

# **EXECUTIVE SUMMARY**

MEETING DATE: June 20, 2025

HCR25-039

SUBJECT: Loan Recommendation for The Grant at Mission Trails

COUNCIL DISTRICT: 7

ORIGINATING DEPARTMENT: Real Estate

CONTACT/PHONE NUMBER: Jennifer Kreutter (619) 578-7709

# **REQUESTED ACTION:**

Approve a proposed residual receipts loan in an amount not to exceed \$2,200,000 to The Grant at Mission Trails LP, a California limited partnership, to facilitate the acquisition and new construction of The Grant at Mission Trails, a development at 5945 Mission Gorge Road in the Navajo Community Plan area, which will consist of 47 units that will remain affordable for 55 years. Of the development's 47 affordable units, 12 units will be reserved for veterans experiencing homelessness who are eligible for Veterans Affairs Supportive Housing (VASH) vouchers with income up to 30 percent of San Diego's Area Median Income (AMI) and 35 units will be reserved for families earning 30 percent to 60 percent of AMI. Additionally, there will be one unrestricted manager's unit.

# EXECUTIVE SUMMARY OF KEY FACTORS:

- When completed, The Grant at Mission Trails will be a seven-story development and consist of 12 one-bedroom, 23 two-bedroom and 12 three-bedroom affordable apartments and one unrestricted two-bedroom manager's unit.
- Unit amenities will include: a refrigerator, stove/oven, garbage disposal, window coverings, balcony/patios, hardwood floors, and central air conditioning units.
- Site amenities available in the common area will include clubhouse/community room, computer room, central laundry facility, on-site management, Wi-Fi, tot lot with recreation room/facilities, picnic area, and courtyard.
- The Grant at Mission Trails will also offer an activity coordinator and adult education courses, including English as a Second Language and financial literacy courses.
- In response to SDHC's Fiscal Year (FY) 2024 Notice of Funding Availability (NOFA), The Grant at Mission Trails, LP., and CRP submitted an application for a loan and federal Veterans Affairs Supportive Housing (VASH) Project-Based Vouchers (PBVs) for The Grant at Mission Trails development.
- On March 19, 2024, SDHC staff provided a preliminary recommendation of award of a residual receipts loan up to \$2,200,000, subject to SDHC Board approval, and 12 VASH PBVs for the 48-unit Grant at Mission Trails development.
- The site is less than 250 feet from a Metropolitan Transit System bus stop, 0.6 of a mile from a grocery store, 1.4 miles from an elementary school and 0.9 of a mile from a middle school.
- The estimated total development cost is \$42,159,738 (\$878,328/unit). The per-unit cost is due to several factors detailed in the staff report, including the site's location in a flood plan, energy efficiency, prevailing wages, irregular site shape, units for large families, electric vehicle charging, and construction, interest rates and insurance cost increases.
- The California Housing Finance Agency (CalHFA) will be the tax-exempt bonds issuer for Grant at Mission Trails, as the project successfully applied for tax-exempt bonds on August 27, 2024.



# REPORT

DATE ISSUED: June 12, 2025

REPORT NO: HCR25-039

- **ATTENTION:** Chair and Members of the San Diego Housing Commission Board of Commissioners For the Agenda of June 20, 2025
- **SUBJECT:** Loan Recommendation for The Grant at Mission Trails

**COUNCIL DISTRICT:** 7

# Advance notice of San Diego Housing Commission Hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(A)-(B) for Staff Recommendation No. 1.

#### **REQUESTED ACTION**

Approve a proposed residual receipts loan in an amount not to exceed \$2,200,000 to The Grant at Mission Trails LP, a California limited partnership, to facilitate the acquisition and new construction of The Grant at Mission Trails, a development at 5945 Mission Gorge Road in the Navajo Community Plan area, which will consist of 47 units that will remain affordable for 55 years. Of the development's 47 affordable units, 12 units will be reserved for veterans experiencing homelessness who are eligible for Veterans Affairs Supportive Housing (VASH) vouchers with income up to 30 percent of San Diego's Area Median Income (AMI) and 35 units will be reserved for families earning 30 percent to 60 percent of AMI. Additionally, there will be one unrestricted manager's unit.

#### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (SDHC) Board of Commissioners (Board), take the following actions as described in this report:

 Approve a proposed residual receipts loan in an amount not to exceed \$2,200,000 to The Grant at Mission Trails LP, a California limited partnership, to facilitate the acquisition and new construction of The Grant at Mission Trails, a development at 5945 Mission Gorge Road, in the Navajo Community Plan area, which will consist of 47 units that will remain affordable for 55 years. Of the development's 47 affordable units, 12 units will be reserved for veterans experiencing homelessness who are eligible for Veterans Affairs Supportive Housing (VASH) vouchers with an income up to 30 percent of San Diego's Area Median Income (AMI) and 35 units will be reserved for families earning 30 percent to 60 percent of AMI. Additionally, there will be one unrestricted manager's unit.

SDHC's proposed loan will be contingent upon the developer receiving all necessary third-party funding commitments as described in this report. Such third-party funding commitments will be subject to the SDHC General Counsel's approval.

- 2) Authorize the President and Chief Executive Officer (President and CEO), or designee:
  - a. To execute any and all documents necessary to effectuate the transaction and implement the project in a form approved by the General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.

- b. To adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$2,200,000 maximum loan amount may not increase.
- c. To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President and CEO, or designee, to take such actions as are necessary, convenient, and/or appropriate to implement this approval and delegation of authority by the SDHC Board upon advice of the General Counsel.

