable Unit Mix	37 one-bedroom units, 15 two-bedroom units, 24 three-bedroom units, and 1 three-bedroom manager’s unit
Gross Building Area	103,108 square feet
Net Rentable Area	55,870 square feet

The Development

Mission Terrace is an existing 77-unit affordable rental housing development located at 10210 San Diego Mission Road in the Mission Valley Community Planning Area (Attachment 2 – Site Map). The development is east of Interstate 15, near the SDCCU Stadium. On June 14, 1993, the Housing Commission approved (Report No. HCR 93-174) a \$1,805,000 residual receipts loan to Interfaith. On March 22, 1994, the Housing Authority approved increasing the loan to \$2,055,000 (\$1,150,000 federal HOME Investment Partnerships Program funds + \$905,000 City of San Diego Housing Trust Fund = \$2,055,000). On August 31, 1994, the Loan Agreement was executed. It approved the development’s ownership transfer from Interfaith to MTA. The development was constructed in 1995 with financing from multiple sources including: California Tax Credit Allocation Committee (CTCAC) tax credits, a Housing Commission loan, and other financing.

The Mission Terrace June 30, 1994, Promissory Note specifically allows the existing loan’s prepayment “...in whole or in part at any time ...without notice or penalty.” MTA is proposing to pay off the entire loan owed to the Housing Commission. The loan amount is estimated at \$3,438,411 (\$2,055,000 principal plus \$1,383,411 accrued interest to the estimated closing). No additional Housing Commission cash loan funds are requested for the proposed acquisition with rehabilitation. Although Mission Terrace’s original loan will be paid off, the original loan's affordability restrictions will remain.

Developer’s Requests

For Mission Terrace, the developer is requesting Housing Commission approval to:

- a) Allow ownership transfer from MTA to MTHP, which will assume the Housing Commission’s existing loan’s current affordability restrictions (on 76 units, at 35 to 60 percent of the San Diego Area Median Income);

- b) Request that the Housing Authority apply for and obtain a CDLAC allocation to issue up to \$12,000,000 of tax-exempt Multifamily Housing Revenue Bonds or Notes for the proposed acquisition with rehabilitation; and
- c) Have the developer complete a comprehensive rehabilitation of the property.

The Property

The property is owned by MTA. The complex has eight two-story residential buildings and a one-story community building with a leasing office and a community room. There are 37 one-bedroom units (528 sq. ft.), 15 two-bedroom units (823 sq. ft.), 24 three-bedroom units (1,030 sq. ft.), and one three-bedroom manager's unit. There are 117 parking spaces, including 89 spaces in two levels of underground parking plus 28 garages. Site amenities include: a community building with a kitchen, two laundry rooms, a picnic area, a playground, and a basketball court. Unit amenities include: central heating system, assigned parking, and energy efficient appliances. To the north and south are multifamily properties. To the east is a condominium development. To the southeast are office buildings and a retail center. To the west is Interstate 15. SDCCU stadium is located to the southwest, across Interstate 15. Bus service is approximately .2 miles away, near the corner of Rancho Mission Road and San Diego Mission Road.

Building Conditions/Proposed Rehabilitation Work

Mission Terrace was constructed in 1995. Interfaith states that while the property is in good condition, improvements are needed for aesthetic and systematic upgrades due to the property's age. Interfaith intends to complete a comprehensive/substantial renovation to address immediate and long-term needs of the complex. On July 1, 2019, a Property Condition Report was completed by Professional Associates Construction Services Inc. A cost estimate rehabilitation summary is at Attachment 3. The developer's pro forma estimates rehabilitation costs at \$4,379,505 (\$56,877/unit). The developer intends to enter into a construction contract with a to-be-selected contractor. The contractor will solicit at least three bids from subcontractors to ensure competitive pricing.

Prevailing Wages

Prevailing wages are not applicable because neither federal nor state funds will be utilized.

Relocation

As of June 2019, Mission Terrace was fully occupied. The developer does not anticipate permanent relocation of the current tenants. However, rehabilitation work may necessitate that the tenants will need to be temporarily relocated while work is taking place in their unit. Relocation will comply with the Federal Uniform Relocation Act. The developer will be responsible for coordinating all temporary relocations. A relocation study is in process. The developer's pro forma budgets \$125,000 (77 units at \$1,623 per unit = approximately \$125,000) for temporary relocations (including the relocation consultant costs).

Accessibility

CTCAC requires wheelchair accessibility in 10 percent of the units, with an additional 4 percent of the units accessible to residents with visual and/or hearing impairment.

Project Sustainability

Mission Terrace will be rehabilitated in conformance with CTCAC's minimum energy efficiency standards for rehabilitation projects, which require demonstrating at least 10 percent post-rehabilitation improvement in energy efficiency over existing conditions.

Development Team

Interfaith is a 501(c) (3) nonprofit developer. It was formed in 1968 by an alliance of local churches. Interfaith has developed, and owns/operates, more than 1,500 apartment homes in San Diego County. During the 15-year tax credit compliance period, the complex will be owned by MTHP (a single-asset limited partnership). An organization chart is at Attachment 4.

Table 2 - Development Team Summary

ROLE	FIRM/CONTACT
Owner/Borrower	MTHP L.P.
Managing General Partner (.01 percent)	Red Stone Equity Manager LLC
Tax Credit Investor/Limited Partner (99.99 percent)	RSEP Holding LLC
Developer	Interfaith
Architect	Ground Floor Design
General Contractor	To be selected
Relocation Consultant	Jon McMillan, Tall Man Group
Property Management	Interfaith Housing Assistance Corp.
Tax Credit Investor	Red Stone Equity Partners
Construction/Permanent Lender	Cal Bank and Trust

Property Management

Mission Terrace will continue to be managed by Interfaith.

FINANCING STRUCTURE

The developer intends to: apply for and obtain a 4 percent tax-credits allocation from CTCAC; obtain other third-party necessary financing as described in this report; and complete a comprehensive rehabilitation of Mission Terrace.

No additional Housing Commission cash loan funds are requested for the proposed acquisition with rehabilitation. Mission Terrace has an estimated total development cost of \$20,937,214 (\$271,912 per unit). Proposed financing will include a combination of sources including: 4 percent tax credits, tax-exempt Multifamily Housing Revenue Bond financing and seller carryback loan financing. The developer’s current pro forma is included as Attachment 5 and is summarized below.

Table 3 – Estimated Permanent Sources and Uses

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit	
Permanent loan (Multifamily Mortgage Revenue Bonds)	\$7,580,289	Acquisition: Building	\$10,900,000	\$12,628,500	\$164,006
		Land	1,600,000		
		Other	+ 128,500		
		Total acquisition	\$12,628,500		
Seller’s carry back financing	\$6,899,733	Construction costs	\$3,989,505	\$4,379,505	\$56,877
		Contingency	+ 390,000		
		Total construction	\$4,379,505		
Operating income during construction	\$180,875	Financing costs	\$651,989		\$8,467
Reserve carryover	\$100,000	Reserves	\$311,473		\$4,045
Four percent tax credit equity	\$6,176,317	Other soft costs	\$436,433		\$5,669
		Developer fee	\$2,404,314		\$31,225
		Relocation costs	\$125,000		\$1,623
Total Development Sources	\$20,937,214	Total Development Costs (TDC)	\$20,937,214		\$271,912

Developer Fee

\$2,404,314 – Developer Fee (paid from development sources)

On April 25, 2017, the Housing Authority approved the “Request for Approval of Updated Developer Fees” (HAR17-011). That report approved certain developer fee guidelines for multifamily loans and bonds issuances. Attachment 1 to that report states: “Developer Fee [for] 4% tax credits, in project costs: 15% eligible basis....” For this Mission Terrace development, the developer is proposing a \$2,404,314 total developer fee, which complies with the HAR17-011 “Request for Approval of Updated Developer Fees” guidelines approved by the Housing Authority on April 25, 2017.

Development Cost Key Performance Indicators

Housing Commission staff has identified development cost performance indicators which were used to evaluate the proposed development and make a funding recommendation. 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	$\$20,937,214 \div 77 \text{ units} =$	\$271,912
Housing Commission Subsidy Per Unit	$\$0 \div 77 \text{ units} =$	\$0
Acquisition/Land Cost Per Unit	$\$12,628,500 \div 77 \text{ units} =$	\$164,006
Gross Building Square Foot Hard Cost	$\$4,379,505 \div 103,108 \text{ sq. ft.} =$	\$42
Net Rentable Square Foot Hard Cost	$\$4,379,505 \div 55,870 \text{ sq. ft.} =$	\$78

Project Comparison Chart

Multiple factors and variables influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City fees, developer experience and capacity, and the mission and goals of the organization developing the project. Similar construction-type developments (completed or approved) over the previous two years are listed in Table 5. These developments are similar in terms of size, target population, and rehabilitation/construction type and are provided as a comparison to Mission Terrace.

Table 5 - Comparable Development Projects

New Construction Project Name	Year	Unit Mix Construction	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
Proposed Subject – Mission Terrace	2019	37 ones, 15 twos, 24 threes, + 1 manager	77	\$20,937,214 (no prevailing wage)	\$271,912	\$0	\$42
Hollywood Palms	2017	44 twos, 28 threes, 21 fours, + 1 manager	94	\$31,680,721 (with prev. wage)	\$337,029	\$0	\$92
Harbor View	2018	24 twos, 35 threes, +1 manager	60	\$12,096,464 (no prev. wage)	\$201,608	\$0	\$39
Parkside	2018	5 ones, 29 twos, 5 threes + 1 manager	40	\$10,668,798 (no prev. wage)	\$266,720	\$48,556	\$97
Casa Puleta	2017	11 twos, 26 threes, 16 fours, +1 manager	54	\$10,797,804 (no prev. wage)	\$328,691	\$0	\$28

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 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 CDLAC application submittal, and a City Council Tax Equity and Fiscal Responsibility Act (TEFRA) resolution 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 application to CDLAC on October 11, 2019, and to obtain a bond allocation at CDLAC's December 11, 2019 meeting. 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 \$12,000,000. 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's ordinance on bond disclosure. The up to \$12,000,000 bond allocation that will be sought from CDLAC is approximately 11 percent higher than the estimated \$10,715,355 amount for which the Mission Terrace 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 changes 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, rehabilitation, and permanent financing. Housing Commission staff will return later 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 6. Staff recommends assigning Kutak Rock LLP as Bond Counsel and PFM Group 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 Issuance and Post-Issuance Compliance Policy (No. PO300.301).

AFFORDABLE HOUSING IMPACT

As shown in Table 6 (below), the Housing Commission's existing loan and existing bonds restrict 76 units at Mission Terrace to households with incomes ranging from 35 to 60 percent of San Diego Area Median Income (AMI).

Table 6 –Mission Terrace Affordability & Monthly Estimated Rent Table

Unit Type	AMI	Units	CTCAC Gross Rents
1-bedroom, 1 bath (464 to 534 sq. ft.)	35%	7	\$702
2-bedrooms, 1 bath (659 to 924 sq. ft.)	35%	3	\$842
3-bedrooms, 1 1/2 baths (1,026 sq. ft.)	35%	5	\$973
Subtotal 30% AMI Units	--	15	--
1-bedroom, 1 bath (464 to 534 sq. ft.)	50%	15	\$1,003
2-bedroom, 1 bath (659 to 924 square feet)	50%	3	\$1,203
3-bedroom, 1 1/2 bath (1,026 square feet)	50%	5	\$1,391
Subtotal 50% AMI Units	--	23	--
1-bedroom, 1 bath (464 to 534 sq. ft.)	60%	15	\$1,203
2-bedrooms, 1 bath (659 to 924 sq. ft.)	60%	9	\$1,444
3-bedrooms, 1 1/2 baths (1,026 sq. ft.)	60%	14	\$1,669
Subtotal 60% AMI Units	--	38	--
Subtotal	--	76	--
3-bedroom, 1 1/2 bath, manager's unit	-	1	--
Total Units		77	

The Housing Commission loan’s original 55-year affordability restrictions will remain in effect until July 2049. Mission Terrace’s original construction included 9 percent tax credits funds from CTCAC. The CTCAC original affordability restrictions on 30 units, at 60 percent of AMI, will remain in effect until 2051.

As shown in Table 7 (below), the Housing Commission’s existing loan restricts affordability on 76 Mission Terrace units to households with incomes ranging from 35 to 60 percent of AMI. It is proposed that the Housing Commission’s rent and occupancy restrictions will be recorded against 76 units for 55 years from the date of the estimated January 2020 new escrow closing. This proposal will result in the affordability being extended an additional 26 years, from 2049 to 2075.

Table 7 – Estimated Current and Proposed Terms of Affordability Restrictions

Current Public Funding	Amounts	Current Restricted Units	Restrictions Current Term	Restrictions Proposed Term
Housing Commission’s original 1994 loan	\$2,055,000	15 units at 35 percent AMI	<u>Original Term:</u>	No change
Estimated accrued 3% interest	<u>+1,383,411</u>	23 units at 50 percent AMI	55 years:	
Estimated total 1994 loan	\$3,438,411	<u>+38</u> units at 60 percent AMI	(July 1994 to July 2049)	
CTCAC original 1996 tax-credits allocation	\$772,785	40 percent (30) of the units restricted at 60 percent AMI	<u>Original Term:</u>	No change
		15 units at 35 percent AMI	30 years	<u>Estimated Term:</u>
CTCAC estimated proposed tax-credits allocation	\$4,786,579	23 units at 50 percent AMI	(1996 to 2026)	
		<u>+38</u> units at 60 percent AMI	n/a	55 years
		76 units restricted		Jan 2020 to Jan 2075

FISCAL CONSIDERATIONS

No Housing Commission new direct cash loan funds are proposed with this report’s actions. Under this report’s proposal, MTA will be paying off the Housing Commission’s entire existing loan, estimated at \$3,438,411 (\$2,055,000 principal + \$1,383,411 interest to estimated closing = \$3,438,411).

Estimated funding sources:

- Bond Issuance Fee - \$30,000 (.0025 bond issuer fee x \$12,000,000)
- Estimated payoff of principal and interest on existing loan - \$3,438,411
- Total - \$3,468,411

Estimated funding uses:

- Rental Housing Finance Program Administration - \$30,000
- HOME Investment Partnerships Program - \$1,924,135
- Housing Trust Fund Transit Occupancy Tax Funds - \$1,514,276
- Total - \$3,468,411

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, nor 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 and the Housing Commission’s ongoing annual bonds administration fee (estimated as \$10,000 at permanent financing conversion), as well as the Housing Commission’s Bond Counsel and Financial Advisor fees.

Estimated Development Schedule

The estimated development timeline is as follows:

Milestones	Estimated Dates
• Housing Authority preliminary actions consideration	• October 1, 2019
• City Council IRS-required TEFRA hearing	• October 1, 2019
• CDLAC bond application & CTCAC tax credit application	• October 11, 2019
• CDLAC bond & CTCAC tax credit allocation meetings	• December 11, 2019
• Housing Commission final bond authorization consideration	• January 2020
• Housing Authority final bond authorization consideration	• January 2020
• Estimated bond issuance and escrow closing	• January 2020
• Estimated start of rehabilitation	• January 2020
• Estimated completion of rehabilitation	• January 2021

STATEMENT for PUBLIC DISCLOSURE

The developer’s Disclosure Statement is at Attachment 7.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

On June 5, 2019, the developer presented the proposed project as an informational item to the Mission Valley Planning Group.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include Interfaith as the developer, the Mission Terrace residents, and the Mission Valley community. Rehabilitation of the property is expected to have a positive impact on the community because it will provide the needed capital improvements to the property and preserve Mission Terrace's affordability.

ENVIRONMENTAL REVIEW

The proposed rehabilitation is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15301 of the State CEQA Guidelines because Mission Terrace is an existing facility and the proposed actions do not involve expansion of the existing use. The project meets the criteria set forth in CEQA Section 15301(a), which allows for exterior and interior alterations of existing facilities. Processing under the National Environmental Policy Act (NEPA) is not required as there are no federal funds involved with this action.

Respectfully submitted,



J.P. Correia
Sr. Real Estate Project Manager
Real Estate Division

Approved by,



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

- Attachments:
- 1) Development Summary
 - 2) Site Map
 - 3) Cost Estimate Rehabilitation Summary
 - 4) Organization Chart
 - 5) Developer's Project Pro Forma
 - 6) Multifamily Housing Revenue Bond Program
 - 7) Developer's Disclosure Statement

Hard copies are available for review during business hours at the security information desk in the main lobby and at the fifth floor reception desk 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 – DEVELOPMENT SUMMARY

Table 1 - Development Details

Address	10210 San Diego Mission Road, San Diego
Council District	7
Community Plan Area	Mission Valley Community Plan
Developer	Interfaith
Development Type	Acquisition with rehabilitation
Construction Type	Type V
Parking Type	117 parking spaces, (including 89 spaces in two levels of underground parking plus 28 garages).
Housing Type	Multifamily
Lot Size	3.14 acres, 136,778 square feet A portion of the site is unbuildable land.
Units	77
Density	24.5 dwelling units per acre (77 units ÷ 3.14 acres)
Affordable Unit Mix	37 one-bedroom units, 15 two-bedroom units, 24 three-bedroom units, and 1 three-bedroom manager's unit
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Net Rentable Area	55,870 square feet

Table 2 - Development Team Summary

ROLE	FIRM/CONTACT
Owner/Borrower	MTHP L.P.
Managing General Partner (.01 percent)	Red Stone Equity Manager LLC
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Architect	Ground Floor Design
General Contractor	To be selected
Relocation Consultant	Jon McMillan, Tall Man Group
Property Management	Interfaith Housing Assistance Corp.