# SUMMARY

l able 1 – Development Details						
Address	5945 Mission Gorge Road, San Diego, CA 92120					
Council District	Council District 7					
Community Plan Area	Navajo Community Plan					
Developer	CRP Affordable Housing and Community Development LLC (CRP)					
Development Type	New construction					
Construction Type	Two levels of Type I construction, with five stories of Type III new construction on top. (Seven stories)					
Parking Type	Seven parking spaces and five motorcycle stalls (Transit-Oriented Development)					
Local Amenities	<u>Mass Transit</u> : Mission Gorge Road & Mission Gorge Place (less than 250 feet from property) Stop ID: 13407					
	<u>Grocery</u> : Vons (0.6 of a mile from the property)					
	<u>Schools</u> : Stephen Foster Elementary School (1.4 miles from the property) Magnolia Middle School (0.9 of a mile from the property) Patrick Henry High School (4.7 miles from the property)					
Housing Type	Low-income families and VASH-eligible veterans experiencing homelessness					
Accessibility	Wheelchair accessibility in 15 percent of the units, and 10 percent of the units accessible to residents with visual and/or hearing impairment.					
Lot Size	One parcel totaling 0.398 acres (17,424 square feet)					
Units	48 (47 units restricted/affordable)					
Density	120 dwelling units per acre (48 units ÷ 0.398 acres)					
Unit Mix	47 affordable rental units: 12 one-bedroom units, 23 two-bedroom units, 12 three-bedroom units. One two-bedroom unrestricted manager's unit.					
Gross Building Area	55,870 square feet.					
Net Rentable Area	41,220 square feet.					
Project Based Housing Vouchers (PBV)	12 VASH PBVs (permanent supportive housing [PSH] units for VASH-eligible veterans experiencing homelessness)					
Affordable Units in Service by Council District	Council District 7 includes 2,102 affordable rental housing units currently in service, which represents 7 percent of the 28,249 affordable rental housing units in service citywide.					

Table 1 – Development Details

# The Development

The Grant at Mission Trails is a proposed 48-unit, new-construction, transit-oriented development with affordable housing for families and a permanent supportive housing component. The development will be at 5945 Mission Gorge Road in San Diego's Navajo Community Plan Area (Attachment 1 – Site Map). When completed, it will be a seven-story development and consist of 12 one-bedroom, 23 two-bedroom and 12 three-bedroom affordable apartments and one unrestricted two-bedroom manager's unit. Unit amenities will include: a refrigerator, stove/oven, garbage disposal, window coverings, balcony/patios, hardwood floors, and central air conditioning units. Site amenities available in the common area will include clubhouse/community room, computer room, central laundry facility, on-site management, Wi-Fi, tot lot with recreation room/facilities, picnic area, and courtyard. The Grant at Mission Trails will also offer an activity coordinator and adult education courses, including English as a Second Language and financial literacy courses. The building will employ five stories of type III construction over two stories of type I construction. The first floor will include the common area, while the remaining six floors are residential. There will be seven automobile and five motorcycle surface parking spaces.

# **Services**

SDHC has provided a preliminary award recommendation of 12 VASH Project-Based Housing Vouchers (PBVs) for 12 one-bedroom VASH PBV permanent supportive housing units for VASHeligible veterans experiencing homelessness in the City of San Diego with income at or below 30 percent of AMI. VASH PBV residents will be identified through the U.S. Department of Veteran Affairs (VA). The VA will provide supportive services for the 12 VASH PBV units. As a secondary service provider, Townspeople will also provide services for the 12 VASH PBV residents in addition to 2 more PSH units, which will not have a voucher. Services will include adult education, health and wellness, skill building, after-school programs, computer learning skills, financial planning and social programming. After-school programs—including tutoring, mentoring, homework club and recreational activities—will be available to school-aged residents. Pacific Southwest Community Development Corporation (PSCDC) will act as a general service provider for residents of all family units, with a focus on nutritional education, social connection, exercise and financial literacy.

All residents will have access to a range of organized community activities, including social events and celebrations, health and wellness classes, and financial education.

#### Developer's Request

In response to SDHC's Fiscal Year (FY) 2024 Notice of Funding Availability (NOFA), The Grant at Mission Trails, LP., and CRP submitted an application for a loan and federal VASH PBVs for The Grant at Mission Trails development. On March 19, 2024, SDHC staff provided a preliminary recommendation of award of a residual receipts loan up to \$2,200,000, subject to SDHC Board approval, and 12 VASH PBVs for the 48-unit Grant at Mission Trails development.

The total anticipated development cost for The Grant at Mission Trails is \$42,159,738 (\$878,328/unit). The proposed project will be financed with tax-exempt bonds, taxable bonds, 4 percent Federal and State tax credit equity, City of San Diego Community Development Block Grant (CDBG) funds, the proposed SDHC loan and PBVs, and County of San Diego American Rescue Plan Act (ARPA) funds, and a conventional permanent loan as described in this report.

#### The Property

CRP holds a purchase option for the development site at 5945 Mission Gorge Road in San Diego. The 0.398-acre, triangular lot is currently improved with one vacant, two-story commercial structure and two outdoor advertising billboards. The development plan calls for all existing structures to be razed and all current residents to be relocated, subject to a relocation plan conforming to the relevant California Debt Limit Allocation Committee (CDLAC) and State regulations.

### <u>Appraisal</u>

An appraisal of the subject site with an effective date of April 1, 2024, valued the property at \$2,800,000. The appraisal was obtained by the developer and was conducted by Novogradac.

# Prevailing Wages

The Grant at Mission Trails development's proposed use of 12 U.S. Department of Housing and Urban Development (HUD) VASH PBVs, administered by SDHC, will require the project to pay federal Davis-Bacon prevailing wage rates. Due to other potential funding sources, the project may also be subject to payment of state prevailing wages. In such case, the greater of federal or state prevailing wages will apply.

# Project Sustainability

The Grant at Mission Trails will be constructed in conformance with the California Tax Credit Allocation Committee's (CTCAC) minimum energy efficiency standards. The developers will achieve a minimum LEED Silver or equivalent certification. Planned green features include energy-efficient appliances and water-saving volatile organic compound (VOC) paints. Landscape architecture will be designed using drought-tolerant and native plants.

# Accessibility

CTCAC requires wheelchair accessibility in 15 percent of the units, and 10 percent of the units accessible to residents with visual and/or hearing impairment. The same units can satisfy both of these accessibility requirements. The Grant at Mission Trails units will be accessible in accordance with the Americans with Disabilities Act and Section 504. As federal HOME Investment Partnerships Program funds are anticipated to be used to fund the development, these accessible units will satisfy the HOME accessibility requirement in 5 percent of the units, plus an additional 2 percent of the units accessible for residents with visual and/or hearing impairment.

#### **Relocation**

The developer plans to demolish the existing vacant commercial structure, made up of four commercial tenants, and permanently relocate two billboards to construct a new, seven-story building consisting of 47 affordable residential rental apartment units and one unrestricted manager's unit. Both the billboards and commercial tenants qualified for relocation assistance as accounted for in the development budget. In accordance with all applicable relocation laws and regulations, a detailed relocation plan for the billboards and eligible commercial tenants was developed by Overland, Pacific & Cutler. The developer provided relocation benefits in accordance with the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act and California law and guidelines. All relocation expenses have been paid by the developer.

#### Development Team

During the tax credit compliance period, The Grant at Mission Trails will be owned by The Grant at Mission Trails LP as the owner/borrower, which will have CRP as its General Partner and CREA LLC as the tax credit investor limited partner (Attachment 2).

Created in 2008, Castellan Holdings LLC, specializing in value-add and asset management to distressed real estate, established its affordable housing arm in 2019. A subsidiary of Castellan Holdings LLC, CRP Affordable Housing and Community Development (CRP) is a for-profit, full-service real estate firm with experience in multifamily acquisition/rehabilitation, ground-up development, and property management. The founders of CRP have owned, operated, and managed over 2,500 rent-restricted units and have significant experience providing housing to at-risk, special needs, and other vulnerable populations. Since the firm's inception, CRP has delivered over 300 units of affordable housing, with nearly 1,000 additional units under construction. Based upon the developer's past experience and past development performance, staff has determined that the developer has the requisite capacity to successfully complete the proposed Grant at Mission Trails project.

ROLE	FIRM/CONTACT
Developer	CRP Affordable Housing and Community Development (CRP)
Owner/Borrower	The Grant at Mission Trails LP
Managing General Partner	PSCDC The Grant LLC
Administrative General Partner	The Grant at Mission Trails AGP LLC
Tax Credit Investor Limited Partner	CREA LLC
Architect	BSB Design
General Contractor	Ironcore Construction LLC
Property Management	Hyder Property Management Company
Construction Lender	Citibank N.A.
Tenant Services Providers	U.S. Department of Veteran Affairs (VASH PSH)
	Townspeople and PSCDC (Non-PSH)
Permanent Lender	Citibank N.A.
Bond Issuer	CalHFA

# Table 2 – Development Team Summary

#### Property Management

The Grant at Mission Trails will be managed by Hyder Property Management Professionals (Hyder). Hyder was established in 1963. The company currently manages over 120 affordable properties and approximately 7,100 units in California. The firm is supported by staff members familiar with the most current affordable housing policy and regulation requirements.

#### **Financing Structure**

The Grant at Mission Trails has an estimated total development cost of \$42,159,738 (\$878,328/unit). Financing will include a combination of sources as described in Table 3. The developer's pro forma is included as Attachment 3 and summarized in Table 3 below.

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Federal LIHTC* Equity	\$17,360,218	Land Acquisition and Acquisition	\$2,851,350	\$59,403
		Closing Costs		
State LIHTC* Equity	7,669,240	Hard Cost (Construction)	23,625,399	492,196
Permanent Loan	7,561,712	Hard Cost Contingency	1,426,605	29,721
City of San Diego CDBG	2,500,000	Architectural & Engineering	1,875,000	39,063
Bridge to Home Loan				
SDHC Proposed Loan	2,200,000	Financing Fees & Interest	3,657,495	76,198
County of San Diego ARPA	2,750,000	Legal & Professional	377,500	7,865
Accrued Interest (RR Loans)	572,833	Operating Reserves	268,612	5,596
Deferred Developer Fee	1,545,735	Impact & Permit Fees	1,199,155	24,982
		Remaining Soft Cost	2,122,320	44,215
		Soft Cost Contingency	710,567	14,803
		Developer Fee	4,045,735	84,286
Total Development Cost	\$42,159,738	Total Development Cost (TDC)	\$42,159,738	\$878,328

#### Table 3 – The Grant at Mission Trails Estimated Permanent Sources and Uses

\*"LIHTC" refers to Low-Income Housing Tax Credits

SDHC's proposed \$2,200,000 residual receipts loan will be partly funded with the City of San Diego Affordable Housing Fund and partly funded with U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME) funds awarded to the City of San Diego, which SDHC administers. The total amount of SDHC's funding sources shall not exceed \$2,200,000. A final determination of SDHC's funding sources will be made by SDHC's President and CEO, or designee, contingent upon budget availability. The proposed loan terms are summarized in Attachment 4.

SDHC requires affordable housing developers to pursue all viable sources of funding to reduce the financing gap and amount of SDHC subsidy required. If other funding is secured, proceeds will first be used to make an adjustment to reduce SDHC's loan.

# Developers' Fee

\$4,045,735 – Gross developer fee <u>- 1,545,735</u> – Minus deferred developer fee \$2,500,000 – Net cash developer fee

The proposed developer fee complies with SDHC's developer fee guidelines.

# Development Cost Key Performance Indicators

SDHC staff has identified development cost performance indicators that are used to evaluate proposed developments 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.

Development Cost Per Unit	\$42,159,738 / 48 units	\$878,328
Development Cost Per SQ FT (Gross)	\$42,159,738 / 55,870 square feet	\$755
Development Cost Per SQ FT (Net)	\$42,159,738 / 41,220 square feet	\$1,023
Housing Commission Subsidy Per Unit	\$2,200,000 / 48 units	\$45,833
Acquisition Cost Per Unit	\$2,851,350 / 48 units	\$59,403
Gross Building Square Foot Hard Cost	\$23,625,399 / 55,870 square feet	\$423
Net Rentable Square Foot Hard Cost	\$23,625,399 / 41,220 square feet	\$573

#### Table 4 – Key Performance Indicators

# 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 recent years are listed in Table 5.

These developments are similar in terms of new construction and target population and are provided as a comparison to the subject development.