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Seller's carry back financing	\$6,899,733	Construction costs \$3,989,505 Contingency + 390,000 Total construction \$4,379,505	\$4,379,505	\$56,877
Operating income during construction	\$180,875	Financing costs	\$651,989	\$8,467
Reserve carryover	\$100,000	Reserves	\$311,473	\$4,045
Four percent tax credit equity	\$6,176,317	Other soft costs	\$436,433	\$5,669
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		Relocation costs	\$125,000	\$1,623
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Table 4 - Key Performance Indicators

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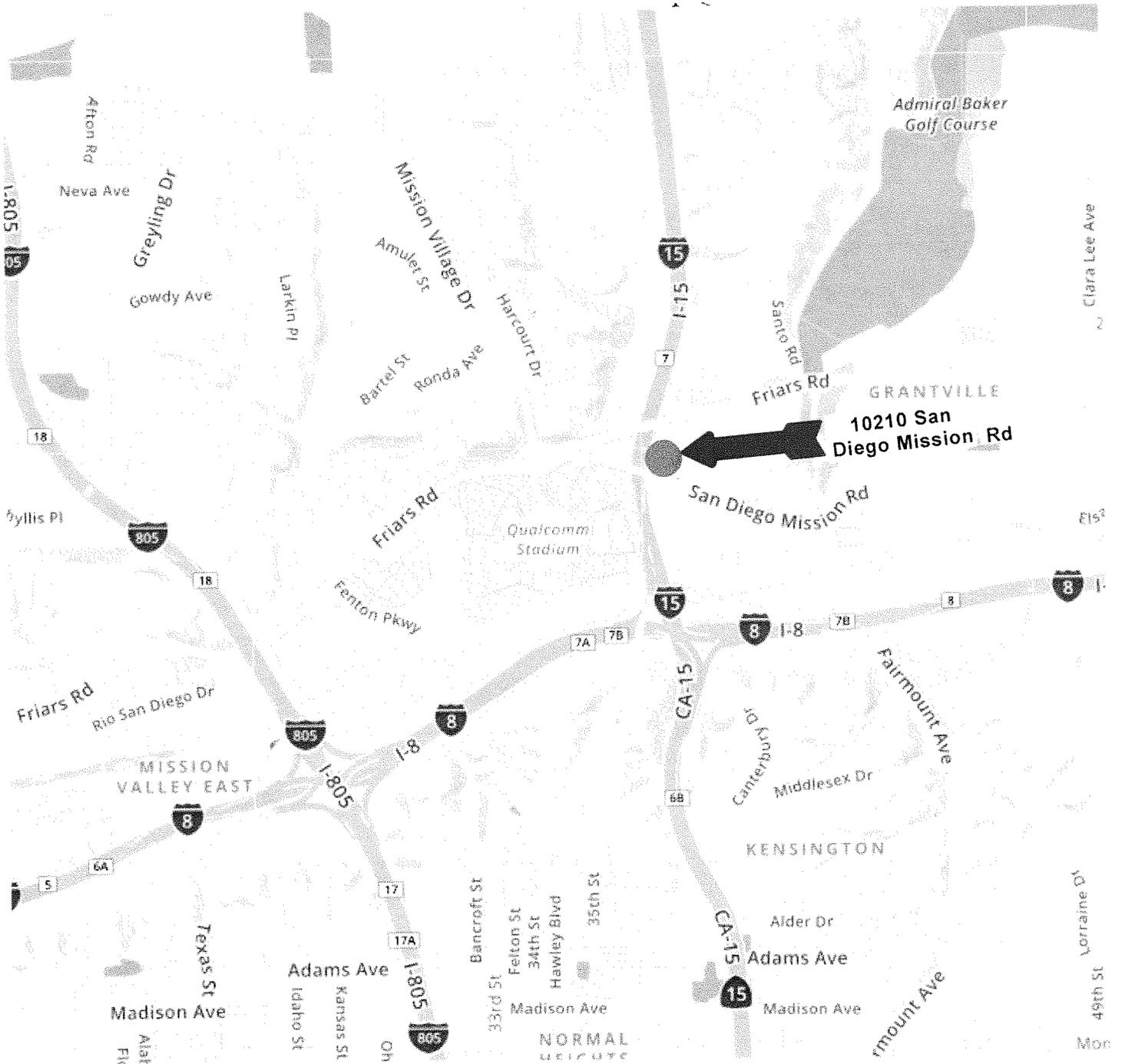
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Hollywood Palms	2017	44 twos, 28 threes, 21 fours, + 1 manager	94	\$31,680,721 (with prev. wage)	\$337,029	\$0	\$92
Zephyr	2017	79 studios, 5 ones, + 1 manager	85	\$27,225,500 (with prev. wage)	\$320,300	\$35,294	\$328

Table 6 –Mission Terrace Affordability & Monthly Estimated Rent Table

Unit Type	AMI	Units	CTCAC Gross Rents
1-bedroom, 1 bath (464 to 534 sq. ft.)	35%	7	\$702
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3-bedrooms, 1 1/2 baths (1,026 sq. ft.)	35%	5	\$973
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2-bedrooms, 1 bath (659 to 924 sq. ft.)	60%	9	\$1,444
3-bedrooms, 1 1/2 baths (1,026 sq. ft.)	60%	14	\$1,669
Subtotal 60% AMI Units	--	38	--
Subtotal	--	76	--
3-bedroom, 1 ½ bath, manager’s unit	-	1	--
Total Units		77	

ATTACHMENT 2 – SITE MAP



ATTACHMENT 3 – COST ESTIMATE REHABILITATION SUMMARY

Professional Associates
Construction Services, Inc.

7/1/2019 8:32

Mission Terrace Apartments
10210 San Diego Mission Road
San Diego, CA 92108

COST ESTIMATE SUMMARY SHEET INTERIOR AND EXTERIOR UPGRADES

Description	Quantity	Units	Unit Price	Estimate
Building & Site Rehab	77	EA	\$44,664	\$3,439,126
Community Building Rehab	0	SF	N/A	N/A
Garage Building Rehab	0	EA	N/A	N/A
Contractor General Conditions	8	Months	\$26,315	\$210,517
Contractor Overhead and Profit	\$3,649,643	Percent	8.00%	\$275,130
Contractor Liability Insurance	\$3,714,256	Percent	1.00%	\$37,143
Contractor P&P Bond	\$3,751,399	Percent	1.00%	\$37,514
Contractor's Contingency	\$3,788,913	Percent	3.00%	\$113,667
Total Hard Cost	77	Units	\$53,417	\$4,113,097
Permits	77	Units	\$500	\$38,500
Architectural & Engineering	3.00%	Percent	\$4,113,097	\$123,393
Hard Cost Contingency	\$4,113,097	Percent	10.00%	\$411,310
Construction Management	12	Months	\$9,000	\$108,000
Total Direct Cost	77	EA	\$62,264	\$4,794,300

Note:

Conceptual estimate - plus minus 10%
All quantities are approximate

Conceptual Cost - Rehab/Upgrade and Immediate Needs

S.NO	DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	Upgrade	Immed. Needs	Short Term
					ESTIMATE	ESTIMATE	1 YEAR
					Non PW		
GENERAL CONDITIONS							
		\$210,517					
	Field Supervision	Months	8	\$8,500	\$68,000		
	In-House Labor	Months	8	\$4,500	\$36,000		
	Storage Containers	EA	3	\$500	\$1,500		
	Temp Facilities	Months	8	\$1,500	\$12,000		
	Misc. Equipment rentals	Months	8	\$1,000	\$8,000		
	Temp Toilets	Months	8	\$500	\$4,000		
	Supplies/Misc. Materials	Months	8	\$2,500	\$20,000		
	Site clean up	Months	8	\$2,500	\$20,000		
	Clean up units	SF	41017	\$1.00	\$41,017		
	Site Security	Months		\$8,000	\$0		
DEMOLITION & ABATEMENT							
		\$40,000					
	Interior demo misc.	EA	50	\$500	\$25,000		
	General exterior demo	LS	1	\$15,000	\$15,000		
SITE WORK							
		\$317,960					
	On going construction debris removal	Loads	50	\$550	\$27,500		
	Repair retaining wall damage	LS	1	\$7,500	\$0	\$7,500	
	Site erosion control method	EA	1	\$5,000	\$5,000		
	Repair Exterior Stairs	EA	20	\$5,000	\$100,000		
	Waterproofing planters	SF	5500	\$15	\$82,500		
	Constrcut roofs at electrical closets	Allow	1	\$3,000	\$3,000		
	Landscaping - Upgrade allowance	Allow	1	\$25,000	\$25,000		
	Irrigation repairs upgrades	LS	1	\$10,000	\$10,000		
	Structural Engineer Consulting	LS	1	\$5,000	\$5,000		
	Sidewalk repairs/ADA - access path of travel	LS	1	\$50,000	\$50,000		
	Parking garage restriping	EA	96	\$10	\$960		
	Upgrade property signage	LS	1	\$5,000	\$5,000		
	Install Building numerals	EA	8	\$500	\$4,000		
	Conduct annual fire sprinkler inspection	LS	1	\$1,500	\$0	\$1,500	
CONCRETE							
		\$226,400					
	Concrete Walkway at ADA Parking Areas	SF	2500	\$10	\$25,000		
	Curb at ADA Parking to Walkway	LF	500	\$20	\$10,000		
	Truncated Domes at ADA Parking Area Walkway	EA	4	\$750	\$3,000		
	Replace Walkway from ADA Units to Laundry Room	SF	1500	\$25	\$37,500		
	ADA Parking Stalls	SF	1600	\$14	\$22,400		
	Concrete repairs and seal at parking structures	SF	12000	\$8	\$96,000		
	Repair concrete footing connections	EA	20	\$500	\$10,000		
	Replace damaged concrete threads	EA	50	\$300	\$15,000		
	General concrete repairs	SF	1500	\$5	\$7,500		
MASONRY							
		\$30,000					
	Repairs and seal CMU walls	SF	12000	\$2.50	\$30,000		
METALS							
		\$109,000					
	Prep, seal and paint steel columns & beams	EA	30	\$500	\$15,000		
	Upgrade Exterior stairs for Code Compliance	EA	20	\$3,500	\$70,000		
	install closed exterior stair risers	EA	20	\$1,200	\$24,000		
WOOD & PLASTICS AND COMPOSITES							
		\$67,500					
	Miscellaneous Dry Rot Repairs	LS	1	\$10,000	\$10,000		
	Baseboard	LF	13000	\$1	\$13,000		
	General framing repairs, roofs etc.	EA	8	\$1,500	\$12,000		
	Finish Carpentry misc.	EA	50	\$250	\$12,500		
	Miscellaneous Rough Carpentry	LS	1	\$20,000	\$20,000		
THERMAL & MOISTURE PROTECTION							
		\$353,136					
	Elevated deck Waterproofing	SF	57424	\$1.50	\$86,136		

Conceptual Cost - Rehab/Upgrade and Immediate Needs

S.NO	DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	Upgrade	Immed. Needs	Short Term
					ESTIMATE	ESTIMATE	1 YEAR
					Non PW		
	New Build-up-Roof	SF	42000	\$6.00	\$252,000		
	Balconies and landings waterproofing	LS	1	\$5,000	\$5,000		
	New Sheet metal/Gutters/Downspouts/Extensions	LF	2500	\$4.00	\$10,000		
	DOORS & WINDOWS	\$525,700					
	Repair and paint Standard Unit Entry Door & Hardware	EA	42	\$50	\$2,100		
	Repair & paint standard Unit Bedroom Door & Hardware	EA	114	\$50	\$5,700		
	Repair & paint standard Unit Bathroom Door & Hardware	EA	74	\$50	\$3,700		
	Repair & paint standard Unit Closet Door & Hardware	EA	114	\$50	\$5,700		
	Repair & paint standard Utility Closet Door & Hardware	EA	42	\$50	\$2,100		
	ADA Unit Entry Door & Hardware	EA	8	\$1,400	\$11,200		
	ADA Unit Bedroom Door & Hardware	EA	8	\$450	\$3,600		
	ADA Unit Bathroom Door & Hardware	LS	8	\$450	\$3,600		
	ADA Unit Closet Door & Hardware	EA	8	\$400	\$3,200		
	ADA Utility Closet Door & Hardware	EA	8	\$300	\$2,400		
	Repair and paint garage roll-up doors	EA	24	\$100	\$2,400		
	Repair broken glass windows	EA	2	\$600	\$0	\$1,200	
	Replace windows including scaffolding	EA	240	\$2,000	\$480,000		
	FINISHES	\$456,000					
	Interior Painting Apt, incl doors, trims & ceiling	EA	50	\$1,500	\$75,000		
	Unit Luxury Vinyl Planks - 20 Mil	EA	50	\$3,500	\$175,000		
	Unit Rubber Base	EA	50	\$1,000	\$50,000		
	Unit Drywall Repairs	SF	12000	\$8	\$96,000		
	Prep, seal & paint stairs/landings railing	EA	20	\$2,500	\$50,000		
	Contrasting Stripe at all stair treads and landings	EA	20	\$500	\$10,000		
	SPECIALTIES	\$71,425					
	Exterior Door Numeral Signage	Ea.	77	\$75	\$5,775		
	Medicine cabinets	EA	101	\$200	\$20,200		
	Toilet & Bath accessories	EA	101	\$300	\$30,300		
	Mirrors	EA	101	\$150	\$15,150		
	EQUIPMENT	\$102,200					
	Appliance Labor	EA	69	\$100	\$6,900		
	Standard Unit Range/Oven replace	EA	69	\$550	\$37,950		
	Standard Unit Refrigerators	EA	61	\$750	\$45,750		
	ADA Refrigerator	EA	8	\$750	\$6,000		
	ADA Gas Ranges	EA	8	\$550	\$4,400		
	ADA 36" Range Hoods	EA	8	\$150	\$1,200		
	FURNISHINGS	\$272,500					
	Unit Kitchen Cabinets	EA	50	\$3,500	\$175,000		
	Unit Kitchen Countertop	EA	50	\$1,200	\$60,000		
	Unit Kitchen Cabinet & Countertop Installation	EA	50	\$750	\$37,500		
					\$0		
	SPECIAL CONSTRUCTION	\$308,750					
	Laundry Room Upgrades (ADA compliant)	EA	2	\$10,000	\$20,000		
	Units ADA upgrades	EA	8	\$5,000	\$40,000		
	Community room upgrades for ADA accessibility	EA	1	\$30,000	\$30,000		
	ADA unit conversions	EA	8	\$20,000	\$160,000		
	Modify mailboxes for accessibility	EA	1	\$5,000	\$5,000		
	Mod. Existing Fire Extinguisher boxes for accessibility	EA	20	\$250	\$5,000		
	Final Unit Cleaning	EA	50	\$475	\$23,750		
	Site Cleaning and safety protocol	EA	1	\$15,000	\$15,000		
	Monument Sign	EA	1	\$10,000	\$10,000		
	CONVEYING SYSTEM	\$25,000					
	Upgrade Elevator components	Allow	1	\$25,000	\$25,000		
	Elevator permit and five year load test	EA	1	\$2,000	\$0	\$2,000	

Conceptual Cost - Rehab/Upgrade and Immediate Needs

S.NO	DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	Upgrade	Immed. Needs	Short Term
					ESTIMATE	ESTIMATE	1 YEAR
					Non PW		
HVAC SYSTEM		\$45,350					
	Exhaust fan - Humidistat	EA	101	\$350	\$35,350		
	Replace garage inline centrifugal fans	EA	4	\$2,500	\$10,000		
PLUMBING		\$266,200					
	Plumbing repairs	EA	1	\$15,000	\$15,000		
	Install seismic straps	LS	1	\$300	\$0	\$300	
	Garbage disposal	EA	50	\$125	\$6,250		
	Unit kitchen sink and low faucet	EA	50	\$550	\$27,500		
	Unit tub surrounds	EA	69	\$900	\$62,100		
	Unit bath lavatory sink and low flow faucet	EA	117	\$500	\$58,500		
	Unit low flush toilets	EA	117	\$450	\$52,650		
	ADA kitchen sink and low flow faucet	EA	8	\$725	\$5,800		
	ADA unit tubs/showers	EA	8	\$3,000	\$24,000		
	ADA unit low flush toilets	EA	12	\$600	\$7,200		
	ADA unit bath lavatory sink and low flow faucet	EA	12	\$600	\$7,200		
					\$0		
ELECTRICAL		\$222,005					
	ADA rough electrical	EA	8	\$3,500	\$28,000		
	ADA unit kitchen light fixture	EA	8	\$175	\$1,400		
	ADA unit vanity light fixture	EA	8	\$125	\$1,000		
	ADA unit hall light fixture	EA	8	\$90	\$720		
	ADA unit dining room light fixture	EA	8	\$160	\$1,280		
	Unit kitchen light fixture	EA	69	\$500	\$34,500		
	Unit vanity light fixture	EA	109	\$150	\$16,350		
	Unit hall light fixture	EA	69	\$150	\$10,350		
	Unit dining room light fixture	EA	69	\$150	\$10,350		
	ADA Communication Features unit upgrades	EA	3	\$900	\$2,700		
	Replace smoke/CO detectors	EA	159	\$75	\$11,925		
	GFCI outlets	EA	182	\$40	\$7,280	\$200	
	Bedroom light fixture	EA	141	\$150	\$21,150		
	Exterior building light fixtures upgrade	EA	150	\$500	\$75,000		
MISCELLANEOUS ITEMS		\$0					
SUBTOTAL Hard Cost Excl General Conditions		EA	77	\$44,663.97	\$3,439,126	\$12,700	#DIV/0!
	Contractors Overhead & Fee	Percent	8.00%	\$3,439,126	\$275,130		
	Liability Insurance	Percent	1.00%	\$3,714,256	\$37,143		
	P&P Bond	Percent	1.00%	\$3,751,399	\$37,514		
	GC Contingency/Misc.	Percent	3%	\$3,788,913	\$113,667		
SUBTOTAL Direct cost Incl General Conditions		EA	77	\$53,416.84	\$4,113,097	\$12,700	#DIV/0!

Subject to a variation of plus minus 10% to 20%

All quantities are approximate

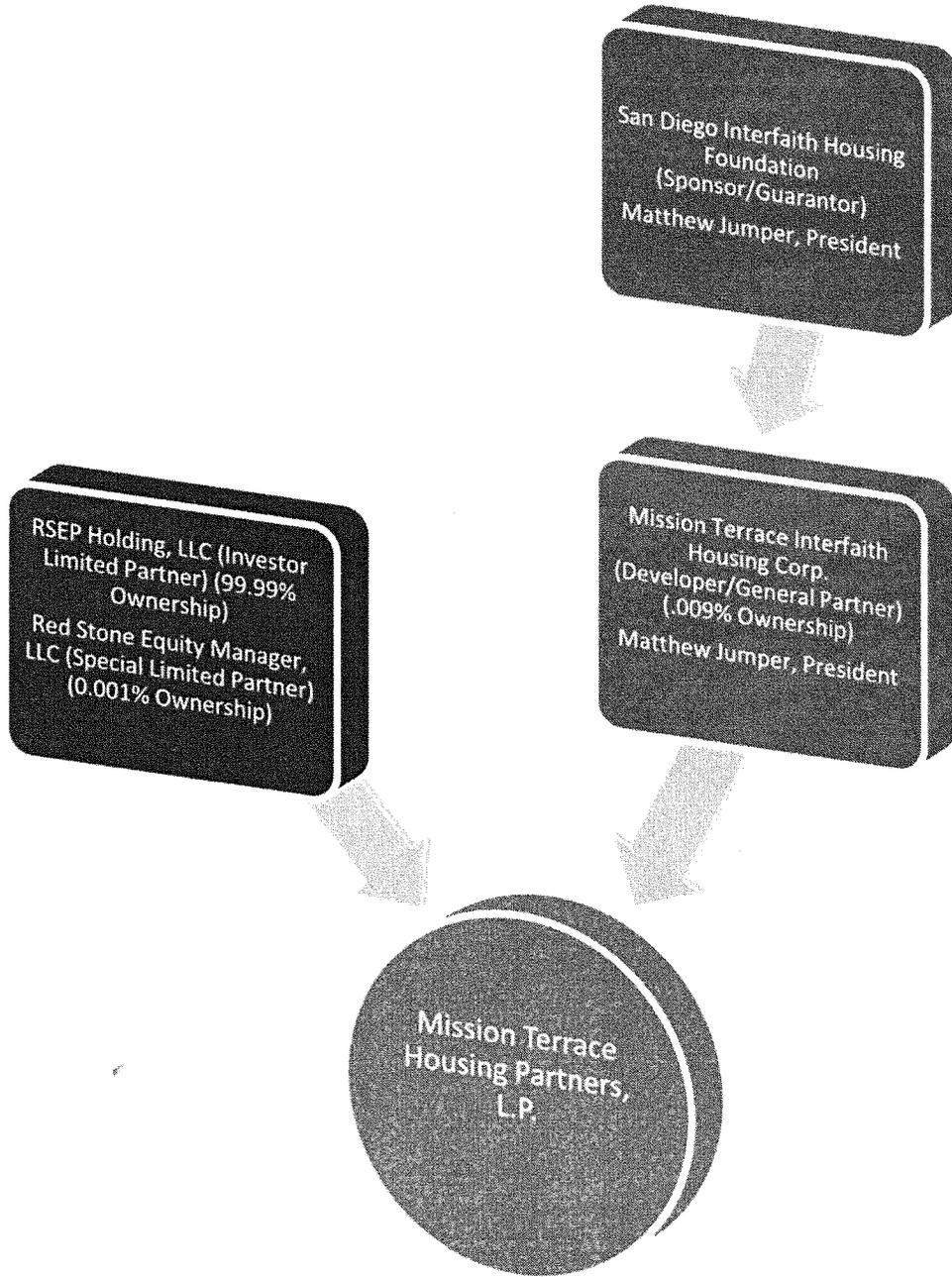
Scope of work can be varied depending on the availability of funds

Scope of work will change once the A/E consultants and GC/Subs walk the project

Not to be used for bidding purposes

Additional scope can be added;

ATTACHMENT 4 – ORGANIZATION CHART



ATTACHMENT 5 – DEVELOPER’S PRO FORMA

REDSTONE™ EQUITY PARTNERS

Mission Terrace Financial Projections

Updated: 7/19/2019

San Diego, CA

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These projections do not guarantee actual operating results. Information herein may be revised based upon changes to assumptions and third-party information. Inapplicable schedules may be omitted. This information is proprietary and may be shared only with Red Stone's prior consent.