Table 5 – Comparable Development Projects										
New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.				
Proposed Subject – Grant at Mission Trails	2025	48	\$42,159,738 (with prevailing wage)	\$878,328	\$45,833	\$423				
Serra Mesa	2025	60	\$43,803,370 (with prev. wage)	\$730,056	\$41,667	\$648				
Avanzando	2025	103	\$96,140,597 (with prev. wage)	\$933,404	\$40,000	\$438				
Hillcrest Hall	2024	98	\$64,587,091	\$659,052	\$51,020	\$581				

Table 5 – Comparable Development Projects

			(with prev. wage)			
Kindred	2024	126	\$90,122,469 (with prev. wage)	\$715,258	\$60,759	\$360

The Grant at Mission Trail development's \$878,328 cost per unit is substantially higher than is typical of most multifamily affordable new construction developments. This is partially due to the following factors:

- 1) <u>Flood-Plain Location</u>: The subject site's location in a flood plain has significantly increased costs in the following ways:
  - a) The project's foundation will be a mat slab with a raised pad and elevated deck construction. This is significantly more expensive than a typical slab on grade with a standard podium.
  - b) To accommodate the raised pad, installation of a costly geopier system is necessary to stabilize the soil.
- 2) <u>Energy Efficiency</u>: The project has placed an emphasis on energy-efficient specifications, which includes 100 percent electrical power, energy-efficient appliances, low-flow plumbing fixtures, and intricate insulation systems.
- 3) <u>Prevailing Wages:</u> The project was awarded SDHC PBVs and soft capital funds, which are subject to federal Davis-Bacon wages. The increased wages and additional compliance efforts significantly increase the cost of the project.
- 4) <u>Irregular Site Shape:</u> The irregular shape of the site prevented the developer from building more conventional unit shapes and sizes. The abnormal angles have also resulted in higher-than-anticipated bids for subcontractors on most trades.
- 5) <u>Large Family Component:</u> The project is proposed as development for large families with no studio units and a significantly higher share of two- and three-bedroom units, which are more typical of affordable housing developments. This family component also required the developer to provide additional community amenities, including play areas and community space.
- 6) <u>Electrical Vehicle (EV) Charging</u>: Cost for design and engineering are higher than normal as a result of redesign to accommodate additional parking for EV charging stations.
- 7) <u>Construction, Interest Rates, and Insurance Cost Increases:</u> Rising construction costs, interest rates, and volatility in the insurance market contribute significantly to the total development cost.

# TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS

The California Housing Finance Agency (CalHFA) will be the tax-exempt bonds issuer for Grant at Mission Trails, as the project successfully applied for tax-exempt bonds on August 27, 2024. On December 11, 2024, the California Debt Limit Allocation Committee (CDLAC) approved the Qualified Residential Rental Projects (QRRP) Round 2 Final Recommendation List, which included Grant at Mission Trails.

# FISCAL CONSIDERATIONS

The funding sources and uses proposed to be approved by this action are included in the Housing Authority-approved Fiscal Year (FY) 2025 SDHC Budget.

Estimated funding sources to be approved by this action:

- HOME and Affordable Housing Fund up to \$2,200,000
- Total Funding Sources up to \$2,200,000

Estimated funding uses to be approved by this action:

- SDHC Loan up to \$2,200,000
- Total Funding Uses up to \$2,200,000

Approving this action will further grant the President and CEO, or designee, the authority to substitute the above funding sources with other available funding sources so long as the total SDHC loan amount does not exceed the approved total loan amount, should the operational need arise or should such actions be to SDHC's benefit.

### **Development Schedule**

The estimated development timeline is as follows:

Milestones	Estimated Dates
Start of construction work	<ul><li>July 2025</li><li>July 2025</li><li>June 2027</li></ul>

# SDHC STRATEGIC PLAN

This item relates to Strategic Priority Area No. 1 in SDHC's Strategic Plan for Fiscal Year (FY) 2022-2024: Increasing and Preserving Housing Solutions. SDHC is in the process of developing a new Strategic Plan.

# AFFORDABLE HOUSING IMPACT

# Project-Based Housing Vouchers (PBV)

SDHC has provided a preliminary award recommendation of 12 VASH PBVs for The Grant at Mission Trails, which are for VASH-eligible veterans experiencing homelessness in the City of San Diego with income at or below 30 percent of AMI, currently \$39,700 per year for a two-person household. The recommendation for these vouchers is contingent upon completion of a subsidy layering review, execution of an Agreement to Enter into Housing Assistance Payment Contract, compliance with all relevant SDHC policies, HUD PBV regulations, HUD VASH Operating Requirements and verification of services. Under the PBV program, the tenant's rent portion is determined by a calculated amount based on their income level, with the remainder being federally subsidized up to the payment standard, subject to rent reasonableness and SDHC's approval. The Housing Assistance Payment provides a rental subsidy for residents in The Grant at Mission Trails development's 12 VASH PBV voucher-assisted units. The VASH PBV units are all one-bedroom units. The tenants will be identified as most appropriate for permanent supportive housing as determined by assessments conducted through the VA. The VA will provide supportive services for the VASH units.

Additional services will be provided by Townspeople and PSCDC.

#### Affordability

The Grant at Mission Trails will be subject to an SDHC Declaration of Covenants and Restrictions, in addition to applicable tax credit agreements, which will restrict the affordability of 47 units for 55 years.

The rent and occupancy restrictions required by SDHC, CTCAC and other lenders and investors will apply. The same units may be counted as the tax credit-restricted units and the SDHC loan's restricted units. The more stringent funding source's affordability/rent restrictions will take precedence during the term of their applicability.

Unit Type	AMI	Number of Units	CTCAC Gross Rents
One Bedroom (PSH PBV)	30% (\$39,700/year for two-person household)	12	\$993
Subtotal One Bedroom Units	-	12	
Two bedrooms	30% (\$44,650/year for three-person household)	2	\$1,116
Two bedrooms	40% (\$59,550/year for three-person household)	5	\$1,489
Two bedrooms	50% (\$74,450/year for three-person household)	4	\$1,861
Two bedrooms	60% (\$89,340/year for three-person household)	12	\$2,233
Subtotal Two Bedroom Units		23	
Three bedrooms	50% (\$82,700/year for four-person household)	6	\$2,068
Three bedrooms	60% (\$99,240/year for four-person household)	6	\$2,481
Subtotal Three Bedroom Units	-	12	
Manager's two bedrooms unit		1	
Total Units		48	

# able 6 Affordability and Monthly Estimated Bant Table

# STATEMENT FOR PUBLIC DISCLOSURE

The developer's Disclosure Statement is at Attachment 5.

# NONDISCRIMINATION ASSURANCE

At SDHC, we're about people. We are committed to ensuring a compassionate, person-centered approach to SDHC's programs, policies, projects and activities and to serving our community impartially, fairly and without bias. We are also committed to ensuring compliance with all applicable federal, state and local laws and protections to the extent that they affect this action relative to nondiscrimination.