Project Info		Partnership Entities		Percent Interests in Distributions		Date Benchmarks	
Mission Terrace 10210 San Diego Mission San Diego CA 92108		Developer: San Diego Interfaith Housing Foundation Co-Developer: TBF Managing GP TBF Co-GP		Income/Loss: 0.009% LIHTC - Fed.: 0.009% LIHTC - State: 0.009% Historic: 0.009% Cash Flow: 0.009% Residual: 0.009%		Model Start: 1/15/2020 Construction Start: 1/15/2020 L1 Close: 5/1/2020 Completion - First Blkg: 1/1/2021 Completion - Last Blkg: 1/1/2021 Operations Term: 12 Months in First Year: 12 Depreciation Start: 1/15/2020 Lease Up Start: 1/15/2020 Lease Up Period: 15 Permanent Loan Closing Date: 7/1/2021 First Tax Credit Month: 7/1/2021 Required Placed in Service Date: N/A	
Total Units: 77 LIHTC Units: 76 Number of Res. Buildings: 8 Scattered Site: No Construction Type: Rehabilitation Building Type: Garden Market: Suburban Targeted Tenants: Family Type of GP: Non-Profit		Limited Partner RSEIP Holding, LLC Special J.P. Red Stone Equity Manager, LLC Other LP		99.990% 0.001% 100.000%		99.990% 0.001% 100.000%	
UT Tax Rate: 2.1% Updated: 7/19/2019 Updated By: Matt Gross		Investor's 1st Fiscal Year End: 12/31/2020		100.000% 100.000% 100.000%		100.000% 100.000% 100.000%	

Financing Assumptions - Cash Flow Waterfall		Start Date		Cash Flow		MIP/Fees		Fixed Amount		Inflation		Cumulative Balance		Cash Basis					
Name of Financing	Type	Reh'd Party?	Calculation Type	Lien	Amount	Rate	Term (years)	Amortization (months)	% of Cash Flow For Payment	Deletions	Payment	MIP/Fees	Cash Flow %	Fixed Amount	Inflation	Deletable	Cumulative Balance	Cash Basis	Nonrecourse
1st Mortgage	Loan	No	Lien/Amort	1	7,580,129	4.7011%	17	420		7/1/2021	7/1/2021					Yes	Yes	No	No
2nd																			
3rd																			
4th	AMF		\$				15	180	100%	1/15/2020	4/1/2021			\$5,000	103%	Yes	Yes	No	No
J.P. Asset Management Fee	Fee-GP		\$				15	180	100%	1/15/2020	4/1/2021			\$10,000	103%	Yes	No	No	No
GP Asset Management Fee	Fee-GP						15	180	100%	1/1/2021	1/1/2021					Yes	Yes	No	No
Deferred Developer Fee	DTF		Soft-% CF		0	3.0000%	40	480	100%	1/15/2020	7/1/2021					Yes	Yes	No	No
Seller Financing	Loan		Soft-% CF	2	6,899,733	3.8504%				1/15/2020	7/1/2021					Yes	Yes	No	No
11th			% CF				15	180	100%	2/1/2021	2/1/2021		0%			Yes	No	No	No
12th																			
13th																			
14th																			
15th																			
16th																			
Incentive Management Fee	IMF		% CF													Yes	No	No	No

Tax Credit Calculation		Date of Rate		Lockout	
Allocation Year	2019	Rehab Credit Rate	3.21%		
Credit Type	4%	Allocation Rate	3.21%		
DDO/CCT	Other	Total			
LIHTC Reservation	5,904,175	\$	6,641,747	SF Percentage	100.00%
LIHTC Projected	6,641,775		6,641,747	Unit Percentage	100.00%
Lesser of:	6,641,775		6,641,747	Lesser of	
Excess Basis (Shortfall)	0				
Historic Tax Credits:	No				
Overrule Credits:	No				
Excess Basis Credits:	No				
Comments/Notes:					

Equity Pay-In Assumptions		Projected Date		Date Certain		% of Equity		Dev Fee Paid	
1st Closing	1/15/2020	1/15/2020	4/1/2021	15.00%	926,411		601,078		
25% Construction Completion									
50% Construction Completion									
75% Construction Completion									
2nd Construction Contributions	1/1/2021	1/1/2021	6.32%	390,336					
3rd Perm Loan Closing	7/1/2021	7/1/2021	72.02%	4,447,966					
4th 86098, 1.15 DSC	10/1/2021	10/1/2021	1.62%	100,000					
5th Reserves; Expiration of ODFI	4/1/2026	4/1/2026	5.04%	311,473					
TOTAL				100.00%	\$ 6,176,206	\$ 2,404,314			
Base Year DSC Ratio									
Net Income	1,000,772								
Comm/Other									
Op. Expenses	\$ (469,312)								
Res. Reserves	\$ (23,100)								
Base Year NOI	\$ 508,360								
Base Year DS	442,008								
Base Year DSC	1.15								
Base Year IFR Ratio									
Base Year IFR	0.00								

Monthly Construction Draws		Projected Date		DATE		%	
Draw 1	1/15/2020	1/15/2020	0.00%				
Draw 2	2/1/2020	2/1/2020	0.00%				
Draw 3	3/1/2020	3/1/2020	0.00%				
Draw 4	4/1/2020	4/1/2020	0.00%				
Draw 5	5/1/2020	5/1/2020	0.00%				
Draw 6	6/1/2020	6/1/2020	0.00%				
Draw 7	7/1/2020	7/1/2020	0.00%				
Draw 8	8/1/2020	8/1/2020	0.00%				
Draw 9	9/1/2020	9/1/2020	0.00%				
Draw 10	10/1/2020	10/1/2020	0.00%				
Draw 11	11/1/2020	11/1/2020	0.00%				
Draw 12	12/1/2020	12/1/2020	0.00%				
Draw 13	1/1/2021	1/1/2021	0.00%				
Draw 14	2/1/2021	2/1/2021	0.00%				
Draw 15	3/1/2021	3/1/2021	0.00%				
Draw 16	4/1/2021	4/1/2021	0.00%				
Draw 17	5/1/2021	5/1/2021	0.00%				
Draw 18	6/1/2021	6/1/2021	0.00%				
Draw 19	7/1/2021	7/1/2021	0.00%				
Draw 20	8/1/2021	8/1/2021	0.00%				
Draw 21	9/1/2021	9/1/2021	0.00%				
Draw 22	10/1/2021	10/1/2021	0.00%				
Draw 23	11/1/2021	11/1/2021	0.00%				
Draw 24	12/1/2021	12/1/2021	0.00%				

Uses of Funds

Uses	Total	Eligible Basis	Dep. Basis	Expensed/Amort.	Non-Dep.	Comments
Land	\$ 1,600,000	\$ 10,900,000	\$ 10,900,000	\$ -	\$ 1,600,000	
Building Acquisition	10,900,000	10,900,000	10,900,000	-	-	
Other Acquisition Costs	128,500	100,000	100,000	100,000	28,500	Includes \$100K of acquired improvements and \$28,500 of title and escrow for the acquisition
Subtotal S	12,628,500					
Structures and Rehabilitation	1,784,781	1,784,781	1,784,781	-	-	
Site Work	770,000	770,000	770,000	-	-	10,000 per unit assumption
Personal Property	770,000	770,000	770,000	-	-	10,000 per unit assumption
Energy Expenditures	-	-	-	-	-	
Construction Contingency	390,000	390,000	390,000	-	-	
General Requirements	272,337	272,337	272,337	-	-	
Builder Profit	224,423	224,423	224,423	-	-	
Builder Overhead	-	-	-	-	-	
Building Permits	30,000	30,000	30,000	-	-	
P&P Bond Costs	39,095	39,095	39,095	-	-	
Environmental Remediation	-	-	-	-	-	
Demolition Costs	-	-	-	-	-	
O/E Site Work	-	-	-	-	-	
CMI/Owner's Rep	50,000	50,000	50,000	-	-	
Contractor Insurance	48,869	48,869	48,869	-	-	
Other 3	-	-	-	-	-	
Subtotal	4,379,505					
Architect - Design	125,000	125,000	125,000	-	-	
Architect - Supervision	-	-	-	-	-	
Municipal/Tap Fees	-	-	-	-	-	
Impact Fees	-	-	-	-	-	
Appraisal/Market Study	31,000	31,000	31,000	-	-	Lender and Borrower Appraisal
Title and Recording	15,000	15,000	15,000	-	-	
Legal	135,000	27,000	27,000	108,000	-	Revised lender legal to \$50K per Matt Jumper 6/5/19
Organizational Legal	-	-	-	-	-	
Accounting/Cost Cert	20,000	20,000	20,000	-	-	
Phase I/Environmental	10,000	10,000	10,000	-	-	Added per Matt Jumper 4/18/19
Soils/Geotech	5,000	5,000	5,000	-	-	
Survey	5,000	5,000	5,000	-	-	
Tax Credit Fees	-	-	-	-	-	46,053
Construction Period Taxes/Ins.	25,000	25,000	25,000	-	-	
SoB Cost Contingency	43,432	43,432	43,432	-	-	
PNA / Cost Review	12,000	12,000	12,000	-	-	
Construction Inspection	10,000	10,000	10,000	-	-	
Temporary Relocation	125,000	125,000	125,000	-	-	Increased to \$125K per Matt Jumper on 5/27
Subtotal	607,485					
CPI Capitalized	174,601	174,601	174,601	-	-	
CPI Expensed	110,283	-	-	110,283	-	
Predevelopment Interest	-	-	-	-	-	
Bridge Loan Interest	-	-	-	-	-	
Accrued CPI	-	-	-	-	-	
Subtotal	284,884					
Developer Fee	2,404,314	2,404,314	2,404,314	-	-	
Subtotal	2,404,314					
Perm Loan Fees	37,152	-	-	37,152	-	Loan fee based on 6.6.19 CB&T Term sheet
Construction Loan Fees	71,226	71,226	71,226	-	-	Loan fee based on 6.6.19 CB&T Term sheet
Bond Issuance Costs	162,674	-	-	162,674	-	
Subtotal	271,052					
Rent-Up	-	-	-	-	-	
Marketing	-	-	-	-	-	
Organization	-	-	-	-	-	
Syndication Costs	50,000	-	-	-	50,000	
Replacements Reserves	-	-	-	-	-	
Operating Reserves	311,473	-	-	-	311,473	4 months OERDS
Tax/Insurance Escrow	-	-	-	-	-	
Other 1	-	-	-	-	-	
Other 2	-	-	-	-	-	
Subtotal	311,473					
Total Uses	20,937,213	20,937,213	18,483,078	18,645,752	301,488	1,989,973

Hard Cost Contingency Calc:
 Contingency in Contract? No
 Total Hard Costs: 4,379,505
 Less Contingency: 390,000
 CMI/Owner's Rep: 50,000
 Permits: 30,000
 Construction Contract = 3,909,505
 Contingency % = 9.98%

Geothermal Credit Calculation		Solar Credit Calculation	
Placed in Service Date	5/1/2020	Placed in Service Date	5/1/2020
Geothermal System Costs	-	System Costs	-
Geothermal Rebate	-	Const. Contingency	-
Adj. Geo System Costs	-	PV & Solar H2O Costs	-
Adj. Geo System Costs	-	Interest on Bonds	-
Geo Credit %	10%	Const. Period Interest	-
Total Geo Credits	-	Cost of Issuance	-
Non-Depreciable %	50%	Legal - Construction	-
Geo Rebate (non-depr)	-	Developer Fee	-
Total Non-Depreciable	-	Adj. System Costs	-
Adj. System Costs	-	Adj. System Costs	-
Credit %	30%	Total Credits	-
Total Credits	-	Non-Depreciable %	50%
Non-Depreciable %	-	Non-Depreciable Costs	-
Rebate (non-depr)	-	Total Non-Depreciable	-

Cap. Interest from FoF: 251,557
 Exp. Interest from FoF: 582,410
 833,967
 284,884
 (549,083) surplus (shortage)

Rental Revenue

Mission Terrace

Rental Revenue											
Units	Baths	AMI %	# of Units	Sq. Feet	Gross Tenant Paid Ret	Utility All.	Tenant Paid Rent	Net Max LIHTC	Annual Rental	Subsidy (Type)	Annual Subsidy
1	1	35%	7	702	34	668	668	668	56,112	-	-
1	1	50%	15	1,003	34	969	969	969	174,420	-	-
1	1	60%	15	1,203	34	1,169	1,169	1,169	210,420	-	-
2	1	35%	3	842	49	793	793	793	28,548	-	-
2	1	50%	3	1,203	49	1,154	1,154	1,154	41,544	-	-
2	1	60%	10	1,444	49	1,395	1,395	1,395	167,400	-	-
3	2	35%	5	936	70	866	903	903	51,960	-	-
3	2	50%	5	1,338	70	1,268	1,321	1,321	76,080	-	-
3	2	60%	13	1,605	70	1,535	1,599	1,599	239,460	-	-
									Subtotal	76	1,045,944

Market Rate Revenue		Base Year:	2020
Avg. Tenant Rent	\$	1,147	
Avg. Subsidy PUPM	\$	-	
Avg. Miscellaneous Revenue PUPM	\$	8	
Subtotal		0	

Manager Unit Revenue		TOTAL	77
Item 1	7,500	97	8
Item 2	-	-	-
Item 3	-	-	-
Item 4	-	-	-
Item 5	-	-	-
Item 6	-	-	-
Subtotal	7,500	97	

Miscellaneous Revenue		Annual Revenue	Per Unit	PUPM
Item 1	7,500	97	-	8
Item 2	-	-	-	-
Item 3	-	-	-	-
Item 4	-	-	-	-
Item 5	-	-	-	-
Item 6	-	-	-	-
Subtotal	7,500	97	-	

Commercial Revenue		Per Sq. Ft.
Sq. Ft. of Space	-	-
Annual Revenue:	\$	-
Vacancy Factor:	-	-
Net Commercial Revenue	\$	-

Trending Assumptions	
Vacancy Rate LIHTC:	5.0%
Vacancy Rate Market:	5.0%
Vacancy Rate Rental Subsidy:	5.0%
Vacancy Rate Other Revenue:	5.0%
Rental Revenue Inflation:	102.0%
Subsidy Revenue Inflation:	102.0%
Other Revenue Inflation:	102.0%
Last Date of Subsidy:	1/1/2040

Rent Calculations		Discount to Market	Discount to Max LIHTC
Achievable Market Rents	1,590	57.99%	0.00%
HUD FMR 2019	1,590	39.06%	0.00%
	1,590	26.48%	0.00%
	2,068	61.65%	0.00%
	2,068	44.20%	0.00%
	2,962	70.76%	4.10%
	2,962	57.19%	4.01%
	2,962	48.18%	4.00%
Wtd Avg		43.39%	1.22%

Market Rate Revenue		Mrkt Rents	Discount
Wtd Avg		43.39%	1.22%

Gross Annual Revenue from all Sources:		\$	1,053,444
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	Annual	Per unit
Variable Expenses		
Administrative		
Accounting	17,050	221
Advertising	120	2
Professional Fees	-	-
Leased Equipment	-	-
Legal/Partnership	2,400	31
Social Services	-	-
Model Apartment Rent	-	-
Office Expenses	6,950	90
Telephone	5,700	74
Other Office Expenses	-	-
General	1,200	16
Total	\$ 33,420	\$ 434
Repair and Maintenance		
Elevator	3,900	51
Exterminating	1,350	18
Grounds	12,400	161
Repairs	36,000	468
Trash	13,000	169
Contract Services	30,000	390
Other R&M	8,400	109
General	2,400	31
Total	\$ 107,450	\$ 1,395
Payroll		
Administrative Payroll	41,560	540
R&M Payroll	43,640	567
Payroll Taxes and Insurance	68,162	885
General	1,170	15
Total	\$ 154,532	\$ 2,007
Utilities		
Gas	22,000	286
Electric	15,000	195
Water & Sewer	60,000	779
Other Utilities	-	-
General	-	-
Total	\$ 97,000	\$ 1,260
Total Variable Expenses:	\$ 392,402	\$ 5,096
Fixed Expenses		
Insurance		
Property Insurance	16,700	217
Other Insurance	-	-
Total	\$ 16,700	\$ 217
Management Fee		
Percent of Revenues:	6.00%	-
Fee/unit/month:	-	-
Management Fee - Annual	60,000	779
Total	\$ 60,000	\$ 779
Real Estate Taxes		
Real Estate Taxes	210	3
Other RE Taxes	-	-
Total	\$ 210	\$ 3
Total Fixed Expenses:	\$ 76,910	\$ 999
Total All Expenses:	\$ 469,312	\$ 6,095
Replacement Reserve		
RR Start Date	7/1/2021	
Red Stone RR	23,100	300
Lender RR	-	-
Replacement Reserve - Annual	-	-
Total	\$ 23,100	\$ 300
Total Expenses & RR	\$ 492,412	\$ 6,395
Expense Summary		
Advertising & Promotion	Annual: 120	Per Unit: 2
Administrative	33,300	432
Management Fee	60,000	779
Utilities	97,000	1,260
Maintenance	107,450	1,395
Payroll (Salaries)	154,532	2,007
Insurance	16,700	217
RE Tax	210	3
Sub Variable & Fixed	\$ 469,312	\$ 6,095
Replacement Reserve	23,100	300
Total Expense & RR	\$ 492,412	\$ 6,395
Trending Assumptions		
Expense Inflation:		103.0%
RE Tax Inflation:		103.0%
Mgmt Fee Inflation:		103.0%
Replacement Reserve Inflation:		103.0%

Credit Calculation

Mission Terrace

LIHTC Tax Credit Calculation		Rehabilitation	Acquisition
Eligible Basis	\$ 18,483,078		
Less:			
Acquisition Costs	(10,900,000)		10,900,000
Historic Credits	-		
Grants	-		
Acquisition Dev. Fee	(224,000)		224,000
Garages	-		
Other 1	-		
Other 2	-		
	\$ 7,359,078	\$ 11,124,000	
Eligible Basis	\$ 7,359,078	\$ 11,124,000	
DDA/QCT	Other	130%	100%
Total Eligible Basis	9,566,801	11,124,000	
Basis Limitation	-	-	
Low Income %	100.00%	100.00%	
Qualified Basis	9,566,801	11,124,000	
Tax Credit Rates	3.21%	3.21%	
LIHTC Calculated	664,175	307,094	357,080
LIHTC Reservation	664,175	307,094	357,080
Actual LIHTC	664,175	307,094	357,080

Historic Credit Calculation		Rehabilitation	Commercial	Total
Depreciable Basis	-	-	-	-
Less:				
Acquisition Cost	-	-	-	-
Personal Property	-	-	-	-
Sitework	-	-	-	-
Grants	-	-	-	-
Bldg Additions/(Demo)	-	-	-	-
Ineligible Interest/Solar	-	-	-	-
Other 1	-	-	-	-
Other 2	-	-	-	-
Historic Credit Basis	-	-	-	-
Tax Credit %	0%	0%	0%	0%
Total Historic Credit	-	-	-	-
Delivery	2020	-	-	-
	2021	-	-	-
	2022	-	-	-
	2023	-	-	-
	2024	-	-	-

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	
Projected 15 Yr Cash Flow																			
Revenues																			
Gross LIHTC Rental Revenue	784,464	1,066,863	1,088,200	1,109,964	1,132,163	1,154,807	1,177,903	1,201,461	1,224,490	1,248,000	1,272,000	1,300,500	1,326,610	1,353,040	1,380,101	1,407,703	1,435,857	1,464,574	
Gross Market Rental Revenue	(39,223)	(51,343)	(54,410)	(55,998)	(56,608)	(57,240)	(58,895)	(60,073)	(61,275)	(62,500)	(63,750)	(65,025)	(66,325)	(67,652)	(69,005)	(70,385)	(71,793)	(73,229)	
Less: Vacancies	745,241	1,013,520	1,033,790	1,054,466	1,075,555	1,097,066	1,119,008	1,141,388	1,164,216	1,187,500	1,211,250	1,235,475	1,260,184	1,285,388	1,311,096	1,337,318	1,364,064	1,391,345	
Net Rental Revenues	5,669	7,270	7,416	7,564	7,715	7,870	8,027	8,188	8,351	8,518	8,689	8,862	9,040	9,220	9,405	9,594	9,785	9,981	
Other Revenue (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial Revenue (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Effective Gross Income	\$ 750,610	\$ 1,020,790	\$ 1,041,206	\$ 1,062,030	\$ 1,082,371	\$ 1,103,167	\$ 1,124,035	\$ 1,144,975	\$ 1,172,227	\$ 1,198,804	\$ 1,224,939	\$ 1,251,337	\$ 1,278,244	\$ 1,305,680	\$ 1,333,601	\$ 1,362,011	\$ 1,390,919	\$ 1,420,326	
Expenses																			
Variable Expenses	295,576	404,174	416,299	428,788	441,632	454,901	468,549	482,605	497,083	511,996	527,355	543,176	559,471	576,256	593,543	611,350	629,690	648,581	
Insurance	16,700	17,201	17,717	18,249	18,796	19,360	19,941	20,539	21,155	21,790	22,443	23,117	23,810	24,525	25,260	26,018	26,799	27,603	
Management Fee	45,002	61,200	62,424	63,673	64,946	66,245	67,570	68,921	70,300	71,706	73,140	74,603	76,095	77,617	79,169	80,752	82,367	84,015	
Rental Estate Taxes - Total	210	216	223	229	236	243	251	258	266	274	282	291	299	308	318	327	337	347	
Other / RE Tax Abatement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Project Operating Exp.	357,487	482,792	496,663	510,359	523,630	536,530	550,010	572,232	588,804	605,765	623,221	641,186	659,676	678,705	698,290	718,447	739,193	760,545	
NOI Before Replacement Reserves	393,122	537,998	544,543	551,091	557,640	564,186	570,723	577,252	583,763	590,253	596,718	603,151	609,548	615,900	622,211	628,464	634,656	640,781	
Replacement Reserves	-	11,550	23,793	24,507	25,242	25,999	26,779	27,583	28,410	29,262	30,140	31,044	31,976	32,935	33,923	34,941	35,989	37,069	
Net Operating Income	\$ 393,122	\$ 526,448	\$ 520,750	\$ 526,584	\$ 532,398	\$ 538,187	\$ 544,046	\$ 549,669	\$ 555,353	\$ 560,991	\$ 566,577	\$ 572,107	\$ 577,573	\$ 582,968	\$ 588,288	\$ 593,523	\$ 598,667	\$ 603,712	
Plus Other Cash Sources:	-	-	231	707	1,197	1,702	6,894	6,765	7,316	7,884	8,470	9,072	6,850	7,489	8,148	8,827	9,525	6,349	
Interest on Reserve Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CF Trap	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Cash Sources	-	-	231	707	1,197	1,702	6,894	6,765	7,316	7,884	8,470	9,072	6,850	7,489	8,148	8,827	9,525	6,349	
Available Cash Flow	\$ 393,122	\$ 526,448	\$ 520,981	\$ 527,291	\$ 533,595	\$ 539,889	\$ 546,840	\$ 553,434	\$ 562,669	\$ 568,875	\$ 575,047	\$ 581,179	\$ 587,423	\$ 593,457	\$ 599,436	\$ 605,350	\$ 611,192	\$ 616,961	
Cash Requirements/Waterfalls:																			
Operating Income as a Source	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Construction Loan Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1st Mortgage	(221,004)	(442,008)	(442,008)	(442,008)	(442,008)	(442,008)	(442,008)	(442,008)	(442,008)	(442,008)	(442,008)	(442,008)	(442,008)	(442,008)	(442,008)	(442,008)	(442,008)	(442,008)	
2nd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3rd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Asset Management Fee	(10,150)	(5,205)	(5,205)	(5,464)	(5,628)	(5,797)	(5,971)	(6,150)	(6,335)	(6,525)	(6,721)	(6,923)	(7,131)	(7,345)	(7,565)	(7,791)	(8,023)		
GP Asset Management Fee	(10,300)	(10,600)	(10,600)	(10,925)	(11,255)	(11,591)	(11,944)	(12,299)	(12,668)	(13,048)	(13,439)	(13,842)	(14,257)	(14,685)	(15,126)	(15,581)	(16,050)	(16,533)	
7th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferred Developer Fee	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Seller Financing	(284,994)	(63,059)	(68,892)	(74,704)	(80,491)	(86,259)	(92,020)	(97,771)	(103,514)	(109,254)	(114,999)	(120,750)	(126,507)	(132,271)	(138,042)	(143,819)	(149,603)	(155,393)	
11th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Incentive Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Cash Flow	\$ 212,247	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Funded from Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Funded by Operating Disincentives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash for Distributions	\$ 212,247	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Limited Partner Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash Flow to Fund	\$ 212,247	\$ 212,226	\$ 212,226	\$ 212,227	\$ 212,227	\$ 212,227	\$ 212,227	\$ 212,227	\$ 212,227	\$ 212,227	\$ 212,227	\$ 212,227	\$ 212,227	\$ 212,227	\$ 212,228	\$ 212,228	\$ 212,228	\$ 212,228	
Cumulative	\$ 212,247	\$ 424,452	\$ 636,678	\$ 848,905	\$ 1,061,132	\$ 1,273,359	\$ 1,485,586	\$ 1,697,813	\$ 1,910,040	\$ 2,122,267	\$ 2,334,494	\$ 2,546,721	\$ 2,758,948	\$ 2,971,175	\$ 3,183,402	\$ 3,395,629	\$ 3,607,856	\$ 3,820,083	
Debt Service Coverage Ratio	2.38	1.18	1.19	1.20	1.22	1.23	1.26	1.27	1.28	1.29	1.31	1.32	1.33	1.34	1.35	1.36	1.37	1.38	
DOCR At and Beyond	2.10	2.06	2.00	1.98	1.97	1.95	1.92	1.88	1.87	1.86	1.85	1.84	1.82	1.80	1.79	1.77	1.76	1.75	
Income to Expense Ratio	2.10	2.06	2.00	1.98	1.97	1.95	1.92	1.88	1.87	1.86	1.85	1.84	1.82	1.80	1.79	1.77	1.76	1.75	

Income/(Loss) **Mission Terrace**

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
NOI before Rep. Reserves	393,122	557,998	544,543	551,091	557,640	564,186	570,725	577,252	583,763	590,253	596,718	603,151	609,548	615,903	622,211	628,464	634,656
Other Taxable Income:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Reserves	-	-	231	707	1,197	1,702	6,894	6,765	7,316	7,884	8,470	9,072	6,850	7,489	8,148	8,827	9,525
State Income Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ 231	\$ 707	\$ 1,197	\$ 1,702	\$ 6,894	\$ 6,765	\$ 7,316	\$ 7,884	\$ 8,470	\$ 9,072	\$ 6,850	\$ 7,489	\$ 8,148	\$ 8,827	\$ 9,525
Partnership Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Limitation Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Loan Interest	-	(177,833)	(352,567)	(348,269)	(343,764)	(339,043)	(334,095)	(328,909)	(323,474)	(317,777)	(311,807)	(305,551)	(298,993)	(292,120)	(284,917)	(277,368)	(269,450)
1st Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2nd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3rd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LP Asset Management Fee	(5,000)	(5,150)	(5,305)	(5,464)	(5,628)	(5,797)	(5,971)	(6,150)	(6,335)	(6,525)	(6,721)	(6,923)	(7,131)	(7,345)	(7,565)	(7,791)	(8,022)
GP Asset Management Fee	(10,300)	(10,300)	(10,609)	(10,927)	(11,255)	(11,593)	(11,941)	(12,299)	(12,668)	(13,048)	(13,439)	(13,842)	(14,257)	(14,685)	(15,126)	(15,581)	(16,048)
7th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9th	(275,989)	(287,029)	(287,110)	(296,072)	(305,160)	(314,378)	(323,733)	(333,046)	(342,529)	(352,163)	(361,958)	(371,921)	(382,062)	(392,503)	(403,147)	(414,003)	(424,149)
11th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incentive Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	(280,989)	(480,312)	(655,591)	(660,232)	(665,807)	(670,811)	(675,740)	(680,404)	(685,066)	(689,513)	(693,925)	(698,237)	(702,443)	(706,653)	(710,755)	(714,755)	(718,755)
Depreciation	1,871,176	738,593	568,402	568,402	568,402	568,402	590,621	603,952	589,232	581,200	581,200	603,236	613,898	595,700	584,781	584,781	609,556
Amortizable Expenses	80,917	39,776	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	8,538
1,954,093	778,368	580,011	580,011	580,011	580,011	580,011	602,229	615,560	601,340	592,809	592,809	614,845	623,507	607,308	596,389	593,319	618,094
Taxable Income/(Loss)	\$ (1,841,775)	\$ (720,682)	\$ (690,828)	\$ (688,945)	\$ (686,981)	\$ (684,954)	\$ (700,330)	\$ (711,947)	\$ (695,268)	\$ (684,185)	\$ (681,346)	\$ (700,859)	\$ (711,522)	\$ (690,569)	\$ (676,786)	\$ (647,400)	\$ (667,318)
Loss Allocation to G.P.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Admission Income/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*use as loss override	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Initial Income/(Loss) to L.P.	(1,841,775)	(720,610)	(690,759)	(688,876)	(686,912)	(684,865)	(700,280)	(711,876)	(695,198)	(684,116)	(681,478)	(700,789)	(711,480)	(690,500)	(676,718)	(647,335)	(667,451)
Loss Reallocations to G.P.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income/(Loss) to Fund	(1,841,775)	(720,610)	(690,759)	(688,876)	(686,912)	(684,865)	(700,280)	(711,876)	(695,198)	(684,116)	(681,478)	(700,789)	(711,480)	(690,500)	(676,718)	(647,335)	(667,451)
Cumulative	\$ (1,841,775)	\$ (2,562,385)	\$ (3,253,144)	\$ (3,942,020)	\$ (4,628,932)	\$ (5,313,797)	\$ (6,014,077)	\$ (6,725,953)	\$ (7,421,151)	\$ (8,105,267)	\$ (8,786,745)	\$ (9,487,534)	\$ (10,199,014)	\$ (10,889,514)	\$ (11,566,232)	\$ (12,213,567)	\$ (12,881,018)
Tax Credits	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Federal LIHTC Credits to the Fund	\$ 498,131	\$ 664,175	\$ 664,175	\$ 664,175	\$ 664,175	\$ 664,175	\$ 664,175	\$ 664,175	\$ 664,175	\$ 664,175	\$ 664,175	\$ 664,175	\$ 664,175	\$ 664,175	\$ 664,175	\$ 664,175	\$ 664,175
State Historic Credits to the Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State LIHTC Credits to the Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Historic Credits to the Fund 99.99%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy Credits to the Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Mission Terrace

Reserve Accounts

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	
Replacements Reserves																				
Interest Start																				
Balance at beginning of year	11,550	35,343	59,850	85,092	59,850	85,092	111,091	26,779	54,362	82,772	112,034	142,175	31,044	63,020	95,555	129,878	164,819	35,989	73,058	
Deposit from initial uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Current year interest income	231	707	1,197	1,702	2,222	2,222	536	1,087	1,655	2,241	2,843	621	1,260	1,919	2,598	3,296	4,000	4,720	5,461	
Current year deposit from operations	11,550	23,793	24,507	25,242	25,999	26,779	27,583	28,410	29,262	30,140	31,044	31,976	32,935	33,923	34,941	35,989	37,069	38,181	39,331	
Less interest income included in C/F	(231)	(707)	(1,197)	(1,702)	(2,222)	(2,222)	(536)	(1,087)	(1,655)	(2,241)	(2,843)	(621)	(1,260)	(1,919)	(2,598)	(3,296)	(4,000)	(4,720)	(5,461)	
Less expenditures made from account	-	-	-	-	-	-	(111,091)	-	-	-	-	(142,175)	-	-	-	-	(164,819)	-	-	
End of Year Balance	11,550	35,343	59,850	85,092	111,091	26,779	54,362	82,772	112,034	142,175	31,044	63,020	95,555	129,878	164,819	35,989	73,058	111,239		

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Operating Reserves																			
Interest Start																			
Balance at beginning of year	-	-	-	-	-	-	311,473	311,473	311,473	311,473	311,473	311,473	311,473	311,473	311,473	311,473	311,473	311,473	311,473
Deposit from initial uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year interest income	-	-	-	-	-	-	4,672	6,229	6,229	6,229	6,229	6,229	6,229	6,229	6,229	6,229	6,229	6,229	6,229
Current year deposit from operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less interest income included in C/F	-	-	-	-	-	-	(4,672)	(6,229)	(6,229)	(6,229)	(6,229)	(6,229)	(6,229)	(6,229)	(6,229)	(6,229)	(6,229)	(6,229)	(6,229)
Less expenditures made from account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
End of Year Balance	-	-	-	-	-	-	311,473	311,473	311,473	311,473	311,473	311,473	311,473	311,473	311,473	311,473	311,473	311,473	311,473

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Tax/Insurance Escrow																			
Interest Start																			
Balance at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit from initial uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year deposit from operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less interest income included in C/F	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less expenditures made from account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
End of Year Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Other 1																			
Interest Start																			
Balance at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit from initial uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year deposit from operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less interest income included in C/F	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less expenditures made from account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
End of Year Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Other 2																			
Interest Start																			
Balance at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit from initial uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year deposit from operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less interest income included in C/F	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less expenditures made from account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
End of Year Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Reserve Accounts Summary																			
Interest Start																			
Balance at beginning of year	11,550	35,343	59,850	85,092	111,091	26,779	54,362	82,772	112,034	142,175	31,044	63,020	95,555	129,878	164,819	35,989	73,058	111,239	
Deposit from initial uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year interest income	231	707	1,197	1,702	2,222	2,222	536	1,087	1,655	2,241	2,843	621	1,260	1,919	2,598	3,296	4,000	4,720	5,461
Current year deposit from operations	11,550	23,793	24,507	25,242	25,999	26,779	27,583	28,410	29,262	30,140	31,044	31,976	32,935	33,923	34,941	35,989	37,069	38,181	39,331
Less interest income included in C/F	(231)	(707)	(1,197)	(1,702)	(2,222)	(2,222)	(536)	(1,087)	(1,655)	(2,241)	(2,843)	(621)	(1,260)	(1,919)	(2,598)	(3,296)	(4,000)	(4,720)	(5,461)
Less expenditures made from account	-	-	-	-	-	(111,091)	-	-	-	-	-	(142,175)	-	-	-	-	(164,819)	-	-
End of Year Balance	11,550	35,343	59,850	85,092	111,091	26,779	54,362	82,772	112,034	142,175	31,044	63,020	95,555	129,878	164,819	35,989	73,058	111,239	