CRP is committed to ensuring they do not discriminate in their hiring and employee engagement practices. Their response included specific examples of their commitment to nondiscrimination. CRP also submitted a workforce report for record-keeping purposes only.

# **COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS**

On September 13, 2023, CRP presented the proposed development to the Navajo Community Planning Group. The community-planning group voted 10-0 to approve the motion supporting the project.

# **KEY STAKEHOLDERS and PROJECTED IMPACTS**

Stakeholders include CRP as the developer; the VA, Townspeople and PSCDC as service providers; the County of San Diego, City of San Diego and SDHC as lenders; the Navajo Community Planning Group, and future residents of the development. The project is anticipated to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and create 47 new affordable, transit-oriented rental homes for San Diego families with low income, including 12 units set aside for veterans experiencing homelessness, and one unrestricted manager's unit.

# ENVIRONMENTAL REVIEW

#### California Environmental Quality Act

The proposed loan agreement to facilitate the property acquisition and construction of The Grant at Mission Trails affordable housing project is adequately covered in the Final Environmental Impact Report (FEIR) for the Grantville Focused Plan Amendment (Project No. 346289/ SCH No. 2013111017) which was certified by City Council on June 9, 2015 (Resolution R-309788). The Project for which the Loan Agreement is intended will construct residences consistent with the land use designation and zoning identified in the Navajo Community Plan and analyzed in the associated FEIR; and for which Site Development Permit No. PMT-322947 was granted. This activity is a subsequent discretionary action and is, therefore, not considered to be a separate project for the purposes of CEQA pursuant to State CEQA Guidelines Sections 15378(c) and 15060(c)(3). Pursuant to CEQA Statute Section 21166 and CEQA Guidelines Section 15162, there is no change in circumstance, additional information, or project changes to warrant additional environmental review for this action.

#### National Environmental Policy Act

Federal funds constitute a portion of the funding for this project. The parties agree that the provision of federal funds as a result of this action is conditioned on the approval of the Environmental Assessment by the City of San Diego and the receipt of Authority to Use Grant Funds from the U.S. Department of Housing and Urban Development. Final authorization to use grant funds was received on June 14, 2024.

Respectfully submitted,

lennifer Kreutter

Jennifer Kreutter Vice President, Multifamily Housing Finance Real Estate Division

Attachments:

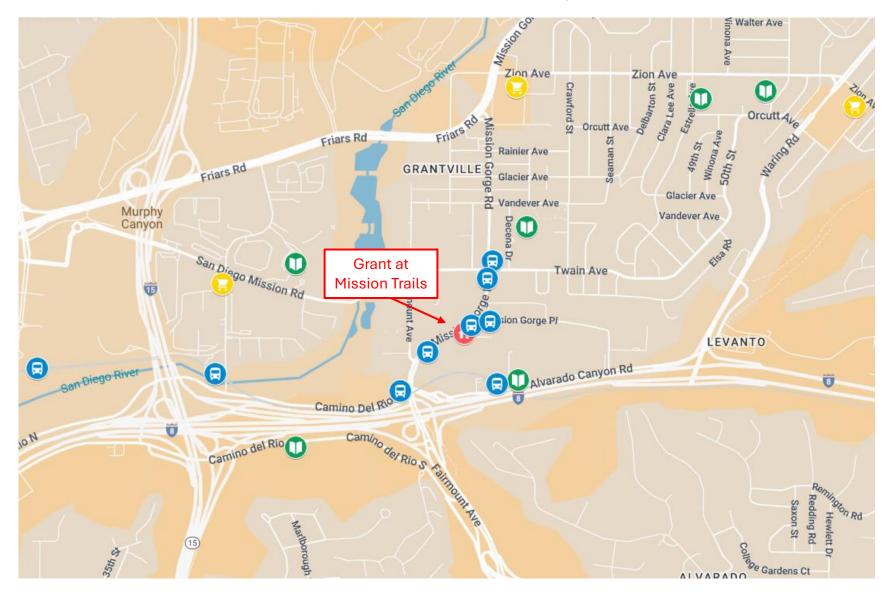
- 1) Site Map
- 2) Organization Chart
- 3) Developers' Project Pro Forma
- 4) Proposed Loan Terms
- 5) Developer's Disclosure Statement

A printed copy is available for review during business hours at the information desk in the main lobby of SDHC offices at 1122 Broadway, San Diego, CA 92101 Docket materials are also available in the "Governance & Legislative Affairs" section of SDHC website at <u>www.sdhc.org</u>.

Approved by,

Jeff Davis Deputy Chief Executive Officer San Diego Housing Commission

# Attachment #1 – Site Map



# PROJECT SUMMARY The Grant at Mission Trails 6/5/2025

# 48 Units

12 PBVs			
Sources and Uses			
Development Uses			
Acquisition Costs			
Land Cost or Value	2,700,000	\$56,250/unit	
Demolition	151,350	\$3,153/unit	
Subtotal Acquisition Costs	2,851,350	\$59,403/unit	
Hard Costs			
Off-Site Improvements	150,000	\$3,125/unit	
Site Work	500,000	\$10,417/unit	
Structures	16,377,344	\$341,195/unit	
Prevailing Wages	3,405,469	\$70,947/unit	
General Requirements	1,225,969	\$25,541/unit	
Contractor Overhead & Profit	1,732,703	\$36,098/unit	
General Liability Insurance	233,915	\$4,873/unit	
Bond Premium	-	-	
Subtotal GC Hard Costs	23,625,399	\$492,196/unit	
<u>Soft Costs</u>			
Architect & Engineering	1,875,000	\$39,063/unit	
Financing Fees and Interest	3,657,495	\$76,198/unit	
Legal Fees	377,500	\$7,865/unit	
Reserves	268,612	\$5,596/unit	
Development Impact and Permit Fees	1,199,155	\$24,982/unit	
Developer Fee	4,045,735	\$84,286/unit	
Remaining Development Soft Costs	2,122,320	\$44,215/unit	
Subtotal Soft Costs	13,545,817	\$282,205/unit	
Contingencies			
Owner Hard Costs Contingency	1,426,605	\$29,721/unit	
Owner Soft Costs Contingency	710,567	\$14,803/unit	
Subtotal Contingencies	2,137,172	\$44,524/unit	
	2,107,172	φ-1-1,02-1/drift	
Total Development Costs	42,159,738	\$878,328/unit	
Cash Developer Fee	2,500,000		
Development Sources			
Federal LIHTC Equity	17,360,217	\$361,671/unit	41.2%
State LIHTC Equity	7,669,240	\$159,776/unit	18.2%
Solar Equity	-	-	
Permanent Loan (Tranche A)	7,561,712	\$157,536/unit	17.9%
Permanent Loan (Tranche B)	-	-	-
Deferred Developer Fee	1,545,735	\$32,203/unit	3.7%
City of San Diego CDBG	2,500,000	\$52,083/unit	
SDHC	2,200,000	\$45,833/unit	
County of San Diego ARPA	2,750,000	\$57,292/unit	
Residual Receipt Loans Accrued Interest	572,833	\$11,934/unit	1.4%
Miscellaneous #1	-	-	-
Total Development Sources	42,159,738	\$878,328/unit	