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036																		
Limited Partner Capital Account																																			
Capital Account %	99.99%																																		
Beginning Balance	\$	(1,127,570)	\$	3,090,122	\$	2,399,363	\$	1,710,486	\$	1,023,574	\$	338,709	\$	(50,098)	\$	(761,974)	\$	(1,457,172)	\$	(2,141,288)	\$	(2,822,766)	\$	(3,523,555)	\$	(4,235,035)	\$	(4,925,556)	\$	(5,602,254)	\$	(6,249,589)			
Contributions		926,431		4,938,302		(0)		311,473		(0)		(0)		(0)		(0)		(0)		(0)		(0)		(0)		(0)		(0)		(0)		(0)			
Distributions		(212,226)		(0)		(0)		(0)		(0)		(0)		(0)		(0)		(0)		(0)		(0)		(0)		(0)		(0)		(0)		(0)			
Energy Credits		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-			
Historic Credits		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-			
Yr of Credit		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-			
Excess Business Interest		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-			
Income/(Losses) to L.P.		714,205		3,810,732		3,090,122		2,399,362		1,710,486		1,023,574		650,182		(50,098)		(761,974)		(1,457,172)		(2,141,288)		(2,822,766)		(3,523,555)		(4,235,036)		(4,925,556)		(5,602,254)		(6,249,589)	
Reallocation of Losses to G.P.		(1,841,775)		(720,610)		(690,759)		(688,876)		(686,912)		(684,865)		(700,280)		(711,876)		(695,198)		(684,116)		(681,478)		(700,789)		(711,480)		(690,300)		(676,718)		(647,335)		(667,451)	
Total Income/(Losses) to L.P.		(1,841,775)		(720,610)		(690,759)		(688,876)		(686,912)		(684,865)		(700,280)		(711,876)		(695,198)		(684,116)		(681,478)		(700,789)		(711,480)		(690,300)		(676,718)		(647,335)		(667,451)	
Year End Balance		\$	(1,127,570)	\$	3,090,122	\$	2,399,363	\$	1,710,486	\$	1,023,574	\$	338,709	\$	(50,098)	\$	(761,974)	\$	(1,457,172)	\$	(2,141,288)	\$	(2,822,766)	\$	(3,523,555)	\$	(4,235,035)	\$	(4,925,556)	\$	(5,602,254)	\$	(6,249,589)		
Basis Calculation																																			
Capital Account Balance before losses		714,205		3,810,732		3,090,122		2,399,362		1,710,486		1,023,574		650,182		(50,098)		(761,974)		(1,457,172)		(2,141,288)		(2,822,766)		(3,523,555)		(4,235,036)		(4,925,556)		(5,602,254)		(6,249,589)	
Minimum Gain		1,200,000		-		-		207,387		-		-		207,387		-		1,591,246		2,263,755		2,933,625		3,693,886		4,393,759		5,072,652		5,737,762		6,376,559		7,117,874	
Deficit Restoration Obligation		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Maximum Loss Allocation		1,914,205		3,810,732		3,090,122		2,399,362		1,710,486		1,023,574		857,569		857,567		829,272		806,582		793,337		871,120		870,203		837,616		812,226		774,306		868,286	
Nonrecourse Debt Analysis																																			
1st Mortgage	100%	-		7,537,118		7,447,677		7,353,938		7,255,694		7,152,729		7,044,816		6,931,717		6,813,183		6,688,952		6,558,751		6,422,294		6,279,279		6,129,391		5,972,300		5,807,660		5,635,108	
2nd	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
3rd	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
4th	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
LP Asset Management Fee	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
GP Asset Management Fee	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
7th	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Deferred Developer Fee	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
9th	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Scatter Financing	100%	7,175,722		7,177,757		7,401,808		7,628,988		7,859,444		8,093,331		8,326,144		8,563,213		8,804,084		9,048,953		9,298,032		9,551,547		9,812,582		10,078,666		10,350,076		10,603,737		10,861,702	
11th	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
12th	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
13th	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
14th	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
15th	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
16th	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Incentive Management Fee	0%	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Less Lender Held Reserves	Yes	-		(11,550)		(35,343)		(59,850)		(85,092)		(111,091)		(26,779)		(54,362)		(82,772)		(112,034)		(142,175)		(31,044)		(63,020)		(95,955)		(129,878)		(164,819)		(35,989)	
Replacements Reserves	Yes	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Operating Reserves	Yes	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Tax/Insurance Escrow	Yes	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Other 1	Yes	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Other 2	Yes	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Net Book Value of Assets																																			
Initial Depreciable Cost		18,645,752		18,645,752		18,645,752		18,645,752		18,645,752		18,645,752		18,645,752		18,645,752		18,645,752		18,645,752		18,645,752		18,645,752		18,645,752		18,645,752		18,645,752		18,645,752		18,645,752	
Land		1,600,000		1,600,000		1,600,000		1,600,000		1,600,000		1,600,000		1,600,000		1,600,000		1,600,000		1,600,000		1,600,000		1,600,000		1,600,000		1,600,000		1,600,000		1,600,000		1,600,000	
Other non-depreciable costs		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Additions to depreciable basis		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Tax Credit Basis Reduction		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Accumulated Depreciation		(1,873,176)		(2,611,768)		(3,180,171)		(3,748,573)		(4,316,976)		(4,885,378)		(5,475,999)		(6,079,950)		(6,669,682)		(7,250,882)		(7,832,082)		(8,435,319)		(9,049,217)		(9,644,917)		(10,229,698)		(10,814,479)		(11,424,034)	
Net Book Value		\$	18,372,577	\$	17,633,984	\$	17,065,582	\$	16,497,179	\$	15,928,777	\$	15,360,374	\$	14,825,299	\$	14,221,348	\$	13,631,616	\$	13,050,416	\$	12,469,215	\$	11,937,066	\$	11,323,168	\$	10,727,468	\$	10,142,687	\$	9,557,906	\$	9,030,760
Minimum Gain		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
L.P. Minimum Gain		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-	
		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
		\$	18,372,577	\$	17,633,984	\$	17,065,58																												

Lower Tier Benefits Schedule														Mission Terrace		
Year	Equity Contribution	Projected Taxable Income (Loss)	Deduct Stressed Cash Flow 100.00%	Projected Tax Benefits 21.00%	Projected Federal Housing Tax Credits	Projected Historic Rehab Tax Credits	Projected State Tax Credits	Federal Tax Effect on State Credits	Projected Historic Credits	Projected Energy Credits	Projected Total Tax Benefits	0.00% Projected Cash Flow	Total Investing L.P. Benefits			
2020	926,431	(1,841,775)	212,226	431,340	498,081	-	-	-	-	-	929,421	-	929,421			
2021	4,938,302	(720,610)	0	151,328	664,108	-	-	-	-	-	815,436	-	815,436			
2022	-	(690,759)	-	145,059	664,108	-	-	-	-	-	809,167	-	809,167			
2023	-	(688,876)	0	144,664	664,108	-	-	-	-	-	808,772	-	808,772			
2024	-	(686,912)	0	144,252	664,108	-	-	-	-	-	808,360	-	808,360			
2025	-	(684,865)	-	143,822	664,108	-	-	-	-	-	807,930	-	807,930			
2026	311,473	(700,280)	-	147,059	664,108	-	-	-	-	-	811,167	-	811,167			
2027	-	(711,876)	0	149,494	664,108	-	-	-	-	-	813,602	-	813,602			
2028	-	(695,198)	-	145,992	664,108	-	-	-	-	-	810,100	-	810,100			
2029	-	(684,116)	-	143,664	664,108	-	-	-	-	-	807,772	-	807,772			
2030	-	(681,478)	0	143,110	166,027	-	-	-	-	-	309,137	-	309,137			
2031	-	(700,789)	-	147,166	-	-	-	-	-	-	147,166	-	147,166			
2032	-	(711,480)	-	149,411	-	-	-	-	-	-	149,411	-	149,411			
2033	-	(690,500)	0	145,005	-	-	-	-	-	-	145,005	-	145,005			
2034	-	(676,718)	-	142,111	-	-	-	-	-	-	142,111	-	142,111			
2035	-	(647,335)	-	135,940	-	-	-	-	-	-	135,940	-	135,940			
2036	-	-	-	-	-	-	-	-	-	-	-	-	-			
2037	-	-	-	-	-	-	-	-	-	-	-	-	-			
2038	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total	6,176,206	(12,213,567)	212,228	2,609,417	6,641,080	-	-	-	-	-	9,250,497	-	9,250,497			
Sale	-	6,249,589	-	(1,312,414)	-	-	-	-	-	-	(1,312,414)	-	(1,312,414)			
Totals	6,176,206	(5,963,978)	212,228	1,297,003	6,641,080	-	-	-	-	-	7,938,083	-	7,938,083			

ATTACHMENT 6

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 and 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: Members of the City Council may 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.

ATTACHMENT 7 – DEVELOPER'S DISCLOSURE STATEMENT

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

1. Name of CONTRACTOR: San Diego Interfaith Housing Foundation
 2. Address and Zip Code: 7956 Lester Ave., Lemon Grove, CA 91945
 3. Telephone Number: 619-668-1532 Ext. 313
 4. Name of Principal Contact for CONTRACTOR: Matthew B. Jumper
 5. Federal Identification Number or Social Security Number of CONTRACTOR: 95-2593136
 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)
 - A partnership known as: _____
- 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:
February 28, 1969
 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% 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. **SEE ATTACHED LIST**

- 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%.(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: San Diego Interfaith Housing Foundation	Guarantor – See attached list of Board of Directors
Address: 7956 Lester Ave., Lemon Grove, CA 91945	
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? **NO** If yes, please explain in detail.
- 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? **NO** If yes, please explain in detail.
- 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% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR): **NOT APPLICABLE**

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

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name:	
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 whatever 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. **Mission Terrace Interfaith Housing Corporation**

Name and Address	Relationship to CONTRACTOR
Name: See attached Organizational Chart of affiliated Interfaith entities	Shares the same Board Directors – See list already provided in 8.b.
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 & 2018 Audits and recent YTD IncomeExpense Statement and Balance Sheet**
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:

Please see earlier RedStone document provided, which is titled: "Sources of Funds"

16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking:
- a. In banks/savings and loans:
 - Name:
 - Address:
 - Amount: \$

- b. By loans from affiliated or associated corporations or firms:
 Name: **Mission Terrace Associates, LP (Seller Note)**
 Address: **7956 Lester Avenue, Lemon Grove, CA 91945**
 Amount: **\$ 4,564,211 (Estimated)**
- c. By sale of readily salable assets/including marketable securities:

Description	Market Value (\$)	Mortgages or Liens (\$)
Mission Terrace Apartments	FORTHCOMING	a) \$837,757
		b) \$2,873,312

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

Name and Address	Contact Name
Name: California Bank & Trust	Steve Herman, Sr. VP & Manager
Address: 1940 Century Park East, Ste. 120	310-407-6181
Los Angeles, CA 90067	
Name:	
Address:	
Name:	
Address:	

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. **NOT APPLICABLE**

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. **NOT APPLICABLE**

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
CMFA Multi-Family Housing Revenue Bond 2013 Series A	DP-DM Housing Partners, L.P. 82 Units, Scattered Site Rehabilitation	8/2013	\$8,225,516	NONE
Multi-Family Housing Revenue Bond 2010 Series G	Orange Villas, L.P. 18 Units, Scattered Site Rehabilitation & New Construction	4/2009	\$2,808,171	NONE
Multi-Family Housing Revenue Bond 2007 Series D	Redwood Villas Sr. Housing Partner, L.P. 92 Units, Rehabilitation	5/2008	\$2,470,000	NONE
Multi-Family Housing Revenue Bond 2007 Series E	Redwood Villas Sr. Housing Partner, L.P. 92 Units, Rehabilitation	5/2008	\$3,580,000	NONE

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: **NOT APPLICABLE: We will contract with a 3rd party builder/general contractor. Unknown at this time.**

a. Name and addresses of such contractor or builder:

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: \$ _____ **NOT APPLICABLE AT THIS TIME**

General description of such work: **NOT APPLICABLE AT THIS TIME**

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) **NOT APPLICABLE AT THIS TIME**

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: **NOT APPLICABLE AT THIS TIME**

Identification of Contract or Development	Location	Amount	Date to be Completed

e. Outstanding construction-contract bids of such contractor or builder: **NOT APPLICABLE AT THIS TIME**

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: **NOT APPLICABLE AT THIS TIME**

23. Does any member of the governing body of the San Diego Housing Commission ("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 the 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:

San Diego Interfaith Housing Foundation has been dedicated to providing, operating, sustaining and advocating for quality, safe, affordable housing for low and moderate income persons that fosters diverse community and life enrichment for 50 years. It has developed 1,435 units in the City/County of San Diego to date.

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)] **See Comprehensive Attachment**

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

See:

Kettering Rose Insurance Company
3545 Camino Del Rio South, Ste. A
San Diego, CA 92108
619 291 7777 phone

License #0E24666

-and-

HUB International Insurance Services Inc.
9855 Scranton Road Suite 100, San Diego, CA 92121
858.255.3261
License #0757776

- 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

- c. Workers Compensation [Attach certificate of insurance showing the amount of coverage and coverage period(s)] **See Attachment**
- d. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)] **See Attachment**
- e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)] **See Attachment from 26.a. above**
- f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

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 the SDHC setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the 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 the SDHC, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the 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: NONE

Government Complaint	Entity	Making	Date	Resolution

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: NONE

Government Agency	License Description	License Number	Date Issued (Original)	Status (Current)	Revocation (Yes/No)

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 the SDHC. **NO FACTORS, FACTS or CONDITIONS IMPEDE San Diego Interfaith Housing Foundation's ability to successfully complete its purposes stated herein.**

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 the SDHC. **With a management team led by President Matthew B. Jumper, San Diego Interfaith Housing Foundation has provided quality, safe, affordable housing for low and moderate income persons in the City/County of San Diego for 50 years, successfully developing 1,435 units.**

35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, SALES of Real Property to, the 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
3/15/2017	SDHC RE: Palm Terrace Apts.	Repaid	\$2,741,192

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:

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:

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

1. Name: Charles Davis, Urban West Development
Address: 3427 Evergreen Road Bonita CA 91902
Phone: 619-944-8466
Project Name and Description: Iowa Street Senior Apartments, New Construction, 120 Units (North Park)
2. Name: Jon McMillan, The Tall Man Group Inc.
Address: 9548 Vista Aleta Valley Center CA 92082
Phone: 760-212-2322
Project Name and Description: C4 Apartments, Scattered Site Rehabilitation, 35 Units (Coronado)
3. Name: Brian Wardwell, Sun Country Builders
Address: 3156 Lionshead Avenue, Carlsbad, CA 92010
Phone: 760-630-8042
Project Name and Description: Iowa Street Senior Apartments, New Construction, 120 Units (North Park)

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. **Led by SDIHF President**

Matthew B. Jumper since 1992, he has guided development of award winning communities such as: *Brookview Village* in Poway, *Mission Terrace* in Mission Valley, *Redwood Villa* in Oak Park, *Metro Villas* in City Heights, *Renaissance at North Park* in North Park, *Cornerstone Court* in El Cajon, *Lillian Place* in East Village, *Coronado Seniors*, *525 Orange* and *Orange Villas* in Coronado, *Brighton Place* in Poway, and *Iowa Street Seniors* in North Park. Drawing upon substantial knowledge and experience involving affordable housing finance & construction, for over 27 years SDIHF has exercised care and prudent construction capabilities in pooling available local resources for successful project completions.

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

Name	Experience
To Be Determined	We will contract with a 3 rd party builder/general contractor. Unknown at this time.

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 the 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 the 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 the 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 21st day of May, 20 19, at San Diego, California.

CONTRACTOR

By: 
Signature

President
Title

CERTIFICATION

San Diego Interfaith

The CONTRACTOR, Housing Foundation, 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: *[Signature]*
Title: President
Dated: 5/21/19

By: _____
Title: _____
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

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 21 day of May, 2019

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



[Signature]
Signature of Notary

SEAL

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.

FINANCIAL STATEMENTS - INCOME TAX BASIS

MARCH 31, 2017 AND 2016

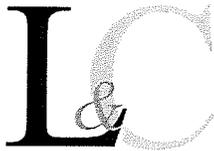


Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

**SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
FINANCIAL STATEMENTS - INCOME TAX BASIS
MARCH 31, 2017 AND 2016**

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Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

Independent Auditor's Report

To the Board of Directors
San Diego Interfaith Housing Foundation, Inc.
7956 Lester Avenue
Lemon Grove, California 91945

We have audited the accompanying financial statements of San Diego Interfaith Housing Foundation, Inc., which comprise the statements of assets, liabilities, and net assets—income tax basis, as of March 31, 2017 and 2016, and the related statements of revenues, expenses, and changes in net assets—income tax basis and cash flows – income tax basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting as described in Note 2; this includes determining that the income tax basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of San Diego Interfaith Housing Foundation, Inc. as of March 31, 2017 and 2016 and its revenues, expenses, and changes in net assets and cash flows for the years then ended in accordance with the basis of accounting San Diego Interfaith Housing Foundation, Inc. uses for income tax purposes described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of accounting San Diego Interfaith Housing Foundation, Inc. uses for income tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Leaf & Cole LLP

San Diego, California
July 7, 2017

**SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
STATEMENTS OF ASSETS, LIABILITIES AND
NET ASSETS - INCOME TAX BASIS
MARCH 31, 2017 AND 2016**

ASSETS

	<u>2017</u>	<u>2016</u>
<u>Assets:</u> (Notes 2, 3, 4, 5, 6, 7 and 8)		
Cash and cash equivalents	\$ 1,756,339	\$ 1,405,198
Investments	5,244,362	4,829,317
Prepaid expenses	39,269	884
Ground lease receivable - Related party	56,250	36,250
Accrued interest receivable - Related parties	2,364,793	2,018,777
Accounts receivable - Related parties	15,042,926	14,660,984
Investment in partnerships	547,528	650,131
Notes receivable - Related parties	8,021,434	8,071,685
Property and equipment, net	<u>1,536,013</u>	<u>1,543,643</u>
TOTAL ASSETS	\$ <u>34,608,914</u>	\$ <u>33,216,869</u>

LIABILITIES AND NET ASSETS

<u>Liabilities:</u> (Notes 2, 4 and 9)		
Accounts payable and accrued expenses	\$ 19,742	\$ 23,096
Accrued interest payable	2,500	2,750
Note payable	500,000	500,000
Share of deficiency in partnerships	1,195,035	933,649
Total Liabilities	<u>1,717,277</u>	<u>1,459,495</u>
<u>Contingencies</u> (Note 11)		
<u>Unrestricted Net Assets</u> (Note 2)	<u>32,891,637</u>	<u>31,757,374</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>34,608,914</u>	\$ <u>33,216,869</u>

The accompanying notes are an integral part of the financial statements.

**SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - INCOME TAX BASIS
FOR THE YEARS ENDED MARCH 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<u>Revenue and Support:</u>		
Investment income	\$ 866,399	\$ 364,127
Partnership management fees	143,455	125,539
Refunds and rebates	106,771	-
Residual receipts revenue	87,458	82,958
Residential services fee	66,624	52,749
Ground lease income	45,000	45,000
Contributions:		
Related parties	300,000	150,620
Other	17,500	17,500
Miscellaneous income	1,982	19,002
Developer fees	-	666,127
Total Revenue and support	<u>1,635,189</u>	<u>1,523,622</u>
 <u>Expenses:</u>		
Program Services:		
Donations	79,863	65,296
Affordable housing	24,613	23,570
Total Program Services	<u>104,476</u>	<u>88,866</u>
Supporting Services:		
Management and general	32,461	40,831
Total Supporting Services	<u>32,461</u>	<u>40,831</u>
Total Expenses	<u>136,937</u>	<u>129,697</u>
Change in Unrestricted Net Assets Before (Loss) Income From Partnerships	1,498,252	1,393,925
(Loss) Income From Investment in Partnerships (Note 10)	<u>(363,989)</u>	<u>73,902</u>
Change in Unrestricted Net Assets	1,134,263	1,467,827
Unrestricted Net Assets at Beginning of Year	<u>31,757,374</u>	<u>30,289,547</u>
UNRESTRICTED NET ASSETS AND END OF YEAR	<u><u>\$ 32,891,637</u></u>	<u><u>\$ 31,757,374</u></u>

The accompanying notes are an integral part of the financial statements.

**SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
STATEMENTS OF CASH FLOWS - INCOME TAX BASIS
FOR THE YEARS ENDED MARCH 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<u>Cash Flows From Operating Activities:</u>		
Change in unrestricted net assets	\$ 1,134,263	\$ 1,467,827
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Depreciation	20,525	20,398
Unrealized and realized (gains) losses on investments	(415,045)	218,776
(Income) Loss from investment in partnerships	363,989	(73,902)
(Increase) Decrease in:		
Prepaid expenses	(38,385)	(519)
Ground lease receivable - Related party	(20,000)	-
Accrued interest receivable - Related parties	(346,016)	(210,883)
Increase (Decrease) in:		
Accounts payable and accrued expenses	(3,354)	(9,405)
Accrued interest payable	(250)	2,750
Net Cash Provided by Operating Activities	<u>695,727</u>	<u>1,415,042</u>
<u>Cash Flows From Investing Activities:</u>		
Purchase of investments, net	-	(153,006)
Increase in accounts receivable - Related parties	(381,942)	(2,641,166)
Repayment of notes receivable - Related parties	50,251	109,306
Net Cash Used in Investing Activities	<u>(344,586)</u>	<u>(2,684,866)</u>
<u>Cash Flows From Financing Activities:</u>		
Proceeds from note payable	-	500,000
Net Cash Provided by Financing Activities	<u>-</u>	<u>500,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	351,141	(769,824)
Cash and Cash Equivalents at Beginning of Year	<u>1,405,198</u>	<u>2,175,022</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,756,339</u>	<u>\$ 1,405,198</u>

The accompanying notes are an integral part of the financial statements.

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 1 - Organization:

San Diego Interfaith Housing Foundation, Inc. (the "Corporation") is a not-for-profit corporation. Its mission is to sponsor and assist in the development of quality low cost, single and multi-family housing for low income and handicapped persons in the greater San Diego metropolitan area.

Note 2 - Significant Accounting Policies:

Accounting Method

The Corporation prepares its financial statements on the accounting basis used for federal income tax purposes. Under the basis of accounting used for income tax purposes, assets and liabilities as well as revenue and expenses are reported in accordance with the rules and regulations established under the Internal Revenue Code ("IRC"), which is comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, certain expenditures and property and equipment may be expensed and depreciated in different periods and at different methods and recovery periods than those required by accounting principles generally accepted in the United States of America ("U.S. GAAP").

Financial Statement Presentation

The financial statements present information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with the income tax basis of accounting requires management to make estimates and assumptions, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The Corporation invests in various types of investment securities which are exposed to various risks, such as interest rate, market, and credit risks. Investments have been reported at fair value based upon quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of assets, liabilities and net assets - income tax basis.

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 2 - Significant Accounting Policies: (Continued)

Capitalization and Depreciation

The Corporation capitalizes all expenditures in excess of \$5,000 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as unrestricted unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted. Absent donor stipulations regarding how long those donated assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Corporation reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful asset lives as follows:

Buildings	39 years
Building equipment - Portable	5 - 7 years
Improvements	10 - 15 years

Depreciation totaled \$20,525 and \$20,398 for the years ended March 31, 2017 and 2016, respectively.

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property or equipment, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Revenues from developer fees, partnership management fees, and other revenues are recognized in the period in which the related work is performed in accordance with the terms of the partnership and other agreements in place for each related party. Accounts receivable - related parties is recorded when revenue earned exceeds the cash received. Unearned revenue is recorded when cash received exceeds the revenue earned.

Donated Services and Support

The Corporation utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the years ended March 31, 2017 and 2016, did not meet the requirements above; therefore, no amounts were recognized in the financial statements.

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 2 - Significant Accounting Policies: (Continued)

Allocated Expenses

The Corporation allocates its expenses on a functional basis among its various programs and supporting services. Expenditures which can be identified with a specific program or support service are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized, and estimates made by Corporation's management.

Income Taxes

The Corporation is a public charity and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Corporation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Corporation is not a private foundation.

The Corporation's Return of Organization Exempt from Income Tax for the years ended March 31, 2017, 2016, 2015 and 2014 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

Concentration of Credit Risk

The Corporation maintains its cash and investments in bank deposit accounts and brokerage accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. The Corporation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and Cash Equivalents

For purposes of the statements of cash flows - income tax basis, the Corporation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Subsequent Events

The Corporation has evaluated subsequent events through July 7, 2017, which is the date the financial statements are available for issuance, and concluded that there were no events or transactions that needed to be disclosed.

Note 3 - Investments:

Investments consist of the following at March 31:

	<u>2017</u>	<u>2016</u>
Mutual funds:		
Income funds	\$ 3,172,986	\$ 2,838,987
Blended funds	1,022,463	1,021,314
Growth funds	1,048,913	969,016
Total Investments	<u>\$ 5,244,362</u>	<u>\$ 4,829,317</u>

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 3 - Investments: (Continued)

The following schedule summarizes the investment income and its classification in the statement of revenues, expenses and changes in net assets - income tax basis for the years ended March 31:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 602,093	\$ 582,903
Unrealized and realized gains (losses) on investments	<u>264,306</u>	<u>(218,776)</u>
Total Investment Income	<u>\$ 866,399</u>	<u>\$ 364,127</u>

Note 4 - Ground Lease Receivable - Related Party:

The Corporation has entered into a lease agreement with Redwood Villa Senior Housing Partners, L.P. ("Redwood"), a related party, for 75 years commencing September 1, 2007. The lease calls for annual payments of \$45,000 from distributions of cash flow as defined in Redwood's partnership agreement. Ground lease income totaled \$45,000 for the years ended March 31, 2017 and 2016. Ground lease receivable - related party totaled \$56,250 and \$36,250 at March 31, 2017 and 2016, respectively.

Note 5 - Accounts Receivable - Related Parties:

In addition to management and resident services, the Corporation has provided development services with respect to various projects in which the Corporation has a partner interest. The Corporation has the following receivables from these projects for funds that have been advanced in relation to development or for contracted services provided as follows at March 31:

	<u>2017</u>	<u>2016</u>
Iowa Street Senior Housing Partners, L.P.	\$ 4,065,420	\$ 4,047,626
Mountain View Villas, L.P.	3,754,538	3,854,538
220 Quince, L.P.	2,309,243	2,297,543
Redwood Villa Senior Housing Partners, L.P.	1,175,100	1,244,202
Renaissance Senior Housing Partners, L.P.	1,160,498	1,191,908
Lillian Place, L.P.	1,113,784	1,091,304
1360 Melody, L.P.	803,530	882,530
Brookview Senior Housing Partners, L.P.	61,132	35,601
Orange Villas, L.P.	14,146	14,146
Mission Terrace Associates	43,421	1,586
DP-DM Housing Partners, L.P.	16,391	-
Interfaith Development Corporation	61,474	-
Palm Terrace Interfaith Housing Corporation	389,512	-
Pacific Vista Las Flores, L.P.	9,454	-
Brighton Avenue, L.P.	52,471	-
525 Orange Avenue, L.P.	6,149	-
Metro Villas Housing Partners, L.P.	<u>6,663</u>	<u>-</u>
Total Accounts Receivable - Related Parties	<u>\$ 15,042,926</u>	<u>\$ 14,660,984</u>

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 6 - Investment in Partnerships:

The Corporation owns partner interests in limited partnerships accounted for on the equity method. The following are the balances in the Corporation's partnership tax basis capital accounts at March 31:

	<u>2017</u>	<u>2016</u>
Mountain View Villas, L.P.	\$ 365,563	\$ 235,070
Mission Terrace Associates	110,725	382,048
1360 Melody L.P.	71,240	33,013
Orange Villas, L.P.	<u>(1,195,035)</u>	<u>(933,649)</u>
	<u>\$ (647,507)</u>	<u>\$ (283,518)</u>

	<u>2017</u>	<u>2016</u>
Financial Statement Presentation:		
Investment in Partnerships	\$ 547,528	\$ 650,131
Share of deficiency in partnerships	<u>(1,195,035)</u>	<u>(933,649)</u>
	<u>\$ (647,507)</u>	<u>\$ (283,518)</u>

Note 7 - Notes Receivable - Related Parties:

Note receivable - related parties consist of the following at March 31:

	<u>2017</u>	<u>2016</u>
The subordinated note receivable from Redwood Villa Senior Housing Partners, L.P., a related party, bears interest at 5.09% and matures in October 2052. The note is secured by a subordinated deed of trust with principal and interest payable from distributions of cash flow as defined in the partnership agreement. Accrued interest totaled \$2,152,183 and \$1,925,639 at March 31, 2017 and 2016, respectively.	\$ 4,450,765	\$ 4,450,765

The subordinated note receivable from DP-DM Housing Partners, L.P., a related party, bears interest at 5% and matures in June 2053. The note is secured by a short form deed of trust with assignment of rents with principal and interest payable from distributions of cash flow as defined in the partnership agreement. Accrued interest totaled \$147,343 and \$55,832 at March 31, 2017 and 2016, respectively.	1,830,226	1,830,226
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(Continued)

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 7 - Notes Receivable - Related Parties: (Continued)

The subordinated note receivable from DP-DM Housing Partners, L.P., a related party, bears interest at 5% and matures in June 2053. The note is secured by a short form deed of trust with assignment of rents. Principal and interest were payable from distributions of cash flow as defined in the partnership agreement. The note was amended on August 1, 2014. Principal and interest are now payable in annual payments of \$109,941 unless the California Community Reinvestment Corporation has determined that the net income to debt services ratio of DP-DM Housing Partners, L.P. for the prior year has fallen below 1.15 to 1.00. Accrued interest totaled \$65,267 and \$37,306 at March 31, 2017 and 2016, respectively.

	<u>2017</u>	<u>2016</u>
	\$ 1,740,443	\$ 1,790,694
Total Notes Receivable	<u>\$ 8,021,434</u>	<u>\$ 8,071,685</u>

Note 8 - Property and Equipment:

Property and equipment consist of the following at March 31:

	<u>2017</u>	<u>2016</u>
Land	\$ 1,205,000	\$ 1,205,000
Buildings	435,000	435,000
Building equipment - Portable	54,078	41,183
Improvements	107,974	107,974
Subtotal	<u>1,802,052</u>	<u>1,789,157</u>
Less: Accumulated depreciation	(266,039)	(245,514)
Property and Equipment, Net	<u>\$ 1,536,013</u>	<u>\$ 1,543,643</u>

Note 9 - Note Payable:

Note payable consists of the following at March 31:

	<u>2017</u>	<u>2016</u>
Unsecured note payable to Wells Fargo Community Improvement Holdings. The note bears interest at a fixed rate of 2% annually, with interest only payments due quarterly, maturing on November 19, 2019. The note terms can be extended two additional years at a modified interest rate. Accrued interest totaled \$2,500 and \$2,750 at March 31, 2017 and 2016, respectively.	<u>\$ 500,000</u>	<u>\$ 500,000</u>

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 9 - Note Payable: (Continued)

Future principal payments on notes payable are as follows:

Years Ended March 31	
2018	\$ -
2019	-
2020	500,000
	\$ 500,000

Note 10 - Related Party Transactions:

The Corporation receives developer fees, partnership management fees, residual receipts revenue, income (loss) from investment in partnerships, residential services fees, and contributions from entities which have a common Board of Directors. In addition, the Corporation received interest on developer fees receivable from Redwood Villa Senior Housing Partners, L.P., a related party, totaling \$45,366 and \$47,482 for the years ended March 31, 2017 and 2016, respectively, which is included in investment income. San Diego Interfaith Housing Foundation, Inc. earned the following amounts for the years ended March 31:

	2017				
	Partnership Management Fees	Developer Fees	Residual Receipts Revenue	Income (Loss) from Investment in Partnerships	Residential Service Fees
1360 Melody, L.P.	\$ -	\$ -	\$ -	\$ 38,227	\$ -
525 Orange Avenue, L.P.	6,149	-	-	-	-
Brighton Avenue, L.P.	16,883	-	-	-	35,590
Brookview Senior Housing Partners, L.P.	25,531	-	-	-	-
Coronado Senior Housing Partners, L.P.	-	-	-	-	-
Del Prado Interfaith Housing Corporation	-	-	-	-	-
Delta Manor Interfaith Housing Corporation	-	-	-	-	-
DP-DM Housing Partners, L.P.	16,391	-	-	-	-
Iowa Street Senior Housing Partners, L.P.	-	-	-	-	-
Lillian Place, L.P.	9,459	-	-	-	31,034
Metro Villas Housing Partners, L.P.	6,667	-	-	-	-
Mission Terrace Associates	32,921	-	-	(271,323)	-
Mountain View Villas, L.P.	-	-	-	130,493	-
Orange Villas, L.P.	-	-	-	(261,386)	-
Pacific Vista Las Flores, L.P.	9,454	-	-	-	-
Palm Terrace Interfaith Housing Corporation	-	-	87,458	-	-
Presioca Villa Interfaith Housing Corporation	-	-	-	-	-
Redwood Villa Senior Housing Partners, L.P.	-	-	-	-	-
Renaissance Senior Housing Partners, L.P.	20,000	-	-	-	-
Total	\$ 143,455	\$ -	\$ 87,458	\$ (363,989)	\$ 66,624

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 10 - Related Party Transactions: (Continued)

	2016				
	Partnership Management Fees	Developer Fees	Residual Receipts Revenue	Income (Loss) from Investment in Partnerships	Residential Service Fees
1360 Melody, L.P.	\$ -	\$ -	\$ -	\$ 48,900	\$ -
525 Orange Avenue, L.P.	5,971	-	-	-	-
Brighton Avenue, L.P.	16,391	-	3	-	39,543
Brookview Senior Housing Partners, L.P.	24,847	-	-	-	-
Coronado Senior Housing Partners, L.P.	-	-	5,045	-	-
DP-DM Housing Partners, L.P.	15,914	216,127	-	-	-
Iowa Street Senior Housing Partners, L.P.	-	450,000	-	115,783	-
Lillian Place, L.P.	9,184	-	-	-	13,206
Metro Villas Housing Partners, L.P.	6,667	-	-	-	-
Mission Terrace Associates	17,386	-	-	(64,273)	-
Mountain View Villas, L.P.	-	-	-	229,900	-
Orange Villas, L.P.	-	-	-	(256,408)	-
Pacific Vista Las Flores, L.P.	9,179	-	-	-	-
Palm Terrace Interfaith Housing Corporation	-	-	77,910	-	-
Presioca Villa Interfaith Housing Corporation	-	-	-	-	-
Redwood Villa Senior Housing Partners, L.P.	-	-	-	-	-
Renaissance Senior Housing Partners, L.P.	20,000	-	-	-	-
Total	<u>\$ 125,539</u>	<u>\$ 666,127</u>	<u>\$ 82,958</u>	<u>\$ 73,902</u>	<u>\$ 52,749</u>

Note 11 - Litigation:

Legal claims and lawsuits arise from time to time in the normal course of business. The Corporation's management and legal counsel estimate that the potential claims against the Corporation not covered by insurance, resulting from such litigation would not materially affect the operations or financial condition of the Corporation.

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.

FINANCIAL STATEMENTS - INCOME TAX BASIS

MARCH 31, 2018 AND 2017



Leaf & Cole, LLP
Certified Public Accountants

**SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
FINANCIAL STATEMENTS - INCOME TAX BASIS
MARCH 31, 2018 AND 2017**

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Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

Independent Auditor's Report

To the Board of Directors
San Diego Interfaith Housing Foundation, Inc.

We have audited the accompanying financial statements of San Diego Interfaith Housing Foundation, Inc., which comprise the statements of assets, liabilities, and net assets - income tax basis, as of March 31, 2018 and 2017, and the related statements of revenues, expenses, and changes in net assets - income tax basis and cash flows – income tax basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting San Diego Interfaith Housing Foundation uses for income tax purposes; this includes determining that the income tax basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of San Diego Interfaith Housing Foundation, Inc. as of March 31, 2018 and 2017 and its revenues, expenses, and changes in net assets and cash flows for the years then ended in accordance with the basis of accounting San Diego Interfaith Housing Foundation, Inc. uses for income tax purposes described in Note 2.

Correction of Error

As discussed in Note 12 to the financial statements, certain errors resulting in understatement of amounts previously reported for Investment in Partnerships and revenue as of March 31, 2017, were discovered by management during the current year. Accordingly, amounts reported for Investment in Partnerships and Income (loss) from Investments in Partnerships have been restated in the 2017 financial statements now presented, and an adjustment has been made to unrestricted net assets as of March 31, 2017, to correct the error. Our opinion is not modified with respect to that matter.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of accounting San Diego Interfaith Housing Foundation, Inc. uses for income tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Leaf & Cole LLP

San Diego, California
July 6, 2018

**SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
STATEMENTS OF ASSETS, LIABILITIES AND
NET ASSETS - INCOME TAX BASIS
MARCH 31, 2018 AND 2017**

ASSETS

	<u>2018</u>	<u>2017</u>
<u>Assets:</u> (Notes 2, 3, 4, 5, 6, 7 and 8)		
Cash and cash equivalents	\$ 3,963,455	\$ 1,756,339
Investments	5,497,365	5,244,362
Prepaid expenses	119,999	39,269
Ground lease receivable - Related party	56,250	56,250
Accounts receivable - Related parties	14,572,446	15,042,926
Accrued interest receivable - Related parties	2,565,153	2,364,793
Notes receivable - Related parties	7,998,515	8,021,434
Investment in partnerships	1,037,165	732,689
Property and equipment, net	<u>1,745,819</u>	<u>1,536,013</u>
TOTAL ASSETS	\$ <u>37,556,167</u>	\$ <u>34,794,075</u>

LIABILITIES AND NET ASSETS

<u>Liabilities:</u> (Notes 2, 6 and 9)		
Accounts payable and accrued expenses	\$ 11,650	\$ 19,742
Accrued interest payable	2,500	2,500
Note payable	500,000	500,000
Share of deficiency in partnerships	<u>1,464,495</u>	<u>1,195,035</u>
Total Liabilities	<u>1,978,645</u>	<u>1,717,277</u>
<u>Contingencies</u> (Note 11)		
<u>Unrestricted Net Assets</u> (Notes 2 and 12)	<u>35,577,522</u>	<u>33,076,798</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>37,556,167</u>	\$ <u>34,794,075</u>

The accompanying notes are an integral part of the financial statements.

**SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - INCOME TAX BASIS
FOR THE YEARS ENDED MARCH 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<u>Revenue and Support:</u>		
Developer fees	\$ 1,350,000	\$ -
Investment income	698,029	866,399
Partnership management fees	170,386	143,455
Residual receipts revenue	76,373	87,458
Residential services fees	67,865	66,624
Ground lease income	45,000	45,000
Miscellaneous income	2	1,982
Refunds and rebates	-	106,771
Contributions:		
Related parties	156,767	300,000
Other	20,000	17,500
Total Revenue and Support	<u>2,584,422</u>	<u>1,635,189</u>
<u>Expenses:</u>		
Program Services:		
Donations	62,450	79,863
Affordable housing	27,704	24,613
Total Program Services	<u>90,154</u>	<u>104,476</u>
Supporting Services:		
Management and general	28,560	32,461
Total Supporting Services	<u>28,560</u>	<u>32,461</u>
Total Expenses	<u>118,714</u>	<u>136,937</u>
Change in Unrestricted Net Assets Before Income From Partnerships	2,465,708	1,498,252
Income (Loss) From Investment in Partnerships (Note 10)	<u>35,016</u>	<u>(178,828)</u>
Change in Unrestricted Net Assets	2,500,724	1,319,424
Unrestricted Net Assets at Beginning of Year	<u>33,076,798</u>	<u>31,757,374</u>
UNRESTRICTED NET ASSETS AT END OF YEAR (Note 12)	<u>\$ 35,577,522</u>	<u>\$ 33,076,798</u>

The accompanying notes are an integral part of the financial statements.

**SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
STATEMENTS OF CASH FLOWS - INCOME TAX BASIS
FOR THE YEARS ENDED MARCH 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<u>Cash Flows From Operating Activities:</u>		
Change in unrestricted net assets	\$ 2,500,724	\$ 1,319,424
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Depreciation	20,194	20,525
Unrealized and realized (gains) losses on investments	(79,867)	(264,306)
(Income) loss from investment in partnerships	(35,016)	178,828
(Increase) Decrease in:		
Prepaid expenses	(80,730)	(38,385)
Ground lease receivable - Related party	-	(20,000)
Accrued interest receivable - Related parties	(200,360)	(346,016)
Increase (Decrease) in:		
Accounts payable and accrued expenses	(8,092)	(3,354)
Accrued interest payable	-	(250)
Net Cash Provided by Operating Activities	<u>2,116,853</u>	<u>846,466</u>
<u>Cash Flows From Investing Activities:</u>		
Purchase of investments, net	(173,136)	(150,739)
Decrease (increase) in accounts receivable - Related parties	470,480	(381,942)
Repayment of notes receivable - Related parties	22,919	50,251
Purchase of property and equipment	(230,000)	(12,895)
Net Cash Provided by (Used in) Investing Activities	<u>90,263</u>	<u>(495,325)</u>
Net Increase in Cash and Cash Equivalents	2,207,116	351,141
Cash and Cash Equivalents at Beginning of Year	<u>1,756,339</u>	<u>1,405,198</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,963,455</u>	<u>\$ 1,756,339</u>

The accompanying notes are an integral part of the financial statements.

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

Note 1 - Organization:

San Diego Interfaith Housing Foundation, Inc. (the "Corporation") is a not-for-profit corporation. Its mission is to sponsor and assist in the development of quality low cost, single and multi-family housing for low income and handicapped persons in the greater San Diego metropolitan area.

Note 2 - Significant Accounting Policies:

Accounting Method

The Corporation prepares its financial statements on the accounting basis used for federal income tax purposes. Under the basis of accounting used for income tax purposes, assets and liabilities as well as revenue and expenses are reported in accordance with the rules and regulations established under the Internal Revenue Code ("IRC"), which is comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, certain expenditures and property and equipment may be expensed and depreciated in different periods and at different methods and recovery periods than those required by accounting principles generally accepted in the United States of America ("U.S. GAAP").

Financial Statement Presentation

The financial statements present information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with the income tax basis of accounting requires management to make estimates and assumptions, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The Corporation invests in various types of investment securities which are exposed to various risks, such as interest rate, market, and credit risks. Investments have been reported at fair value based upon quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of assets, liabilities and net assets - income tax basis.

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

Note 2 - Significant Accounting Policies: (Continued)

Capitalization and Depreciation

The Corporation capitalizes all expenditures in excess of \$5,000 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as unrestricted unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted. Absent donor stipulations regarding how long those donated assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Corporation reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful asset lives as follows:

Buildings	39 years
Building equipment - Portable	5 - 7 years
Improvements	10 - 15 years

Depreciation totaled \$20,194 and \$20,525 for the years ended March 31, 2018 and 2017, respectively.

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property or equipment, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Revenues from developer fees, partnership management fees, and other revenues are recognized in the period in which the related work is performed in accordance with the terms of the partnership and other agreements in place for each related party. Accounts receivable - related parties is recorded when revenue earned exceeds the cash received. Unearned revenue is recorded when cash received exceeds the revenue earned.

Donated Services and Support

The Corporation utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the years ended March 31, 2018 and 2017, did not meet the requirements above; therefore, no amounts were recognized in the financial statements.

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

Note 2 - Significant Accounting Policies: (Continued)

Allocated Expenses

The Corporation allocates its expenses on a functional basis among its various programs and supporting services. Expenditures which can be identified with a specific program or support service are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized, and estimates made by the Corporation's management.

Income Taxes

The Corporation is a public charity and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Corporation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Corporation is not a private foundation.

The Corporation's Return of Organization Exempt from Income Tax for the years ended March 31, 2018, 2017, 2016 and 2015 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

Concentration of Credit Risk

The Corporation maintains its cash and investments in bank deposit accounts and brokerage accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. The Corporation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and Cash Equivalents

For purposes of the statements of cash flows - income tax basis, the Corporation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Subsequent Events

The Corporation has evaluated subsequent events through July 6, 2018, which is the date the financial statements are available for issuance, and concluded that there were no events or transactions that needed to be disclosed.

Reclassification

The Corporation has reclassified certain prior year information to conform with the current year presentation.

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

Note 3 - Investments:

Investments are measured at fair value and consist of the following at March 31:

	<u>2018</u>	<u>2017</u>
Mutual funds:		
Income funds	\$ 3,329,313	\$ 3,172,986
Blended funds	1,103,796	1,022,463
Growth funds	1,064,256	1,048,913
Total Investments	<u>\$ 5,497,365</u>	<u>\$ 5,244,362</u>

The following schedule summarizes the investment income and its classification in the statements of revenues, expenses and changes in net assets - income tax basis for the years ended March 31:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 618,162	\$ 602,093
Unrealized and realized gains (losses) on investments	79,867	264,306
Total Investment Income	<u>\$ 698,029</u>	<u>\$ 866,399</u>

Note 4 - Ground Lease Receivable - Related Party:

The Corporation has entered into a lease agreement with Redwood Villa Senior Housing Partners, L.P. ("Redwood"), a related party, for 75 years commencing September 1, 2007. The lease calls for annual payments of \$45,000 from distributions of cash flow as defined in Redwood's partnership agreement. Ground lease income totaled \$45,000 for the years ended March 31, 2018 and 2017. Ground lease receivable - related party totaled \$56,250 and \$56,250 at March 31, 2018 and 2017, respectively.

Note 5 - Accounts Receivable - Related Parties:

In addition to management and resident services, the Corporation has provided development services with respect to various projects in which the Corporation has a partnership interest. The Corporation has the following receivables from these projects for funds that have been advanced in relation to development or for contracted services provided as follows at March 31:

	<u>2018</u>	<u>2017</u>
Mountain View Villas, L.P.	\$ 3,754,538	\$ 3,754,538
Iowa Street Senior Housing Partners, L.P.	3,718,592	4,065,420
Escondido Senior Housing Corporation	2,429,243	2,309,243
Renaissance Senior Housing Partners, L.P.	1,078,974	1,160,498
Redwood Villa Senior Housing Partners, L.P.	1,054,800	1,175,100
Lillian Place, L.P.	1,016,261	1,113,784

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

Note 5 - Accounts Receivable - Related Parties: (Continued)

	<u>2018</u>	<u>2017</u>
1360 Melody, L.P.	\$ 759,542	\$ 803,530
Palm Terrace Interfaith Housing Corporation	313,562	389,512
Brighton Avenue, L.P.	150,059	52,471
Interfaith Development Corporation	66,644	61,474
Brookview Senior Housing Partners, L.P.	63,565	61,132
C4, L.P.	47,493	-
Pacific Vista Las Flores, L.P.	39,846	9,454
Mission Terrace Associates	38,412	43,421
DP-DM Housing Partners, L.P.	17,757	16,391
Metro Villas Housing Partners, L.P.	6,877	6,663
525 Orange Avenue, L.P.	6,377	6,149
Orange Villas, L.P.	5,090	14,146
Horton House Interfaith Housing Corporation	3,797	-
Presioca Villa Interfaith Housing Corporation	486	-
220 Quince, L.P.	336	-
Coronado Senior Housing Partners, L.P.	195	-
Total Accounts Receivable - Related Parties	<u>\$ 14,572,446</u>	<u>\$ 15,042,926</u>

Note 6 - Investment in Partnerships:

The Corporation owns partnership interests in limited partnerships accounted for on the equity method. The following are the balances in the Corporation's partnership tax basis capital accounts at March 31:

	<u>2018</u>	<u>2017</u>
Mountain View Villas, L.P.	\$ 666,762	\$ 365,563
Mission Terrace Associates	274,610	295,886
1360 Melody L.P.	95,793	71,240
Orange Villas, L.P.	<u>(1,464,495)</u>	<u>(1,195,035)</u>
	<u>\$ (427,330)</u>	<u>\$ (462,346)</u>
	<u>2018</u>	<u>2017</u>
Financial Statement Presentation:		
Investment in partnerships	\$ 1,037,165	\$ 732,689
Share of deficiency in partnerships	<u>(1,464,495)</u>	<u>(1,195,035)</u>
	<u>\$ (427,330)</u>	<u>\$ (462,346)</u>

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

Note 7 - Notes Receivable - Related Parties:

Note receivable - related parties consist of the following at March 31:

	<u>2018</u>	<u>2017</u>
<p>The subordinated note receivable from Redwood Villa Senior Housing Partners, L.P., a related party, bears interest at 5.09% and matures in October 2052. The note is secured by a subordinated deed of trust. Principal and interest payable from distributions of cash flow as defined in the partnership agreement. Accrued interest totaled \$2,378,727 and \$2,152,183 at March 31, 2018 and 2017, respectively.</p>	\$ 4,450,765	\$ 4,450,765
<p>The subordinated note receivable from DP-DM Housing Partners, L.P., a related party, bears interest at 5% and matures in June 2053. The note is secured by a short form deed of trust with assignment of rents. Principal and interest are payable from distributions of cash flow as defined in the partnership agreement. Accrued interest totaled \$122,305 and \$147,343 at March 31, 2018 and 2017, respectively.</p>	1,830,226	1,830,226
<p>The subordinated note receivable from DP-DM Housing Partners, L.P., a related party, bears interest at 5% and matures in June 2053. The note is secured by a short form deed of trust with assignment of rents. Principal and interest were payable from distributions of cash flow as defined in the partnership agreement. The note was amended on August 1, 2014. Principal and interest are now payable in annual payments of \$109,941 unless the California Community Reinvestment Corporation has determined that the net income to debt services ratio of DP-DM Housing Partners, L.P. for the prior year has fallen below 1.15 to 1.00. Accrued interest totaled \$64,121 and \$65,267 at March 31, 2018 and 2017, respectively.</p>	<u>1,717,524</u>	<u>1,740,443</u>
<p style="padding-left: 20px;">Total Notes Receivable</p>	<u>\$ 7,998,515</u>	<u>\$ 8,021,434</u>

Note 8 - Property and Equipment:

Property and equipment consist of the following at March 31:

	<u>2018</u>	<u>2017</u>
Land	\$ 1,205,000	\$ 1,205,000
Buildings	435,000	435,000
Building equipment - Portable	54,078	54,078
Improvements	107,974	107,974
Construction in progress	<u>230,000</u>	<u>-</u>
Subtotal	2,032,052	1,802,052
Less: Accumulated depreciation	<u>(286,233)</u>	<u>(266,039)</u>
Property and Equipment, Net	<u>\$ 1,745,819</u>	<u>\$ 1,536,013</u>

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

Note 9 - Note Payable:

Note payable consists of the following at March 31:

	<u>2018</u>	<u>2017</u>
Unsecured note payable to Wells Fargo Community Improvement Holdings. The note bears interest at a fixed rate of 2% annually, with interest only payments due quarterly, maturing on November 19, 2019. The note terms can be extended two additional years at a modified interest rate. Accrued interest totaled \$2,500 and \$2,500 at March 31, 2018 and 2017, respectively.	<u>\$ 500,000</u>	<u>\$ 500,000</u>

Future principal payments on the note payable are as follows:

<u>Years Ended</u> <u>March 31</u>	
2019	\$ -
2020	500,000
	<u>\$ 500,000</u>

Note 10 - Related Party Transactions:

In addition to the ground lease (Note 4), the Corporation receives developer fees, partnership management fees, residual receipts revenue, income (loss) from investment in partnerships, residential services fees, and contributions from entities which have a common Board of Directors. In addition, the Corporation received interest on developer fees receivable from Redwood Villa Senior Housing Partners, L.P., a related party, totaling \$40,856 and \$45,366 for the years ended March 31, 2018 and 2017, respectively, which is included in investment income. San Diego Interfaith Housing Foundation, Inc. earned the following amounts for the years ended March 31:

	2018				
	Partnership Management Fees	Developer Fees	Residual Receipts Revenue	Income (Loss) from Investment in Partnerships	Residential Service Fees
1360 Melody, L.P.	\$ -	\$ -	\$ -	\$ 24,553	\$ -
525 Orange Avenue, L.P.	6,334	-	-	-	-
Brighton Avenue, L.P.	17,389	-	1	-	34,267
Brookview Senior Housing Partners, L.P.	26,233	-	-	-	-
DP-DM Housing Partners, L.P.	16,883	-	-	-	-
Iowa Street Senior Housing Partners, L.P.	-	1,350,000	-	-	-
Lillian Place, L.P.	9,745	-	-	-	33,598
Metro Villas Housing Partners, L.P.	6,671	-	-	-	-
Mission Terrace Associates	57,393	-	-	(21,276)	-
Mountain View Villas, L.P.	-	-	-	301,199	-
Orange Villas, L.P.	-	-	-	(269,460)	-
Pacific Vista Las Flores, L.P.	9,738	-	-	-	-
Palm Terrace Interfaith Housing Corporation	-	-	76,373	-	-
Renaissance Senior Housing Partners, L.P.	20,000	-	-	-	-
Total	<u>\$ 170,386</u>	<u>\$ 1,350,000</u>	<u>\$ 76,373</u>	<u>\$ 35,016</u>	<u>\$ 67,865</u>

SAN DIEGO INTERFAITH HOUSING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

Note 10 - Related Party Transactions: (Continued)

	2017				
	Partnership Management Fees	Developer Fees	Residual Receipts Revenue	Income (Loss) from Investment in Partnerships	Residential Service Fees
1360 Melody, L.P.	\$ -	\$ -	\$ -	\$ 38,227	\$ -
525 Orange Avenue, L.P.	6,149	-	-	-	-
Brighton Avenue, L.P.	16,883	-	-	-	35,590
Brookview Senior Housing Partners, L.P.	25,531	-	-	-	-
DP-DM Housing Partners, L.P.	16,391	-	-	-	-
Iowa Street Senior Housing Partners, L.P.	-	-	-	-	-
Lillian Place, L.P.	9,459	-	-	-	31,034
Metro Villas Housing Partners, L.P.	6,667	-	-	-	-
Mission Terrace Associates	32,921	-	-	(86,162)	-
Mountain View Villas, L.P.	-	-	-	130,493	-
Orange Villas, L.P.	-	-	-	(261,386)	-
Pacific Vista Las Flores, L.P.	9,454	-	-	-	-
Palm Terrace Interfaith Housing Corporation	-	-	87,458	-	-
Renaissance Senior Housing Partners, L.P.	20,000	-	-	-	-
Total	<u>\$ 143,455</u>	<u>\$ -</u>	<u>\$ 87,458</u>	<u>\$ (178,828)</u>	<u>\$ 66,624</u>

Note 11 - Litigation:

Legal claims and lawsuits arise from time to time in the normal course of business. The Corporation's management and legal counsel estimate that the potential claims against the Corporation not covered by insurance, resulting from such litigation would not materially affect the operations or financial condition of the Corporation.

Note 12 - Prior Period Adjustment:

The Corporation owns a partnership interest in Mission Terrace Associates accounted for on the equity method. The income (loss) from investment in partnerships used to value the investment in partnerships was understated by \$185,161 and is summarized as follows:

	Investment in Partnerships	Income (Loss) From Investment in Partnerships	Unrestricted Net Assets
As Previously Reported, March 31, 2017	\$ 547,528	\$ (363,989)	\$ 32,891,637
Adjustment	185,161	185,161	185,161
As Restated, March 31, 2017	<u>\$ 732,689</u>	<u>\$ (178,828)</u>	<u>\$ 33,076,798</u>

San Diego Interfaith Housing Foundation (021sdihf)

Balance Sheet

Period = Mar 2019

Book = Accrual

		Current Balance
1000-0000	ASSETS	
1001-0000	CURRENT ASSETS	
1100-0000	CASH and CASH EQUIVALENT	
1110-0000	Checking-Operations	4,448,289.24
1112-0000	Savings	999.47
1140-0000	Petty Cash-Property/MJ	300.00
1160-0000	Investment-Fidelity	5,359.11
1163-0000	Investment-UB MM	403,262.21
1165-0000	Cetera	5,619,600.08
1190-0000	TOTAL CASH and CASH EQUIVALENT	10,477,810.11
1300-0000	ACCOUNTS RECEIVABLE	
1330-0000	Recievables-Other/Advances	32,870.65
1337-0000	Receivable-ResServ/Exhibit Fee	166,788.34
1338-0000	Receivable-Dev Fee Interest RV	19,294.75
1340-0000	Receivable-Partnership Management Fee	432,460.67
1345-0000	Developer Fees Receivable-Lillian	272,749.50
1347-0000	Developer Fees Receivable-Redwood	695,143.00
1348-0000	Developer Fees Receivable-Renaissance	619,029.00
1349-0000	TOTAL ACCTS RECEIVABLE	2,238,335.91
1499-0000	TOTAL CURRENT ASSETS	12,716,146.02
1500-0000	FIXED ASSETS	
1501-0000	PROPERTY	
1580-0000	FURNITURE/FIXTURES and EQUIPMENT	
1585-0000	Building Improvements	78,609.21
1587-0000	Furnishings & Appliances	18,604.00
1595-0000	Office Equipment	22,579.03
1599-0000	TOTAL FURNITURE/FIXTURES and EQUIPM	119,792.24
1600-0000	ACCUMULATED DEPRECIATION	
1605-0000	A/D Buildings	-148,720.08
1606-0000	A/D Building Improvements	-93,566.33
1645-0000	A/D Furniture & Fixtures	-43,946.66
1690-0000	TOTAL ACCUMULATED DEPRECIATION	-286,233.07
1699-0000	TOTAL PROPERTY	-166,440.83
1700-0000	INVESTMENTS	
1701-0000	REAL ESTATE	
1715-0001	N/R-RVA Ground Lease	11,250.00
1715-0002	N/R- RV IHC	84,563.44
1715-0004	N/R-Lillian Place	594,064.86
1715-0005	N/R Iowa Street	2,710,941.80
1715-0006	N/R-RVSHP LP	4,450,765.00
1715-0007	N/R-Accrued Interest RVSHP	2,338,940.38
1715-0008	N/R-Melody LP	735,530.48

San Diego Interfaith Housing Foundation (021sdihf)

Balance Sheet

Period = Mar 2019

Book = Accrual

		Current Balance
1715-0009	N/R DP	1,598,693.48
1715-0010	N/R DM	1,830,225.39
1715-0011	N/R MVV	3,654,537.79
1715-0012	N/R-Interest-DP	-1,145.94
1715-0013	N/R-Interest-DM	-65,568.32
1715-0014	N/R Escondido	2,454,243.00
1715-0016	N/R - VLF	30,000.00
1715-0017	N/R-C4	25,264.53
1715-0018	N/R-MT Redevelopment	10,500.00
1715-0019	N/R-IDC	2,491,474.06
1715-0020	N/R-Chula Vista	19,137.07
1715-0021	N/R - PT	238,140.44
1729-0000	TOTAL REAL ESTATE INVESTMENTS	<u>23,211,557.46</u>
1760-0000	INVESTMENTS-Land for Lease	
1760-0002	Investment in Iowa Sr	12,895.17
1760-0005	Investment in C4	99.00
1766-0000	Investment-LP OVL	-427,330.00
1768-0000	Investment-Redwood Villa	890,000.00
1769-0000	Investment-Lester	315,000.00
1770-0000	Investments-Lemon Grove	29,364.65
1771-0000	Investments-Building Lemon Grove	435,000.00
1779-0000	TOTAL INVESTMENTS-Land for Lease	<u>1,254,929.82</u>
1798-0000	TOTAL INVESTMENTS	<u>24,466,487.28</u>
1799-0000	TOTAL FIXED ASSETS	24,300,145.45
1800-0000	OTHER ASSETS	
1999-0000	TOTAL ASSETS	<u>37,016,291.47</u>
2000-0000	LIABILITIES and EQUITY	
2001-0000	LIABILITIES	
2002-0000	CURRENT LIABILITIES	
2003-0000	ACCOUNTS PAYABLE	
2010-0000	Accounts Payable - Trade	6,812.02
2020-0000	Accounts Payable - Other	2,495.00
2029-0000	TOTAL ACCOUNTS PAYABLE	<u>9,307.02</u>
2299-0000	TOTAL CURRENT LIABILITIES	9,307.02
2300-0000	LONG TERM LIABILITIES	
2301-0000	LONG TERM DEBT	
2375-0000	Bank Line of Credit	500,000.00
2399-0000	TOTAL LONG TERM DEBT	<u>500,000.00</u>
2899-0000	TOTAL LONG TERM LIABILITIES	<u>500,000.00</u>
2999-0000	TOTAL LIABILITIES	509,307.02
3000-0000	EQUITY	
3100-0000	CAPITAL	

San Diego Interfaith Housing Foundation (021sdihf)

Balance Sheet

Period = Mar 2019

Book = Accrual

		Current Balance
3410-0000	Special Limited Partner	-100.00
3499-0000	TOTAL CAPITAL	-100.00
3800-0000	RETAINED EARNINGS	
3810-0000	Retained Earnings - Prior Years	35,577,522.56
3820-0000	Retained Earnings - Current Year	929,561.89
3899-0000	TOTAL RETAINED EARNINGS	36,507,084.45
3900-0000	TOTAL EQUITY	36,506,984.45
3999-0000	TOTAL LIABILITIES and EQUITY	37,016,291.47

San Diego Interfaith Housing Foundation (321sdrhf)

Income Statement

Period = Mar 2019

Book = Accrual

	Period to Date	%	Year to Date	%
4000-0000	REVENUE			
4001-0000	RENTAL INCOME			
4944-0000	OTHER REVENUE			
4945-0000	Miscellaneous Income	0.00	2.40	0.00
4975-0000	Donations	150,000.00	462,834.76	44.04
4991-0000	Developer Fees Income	0.00	292,855.00	27.86
4992-0000	Asset Management Fee	33,302.44	76,919.61	7.32
4995-0000	Ground Lease Revenue	3,750.00	45,000.00	4.28
4996-0000	Partnership Management Fee	42,032.73	129,387.20	12.31
4997-0000	Residual Receipts Income	9,248.00	9,249.00	0.88
4998-0000	Resident Service Mgmt Fee	34,811.00	34,811.00	3.31
4999-0000	TOTAL OTHER REVENUE	273,144.17	1,051,058.97	100.00
5999-0000	TOTAL REVENUE	273,144.17	1,051,058.97	100.00
6000-0000	EXPENSES			
6001-0000	OPERATING EXPENSES			
6024-0000	Landscaping			
6024-0001	Landscape Supplies	0.00	3,950.00	0.38
6024-9999	Total Landscaping	0.00	3,950.00	0.38
6055-0000	Property and Liability Insurance	407.52	407.52	0.04
6110-0000	Real Estate Taxes	0.00	1,081.00	0.10
6215-0000	Common Area Repairs/Appliances	0.00	1,435.00	0.14
6216-0000	Total Repairs/Appliances	0.00	1,435.00	0.14
6340-0000	TOTAL OPERATING EXPENSES	407.52	6,873.52	0.65
6350-0000	UTILITIES			
6385-0000	Telephone-Utilities	0.00	3,229.19	0.31
6390-0000	TOTAL UTILITIES	0.00	3,229.19	0.31
7170-0000	Meetings/Meals	3,647.55	6,890.99	0.66
7171-0000	Entertainment	293.19	2,832.37	0.27
7175-0000	Auto & Mileage	0.00	14.00	0.00
7215-0000	Computers - Support and Consultants	0.00	615.00	0.06
7260-0000	Office Supplies	0.00	71.86	0.01
7270-0000	Postage	16.10	69.22	0.01
7275-0000	Dues and Subscriptions	0.00	5,199.00	0.49
7310-0000	Legal	0.00	528.00	0.05
7315-0000	Audit & Accounting	0.00	8,650.00	0.82
7320-0000	Consulting	0.00	27,000.00	2.57
7355-0000	Bank Charges	0.00	3.00	0.00
7365-0000	Charitable Contributions	6,970.00	190,793.57	18.15
7370-0000	Employee Gifts	83.64	380.83	0.04
7410-0000	Misc tax, license, permits	275.00	470.00	0.04
7415-0000	TOTAL ADMINISTRATIVE	11,285.48	243,517.84	23.17
7419-0000	TAXES AND INSURANCE			
7440-0000	Taxes	0.00	150.00	0.01
7445-0000	Insurance-Property and Liability	0.00	1,165.50	0.11
7499-0000	TOTAL TAXES AND INSURANCE	0.00	1,315.50	0.13
8000-0000	FINANCIAL EXPENDITURES			
8010-0000	Interest Expense	0.00	10,000.27	0.95
8510-0000	Interest Income	-35,064.72	-107,167.12	-10.20
8530-0000	Change in Market Value	-4,382.80	-79,720.98	-7.58
8540-0000	Dividends Reinvested	0.00	115,993.10	11.04
8599-0000	TOTAL FINANCIAL INC(-)/EXP(+)	-30,681.92	-133,438.97	-12.70
8600-0000	TOTAL EXPENSES	-18,988.92	121,497.08	11.56
9990-0000	NET INCOME	292,133.09	929,561.89	88.44

SAN DIEGO INTERFAITH HOUSING FOUNDATION

Board of Directors

Name	Title	Address	Interest/Compensation
<u>SMYTH, GREGORY</u>	CHAIRMAN	7956 Lester Avenue Lemon Grove, CA 91945	0%/\$0/Volunteer
<u>TCHANG-FROST, GENEVIEVE</u>	VICE CHAIR	7956 Lester Avenue Lemon Grove, CA 91945	0%/\$0/Volunteer
<u>KOHN, STEVEN</u>	SECRETARY	7956 Lester Avenue Lemon Grove, CA 91945	0%/\$0/Volunteer
<u>GARDNER JR, J DAVID</u>	TREASURER	7956 Lester Avenue Lemon Grove, CA 91945	0%/\$0/Volunteer
<u>GAZE, JUDY</u>	Member	7956 Lester Avenue Lemon Grove, CA 91945	0%/\$0/Volunteer
<u>BALL, ROGER L.</u>	Member	7956 Lester Avenue Lemon Grove, CA 91945	0%/\$0/Volunteer
<u>BRUNSON, DOUG</u>	Member	7956 Lester Avenue Lemon Grove, CA 91945	0%/\$0/Volunteer
<u>BALESTRERI, TRUDY</u>	Member	7956 Lester Avenue Lemon Grove, CA 91945	0%/\$0/Volunteer
<u>ADLER, KAI</u>	Member	7956 Lester Avenue Lemon Grove, CA 91945	0%/\$0/Volunteer
<u>HALL, MIKE</u>	Member	7956 Lester Avenue Lemon Grove, CA 91945	0%/\$0/Volunteer

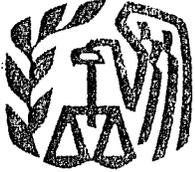
Department of the Treasury

District Director
Internal Revenue Service

Date: MAY 16 1972 In reply refer to: LA-EO-72-762
Code 421: 1403:EE

Tel. 213--688--4553

▷ San Diego Interfaith Housing
Foundation,
2100 Charter Oil Building,
San Diego, California 92101



Purpose: Charitable

File Returns with Internal Revenue Service Center: Philadelphia, Pa.
Accounting Period Ending: December 31,

Address Inquiries to District Director of Internal Revenue: Los Angeles, Calif.

Gentlemen:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

We have further determined you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(2).

You are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. You are not liable for the taxes imposed under the Federal Unemployment Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes.

Donors may deduct contributions to you as provided in section 170 of the Code. Requests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes under section 2055, 2106, and 2522 of the Code.

If your purposes, character, or method of operation is changed, you must let us know so we can consider the effect of the change on your exempt status. Also, you must inform us of all changes in your name or address.

(L-178 (12-71))

(over)

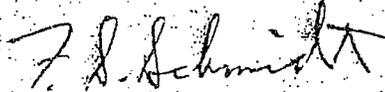
If your gross receipts each year are normally more than \$5,000, you are required to file Form 990, Return of Organization Exempt From Income Tax, by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, for failure to file a return on time.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Please keep this determination letter in your permanent records.

Sincerely yours,



District Director

() () ()

This letter amends and up-dates our determination letter of November 10, 1970.

FRANCHISE TAX BOARD

1025 P STREET
SACRAMENTO, CALIFORNIA 95814

December 9, 1970

San Diego Interfaith
Housing Foundation
2100 Charter Oil Building
San Diego, CA 92101

In reply refer to:
L:JCS:lc

Purpose: charitable
Report Required: return or report
Form of Organization: corporation
Accounting Period Ending: December 31
Private Foundation: no

Gentlemen:

Based on the information submitted and provided your present operations continue unchanged or conform to those proposed in your application, you are exempt from State franchise or income tax under Section 23701d, Revenue and Taxation Code. Any change in operation, character or purpose of the organization must be reported immediately to this office so that we may determine the effect on your exempt status. Any change of name or address also must be reported.

You are required to file an annual information return, report or statement, as indicated above, on or before the 15th day of the 5th month after the close of your accounting period.

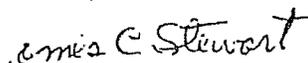
State franchise or income tax returns are not required unless you have income subject to the unrelated business income tax under Section 23731 of the Code. If you have such income, Form 109 must be filed annually by the 15th day of the 3rd month following the close of your accounting period.

Contributions made to you are deductible by donors as provided by Sections 17214, 17215, 17216 and 24357 of the Code.

Organizations incorporating and foreign corporations qualifying to do business in California have 30 days to complete incorporation or qualifying. This approval will expire unless incorporation or qualification is completed within 30 days.

Exemption from federal income or other taxes and other state taxes requires separate applications.

Very truly yours,



James C. Stewart
Counsel

- cc: Secretary of State (Corp)
cc: Registrar of Charitable Trusts

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 MISSION TERRACE 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, rehabilitation and equipping of multifamily affordable rental housing and for the provision of capital improvements in connection with and determined necessary to the multifamily affordable rental housing; and

WHEREAS, San Diego Interfaith Housing Foundation, as sponsor (SDIH) 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 Mission Terrace Housing Partners, L.P., a California limited partnership, or another limited partnership to be formed by SDIH (Borrower), to be used by the Borrower to finance the acquisition, rehabilitation and equipping of a multifamily affordable rental housing development located at 10210 San Diego Mission Road, San Diego, CA 92108 (parcel # 434-031-11 and 434-031-08), 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 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 \$12,000,000 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 CDLAC 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 \$12,000,000, 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, rehabilitation 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 \$12,000,000, 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.

Section 7. Environmental. The Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State of California CEQA Guidelines section 15301 for Class 1 Existing Facilities and no exception to the application of a categorical exemption set forth in CEQA Guidelines section 15300.2 applies to the Project.

APPROVED: MARA W. ELLIOTT, General Counsel

By: _____
Marguerite E. Middaugh
Deputy General Counsel

MEM:jdf
07/01/19
Or.Dept: Housing Authority
Doc. No. 2041717
Companion to R-2020-118

EXHIBIT A

DESCRIPTION OF PROJECT

Name: Mission Terrace Apartments

Location: 10210 San Diego Mission Road, San Diego, CA 92108
(parcel # 434-031-11 and 434-031-08)

Number of Units: 77 units (including 1 manager unit)

Maximum Bond Amount: \$10,000,000



SAN DIEGO
HOUSING
COMMISSION

REPORT TO THE CITY COUNCIL

DATE ISSUED: September 4, 2019

REPORT NO: CCR19-010

ATTENTION: City Council President and Members of the City Council
For the Agenda of October 1, 2019

SUBJECT: Tax Equity & Fiscal Responsibility Act Public Hearing – Mission Terrace

COUNCIL DISTRICT: 7

REQUESTED ACTION

That the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$12,000,000 to facilitate Mission Terrace Housing Partners L.P.'s (MTHP) acquisition with rehabilitation of the Mission Terrace Apartments, which consist of 76 rental housing units that will remain affordable for 55 years and one manager's unit, located at 10210 San Diego Mission Road, San Diego.

SUMMARY

The Housing Authority of the City of San Diego intends to issue up to \$12,000,000 of Multifamily Housing Revenue Bonds to facilitate the acquisition and new construction of a multifamily rental housing project in the city of San Diego described in the Notice of Public Hearing.

In order for interest on the Bonds to be tax-exempt, section 147(f) of the Internal Revenue Code of 1986 requires that the Bonds be approved by the City Council as the applicable elected representative of the City after public hearing following reasonable public notice.

Respectfully submitted,

J.P. Correia
Senior Real Estate Project Manager
Real Estate Division

Approved by,

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

Hard copies are available for review during business hours at the security information desk in the main lobby and the fifth floor reception desk 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 and Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO PURSUANT TO SECTION 147(f) OF THE
INTERNAL REVENUE CODE OF 1986 APPROVING THE
ISSUANCE OF BONDS OR NOTES BY THE HOUSING
AUTHORITY OF THE CITY OF SAN DIEGO FOR MISSION
TERRACE APARTMENTS

WHEREAS, the Housing Authority of the City of San Diego (Authority) intends to issue not to exceed \$12,000,000 aggregate principal amount of multifamily housing revenue bonds or notes (Bonds) to finance the acquisition, rehabilitation and equipping of a multifamily rental housing project in the City of San Diego (City) described in the Notice of Public Hearing attached as Exhibit A hereto (Project); and

WHEREAS, in order for interest on the Bonds to be tax-exempt, section 147(f) of the Internal Revenue Code of 1986 requires that the Bonds be approved by the City Council as the applicable elected representative after a public hearing following reasonable public notice; and

WHEREAS, one or more notice(s) of a public hearing with respect to the proposed issuance of the Bonds were timely published in accordance with said section 147(f); and

WHEREAS, the public hearing was held October 1, 2019, and an opportunity was provided for interested persons to express their views on the issuance of the Bonds and on the nature and location of the Project; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego that this City Council, as the applicable elected representative under section 147(f) of the Code, approves a plan of financing for the issuance of the Bonds (together with a like amount of refunding obligations) by the Authority.

BE IT FURTHER RESOLVED, that the City does not warrant the creditworthiness of the Bonds or guarantee, in any way, the payment of the Bonds. No moneys of the City will be pledged or applied to the repayment of the Bonds.

APPROVED: MARA W. ELLIOTT, City Attorney

By: _____
Marguerite E. Middaugh
Deputy City Attorney

MEM:jdf
07/01/19
Or.Dept: Housing Authority
Doc. No.: 2041718
Companion to HA-2020-5

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND, City Clerk

By: _____
Deputy City Clerk

Approved: _____
(date)

Kevin Faulconer, Mayor

Vetoed: _____
(date)

Kevin Faulconer, Mayor

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of San Diego on Tuesday, October 1, 2019, at the hour of 2:00 pm or as soon thereafter as the matter may be heard, at the City Council Chambers, 12th floor, 202 "C" Street, San Diego, California, will hold a public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986 with respect to the proposed issuance by the Housing Authority of the City of San Diego, pursuant to a plan of financing, of its tax-exempt multifamily housing revenue bonds or notes, in the maximum amount set forth below (together with a like amount of refunding obligations) in order to finance the acquisition, construction, rehabilitation and equipping of the multifamily rental housing development described in the following table (Project):

<u>Name</u>	<u>Location</u>	<u>Number of Units</u>	<u>Maximum Bond Amount</u>
Mission Terrace Apartments	10210 San Diego Mission Rd, San Diego, CA 92108 (parcel # 434-031-11 and 434-031-08)	77 (including 1 manager unit)	\$12,000,000

The owner of the Project is expected to be Mission Terrace Housing Partners, L.P., a California limited partnership, or another limited partnership to be formed by San Diego Interfaith Housing Foundation (SDIHF). SDIHF or an affiliate will operate the Project when complete. Seventy-six of the residential units in the Project are to be income and rent restricted and will be occupied by low or very low-income tenants at affordable rents.

Notice is further given that at said hearing, all interested parties will have an opportunity to be heard on the question of whether or not such multifamily housing revenue bonds or notes should be issued. Written comments may also be submitted prior to the hearing, c/o Mr. Joe Correia, Sr. Real Estate Project Manager, San Diego Housing Commission, 1122 Broadway Street, Suite 300, San Diego, California 92101.

Dated: Sept. 17, 2019

CITY COUNCIL OF THE CITY OF SAN DIEGO



The City of San Diego
Item Approvals

Item Subject: Preliminary Bond Authorization for Mission Terrace Apartments.

Contributing Department	Approval Date
DOCKET OFFICE	09/10/2019

Approving Authority	Approver	Approval Date
HOUSING COMMISSION FINAL DEPARTMENT APPROVER	MARSHALL, SCOTT	09/04/2019
EXECUTIVE VICE PRESIDENT	DAVIS, JEFF	09/12/2019
CITY ATTORNEY	MIDDAUGH, MARGUERITE	09/13/2019