		Considerations				40/	
	130% Boost	nario - Credit Type				4%	
	130% Boost Rural Desig	-				Yes No	
		/age (State, Federa	Both):			Yes	
	Housing Set		u, bour).			Large Family	
	Housing Se	Aside				Large Farmiy	
	Equity:		Pay-in				
	Closing	90% Completion	Completion	QO	Conversion	8,609	
ed	10.00%	15.00%	10.00%	30.00%	33.50%	1.50%	
ate	0.00%	15.00%	15.00%	30.00%	38.50%	1.50%	
	Federal Tax	Credit Price				\$0.880	
	State Tax C	redit Price				\$0.890	
	Solar Tax C	redit Price				\$0.000	
	9% Credit R	late				9.00%	
	4% Credit R	late				4.00%	
	LP Interest					99.99%	
	10 Yr Feder	al Tax Credits				19,729,492	
	3 Yr State C	Credits				8,617,124	
		Credits / Unit				411,031	
	State Tax C	redits / Unit				179,523	
	<u>Debt</u>						
	Opr. Exp./U					9,000	
		p./Unit/Year				1,404	
		nt Reserves/Unit/Ye	ar			500	3.85%
	Vacancy Ra	te				5.00%	0.25%
	DCR					1.15	0.05%
	Perm Loan					40	2.25%
		e - Permanent Loar				6.40%	6.40%
		e - Tax-Exempt Co				6.07%	6.07%
		e - Taxable Constru	ICUON LOAN			6.57%	1.75%
	Interest Rat		ampt Capatriat	ion Loon		6.14%	4.32%
		erve Rate - Tax-Ex erve Rate - Taxabl				6.82% 7.32%	
		erve Rate - Taxabi		Juan		-	16 002 1
		ot Bonds - Construct ot Bonds - Construc				7,561,712 14,411,740	16,993,19 4,980,25
		Exempt Bonds				21,973,452	21,973,4
		nstruction Loan				3,351,839	21,913,4
		ruction Loan				25,325,291	
	50% Test					53.87%	52.0%
	0070 1031					00.07 /0	21,212,1
							761,258
							24.8%
							24.070

Preliminary Deve City:	elopment Prog	ramming	Summary	Construction	Туре:	
MSA: 4 Person 50% AN	11:			No. of Storie Parking Type		
Site (acres): Impact Fees per Unit: 1				No. of Stalls: Extraorindar		
County:			SAN DIEGO	Solar:	,	No
Resource:			High Resource			
Project Unit & Al AMI	Studio	1BR	2BR	3BR	4BR	Totals
000/						10(015

	AMI	Studio	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>	Totals
	80%	0	0	0	0	0	0
	70%	0	0	0	0	0	0
	60%	0	0	12	6	0	18
	50%	0	0	4	4	0	8
	40%	0	0	4	0	0	4
	30%	0	0	3	2	0	5
	30% - PBV	0	12	0	0	0	12
	Mgr.	0	0	1	0	0	1
	Totals	0	12	24	12	0	48
	UA	0	84	111	145	0	
35%							
25%							
)5%	4.15%						
25%	4.40%						
40%							
)7%	Project Timing						
75%	Tax Credit Allocati	on					12/1/2024
32%	Construction Begin		ng				7/1/2025
	Construction Com						5/1/2027
	Lease Up Complet	te					8/1/2027
93,197	Conversion/Stabiliz	zatiion					11/1/2027
0,255	8609						11/1/2028
3,452							
	Miscellaneous						
	CA 9% Tiebreaker						
.0%	CA 4% Tiebreaker						81.5%
2,194	Construction Loan	LTC					
,258	Max Cash Develop	per Fee					
00/	1						

Cash Flow																
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Net Income	1,153,167	1,176,230	1,199,755	1,223,750	1,248,225	1,273,190	1,298,653	1,324,626	1,351,119	1,378,141	1,405,704	1,433,818	1,462,495	1,491,744	1,521,579	1,552,011
Operating Expenses	432,000	444,960	458,309	472,058	486,220	500,806	515,831	531,306	547,245	563,662	580,572	597,989	615,929	634,407	653,439	673,042
Net Operating Income	721,167	731,270	741,446	751,692	762,005	772,383	782,823	793,321	803,874	814,479	825,132	835,829	846,566	857,338	868,141	878,969
Debt Service	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796
Services	67,392	69,414	71,496	73,641	75,850	78,126	80,470	82,884	85,370	87,931	90,569	93,286	96,085	98,967	101,936	104,995
Replacement Reserves	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Issuer and Monitoring Fees	26,260	26,823	26,823	26,823	26,823	26,823	26,823	26,823	26,823	26,823	26,823	26,823	26,823	26,823	26,823	26,823
Mandatory Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Managing GP/LP/SDHC Fees	19,800	20,094	20,397	20,709	21,030	21,361	21,702	22,053	22,414	22,787	23,170	23,565	23,972	24,392	24,823	17,478
Residual Cash Flow	58,919	66,144	73,935	81,724	89,507	97,278	105,033	112,766	120,471	128,143	135,774	143,359	150,890	158,360	165,762	180,878
DSCR	1.15	1.16	1.18	1.19	1.21	1.22	1.24	1.25	1.27	1.28	1.30	1.31	1.33	1.34	1.36	1.37

#### Sources & Uses

ources & Uses he Grant at Mission Trails	53,9	27 Off	3.0%	9.0%	11.0%	15.0%	15.0%	17.0%	21.0%	9.0%			2,200,000 2,500,000		
	Pre-l	Dev Close	Quarter 1	Quarter 2	Quarter 3	Constructi Quarter 4	ion Period Quarter 5	Quarter 6	Quarter 7	Quarter 8	Construction Subtotal	Stabilization 6 Months	Conversion	8609	Total
			12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	22 Months				
OURCES OF FUNDS ederal LIHTC Equity		1,736,022	-	-	_	-	-	-	2,604,033	-	4,340,054	6,944,087	5,815,673	260,403	17,360,217
tate LIHTC Equity		-	-	-	-	-	-	-	1,150,386	-	1,150,386	3,451,158	2,952,658	115,039	7,669,240
blar Equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
onstruction Loan ermanent Loan (Tranche A)		84,719	4,023,880	3,136,863	3,195,253	3,254,729	3,315,313	3,377,024	(379,477)	4,199,708	24,208,012	(9,160,122)	(15,047,889) 7,561,712	-	- 7,561,712
ermanent Loan (Tranche B)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
eferred Developer Fee		-	-	-	-	-	-	-	-	-	-	-	1,545,735	-	1,545,735
P Contribution of Developer Fee C Loan Off Off		-	-	-	-	-	-	-		-	-	-	-	-	-
IHFA MIP			-	-	-	-	-		-		-	-	-		-
IP		-	-	-	-	-	-	-	-	-	-	-	-	-	-
e Serna IHP		-	-	-	-	-	-	-	-	-	-	-	-	-	-
ine i			-	1	1	1	1.1		1	1	-	1	1	1	
, her HCD Source #1		-	-	-	-	-		-	-		-	-	-	-	-
y of San Diego CDBG	3.0%	2,500,000	-	-	-	-	-	-	-	-	2,500,000	-	-	-	2,500,000
DHC punty of San Diego ARPA	4.0% 3.0%	2,200,000 2,750,000	-	-	-	-	-	-		-	2,200,000 2,750,000	-	-	-	2,200,000 2,750,000
idge to Home (\$2M) - WAITLISTED	3.076	2,750,000		1	1	1	1	1	1	1	-	-	-		2,750,000
esidual Receipt Loans Accrued Interest		-	61,375	61,375	61,375	61,375	61,375	61,375	61,375	20,458	450,083	122,750	-	-	572,833
come from Operations		9,270,741	4,085,255	3,198,238	3,256,628	3,316,104	3,376,688	3,438,399	3,436,317	4,220,166	- 37,598,535	1,357,873	2,827,888	375,442	- 42,159,738
Total Sources of Funds		9,270,741	4,005,255	3,196,238	3,296,628	3,310,104	3,370,688	3,436,399	3,436,317	4,220,166	31,396,535	1,357,873	2,027,888	313,442	42,159,738
ses of Funds															
ND COST/ACQUISITION	SEC 250/	2 700 000									2 700 000				2,700,000
Land Cost or Value Demolition	\$56,250/unit	2,700,000 151,350	-	-	-		-	-		-	2,700,000 151,350	-	-	-	2,700,000
Legal		-	-	-				-		-	-	-	-	-	-
Land Lease Rent Prepayment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Existing Improvements Cost or Value Off-Site Improvements		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Predevelopment Interest/Holding Cost		1	1	-	-	-	-	-	-	-	-	-	-	-	
Assumed, Accrued Interest on Existing Debt	(Rehab/Acq)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess Purchase Price Over Appraisal		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other: (Specify) Total Land / Acquisition		2,851,350	-			-		-	-		- 2,851,350	-	-	-	2,851,350
Total Land / Acquisition		2,001,000								-	2,001,000				2,001,000
EW CONSTRUCTION															
Off-Site Improvements Site Work		-	150,000 500,000	-	-	-	-	-	-	-	150,000 500,000	-	-	-	150,000 500,000
Structures	\$ 341,195/unit	-	2,047,168	2,047,168	2,047,168	2,047,168	2,047,168	2,047,168	2,047,168	2,047,168	16,377,344	-	-	-	16,377,344
General Requirements	6.0%	-	194,196	147,396	147,396	147,396	147,396	147,396	147,396	147,396	1,225,969	-	-	-	1,225,969
Contractor Overhead	2.0%	-	68,616	52,080	52,080	52,080	52,080	52,080	52,080	52,080	433,176	-	-	-	433,176
Contractor Profit Prevailing Wages	6.0% 20.0%		205,848 539,434	156,240 409,434	156,240 409,434	156,240 409,434	156,240 409,434	156,240 409,434	156,240 409,434	156,240 409,434	1,299,527 3,405,469	-	-		1,299,527 3,405,469
General Liability Insurance	1.0%	-	37,053	28,123	28,123	28,123	28,123	28,123	28,123	28,123	233,915	-	-	-	233,915
Urban Greening		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Premium	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other: (Specify) Other: (Specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	
Other: (Specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other: (Specify)	\$ 400 400/ ···· 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total New Construction	\$492,196/unit	-	3,742,314	2,840,441	2,840,441	2,840,441	2,840,441	2,840,441	2,840,441	2,840,441	23,625,399	-	-	-	23,625,399
RCHITECTURAL + SURVEY + ENGINEERING															
Design / Supervision		1,165,000	-	-	•	•	•	-	•	-	1,165,000	-	-	-	1,165,000
Supervision Total Survey & Engineering		- 710,000	-	-	-	-	-	-	-	-	- 710,000	-	-	-	- 710,000
Other: (Specify)		-	-	-	-		-	-	-	-	-	-	-	-	- 10,000
Other: (Specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Architectural		1,875,000	-	-	•	•	•	-	-	•	1,875,000	-	-	-	1,875,000
INSTRUCTION PERIOD EXPENSES															
Construction Loan Interest		-	24,314	87,879	141,695	196,512	252,349	309,226	307,307	113,556	1,432,838	685,123	25,233	-	2,143,194
Origination Fee	1.00%	253,253	-	-	-	-	-	-	-	-	253,253	-	-	-	253,253
Credit Enhancement/Application Fee Other: GC Construction Intere 12.00%	0.00%	25,000 -	-	-	-		-	-		-	25,000	-	-	-	25,000
Cost of Issuance	0.1875%	28,215	-	-				-		-	28,215	-	-	-	28,215
Title & Recording		100,000	-	-	-	-	-	-	-	-	100,000	-	-	-	100,000
Taxes Insurance	1.25%	295,000	-	-	-	-	-	-	-	-	- 295,000	-	-	-	- 295,000
Insurance Employment Reporting	1.20%	295,000	1	1	-	-	1	-	-	-	-	-	-	-	295,000
Construction Expenses/Testing	187,500	-	23,438	23,438	23,438	23,438	23,438	23,438	23,438	23,438	187,500	-	-	-	187,500
Accrued Interest on Residual Receipt Loans		-	61,375	61,375	61,375	61,375	61,375	61,375	61,375	20,458	450,083	122,750	-	-	572,833
Other: (Specify)			1	1	1	1.1	1.1	1	1.1	1	-	1	1	1	
											2	-			
Other: (Specify) Total Construction Period Expense		701,468	109,126	172,692	226,507	281,324	337,162	394,039	392,119	157,452	2,771,889	807,873	25,233	-	3,604,995

#### Sources & Uses

<u>Sources &amp; Uses</u> The Grant at Mission Trails		53,927	Off	3.0%	9.0%	11.0%	15.0% Construct	15.0%	17.0%	21.0%	9.0%	Construction	Stabilization	2,200,000 2,500,000		
		Pre-Dev	Close	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8	Subtotal	6 Months	Conversion	8609	Total
95 Loan Origination Fee	0.00%		_	<u>12.50%</u>	<u>12.50%</u>	<u>12.50%</u>	<u>12.50%</u>	<u>12.50%</u>	<u>12.50%</u>	<u>12.50%</u>	<u>12.50%</u>	22 Months	-	-	_	
96 Credit Enhancement/Application Fee	0.0070		-	-	-	-		-	-	-	-	-	-	-	-	-
97 Title & Recording 98 Taxes			-	-	-	-	-	-	-	-	-	-	-	10,000	-	10,000
98 Taxes 99 Insurance			-	-	-	-	-	-	-	-	-	-	-	-	-	-
100 Legal for Perm Loan			-	-	-	-	-	-	-	-	-	-	-	15,000	-	15,000
101 Other: (Specify) 102 Other: (Specify)	1.00%		13,750	-	-	-	-	-	-	-	-	13,750	-	13,750	-	27,500
102         Other: (Specify)           103         Total Permanent Financing			13,750	-	-	-	-	-	-	-		- 13,750	-	38,750	-	52,500
104			.,													
105 LEGAL FEES 106 Legal Paid by Applicant			150,000									150,000				150,000
107 Lender Legal			75,000	-	-	-	-	-	-	-	-	75,000	-	-	-	75,000
108 Other: Investor Legal			50,000	-	-	-	-	-	-	-	-	50,000	-	-	-	50,000
109         Other: Bond Issuer Legal           110         Other: MGP Legal			50,000 25,000	-	-	-	-	-	-	-	-	50,000 25,000	-	-	-	50,000 25,000
111 Other: SDHC Legal Fees			25,000	-	-	-	-	-	-	-	-	25,000	-	-	-	25,000
112 Other: (Specify)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
113 Total Legal Fees			377,500	-	-	-	-	-	-	-	-	377,500	-	-	-	377,500
114 115 CAPITALIZED RESERVES																
116 Operating Reserve	3 months		-	-	-	-	-	-	-	-	-	-	-	268,612	-	268,612
117     Replacement Reserve       118     Transition Reserve			-	-	-	-	-	-	-	-	-	-	-	-	-	-
119 Lease-Up Reserve			-	-	-	-	-	-	-	-	-	-	-	-	-	-
120 Other: Soft Loan Debt Service Reserve			-	-	-	-	-	-	-	-	-	-	-	-	-	-
121 Other: (Specify)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
122 Other: (Specify) 123 Total Reserves			-	-	-	-	-		-	-	-		-	268,612		- 268,612
124																
125 CONTINGENCY COSTS	C 08/		0.001	224 520	470 400	470 400	470 400	170 406	470 400	170 400	170 400	4 400 005				4 496 695
126 Construction Hard Cost Contingency 127 Soft Cost Contingency	6.0% 8.5%		9,081 453,227	224,539 9,276	170,426 14,679	170,426 19,253	170,426 23,913	170,426 28,659	170,426 33,493	170,426 33,330	170,426 94,738	1,426,605 710,567	-	-	-	1,426,605 710,567
128 Other: (Specify)	0.070		-	-	-	-	-	-	-	-	-	-	-	-	-	-
129 Other: (Specify)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
130     Other: (Specify)       131     Total Contingency			462,308	233,815	185,105	- 189,680	194,339	199,085	203,920	203,757	265,164	2,137,172	-	-	-	2,137,172
132				200,010	100,100	,	101,000	100,000	200,020	200,101	200,101	_,				_,
133 OTHER			54.000									54.000				54 000
134 TCAC App/Allocation/Monitoring Fees 135 Environmental Audit			54,629 50,000	-	-	-	-	-	-	-	-	54,629 50,000	-	-	-	54,629 50,000
136 Local Development Impact Fr 949,155	\$ 19,774/unit		192,045	-	-	-		-	-	-	757,110	949,155	-	-	-	949,155
137 Permit Processing Fees	\$ 5,208/unit		250,000	-	-	-	-	-	-	-	-	250,000	-	-	-	250,000
138 Capital Fees 139 Marketing			1	-	-	-	-	-	-	-	100,000	- 100,000	-	-	-	- 100,000
140 Furnishings			-	-	-	-		-	-	-	100,000	100,000	-	-	-	100,000
141 Market Study			15,000	-	-	-	-	-	-	-	-	15,000	-	-	-	15,000
<ul><li>142 Accounting/Reimbursable</li><li>143 Appraisal Costs</li></ul>			50,000 20,000	-	-	-		-	-	-	-	50,000 20,000	-	-	-	50,000 20,000
144 Construction Management			-	-	-	-	-	-	-	-	-	-	-	-	-	-
145 Prevailing Wage Monitoring			-		-	-	-	•	-	-	-	-	-	-	-	-
<ul><li>146 Other: Relocation Cost</li><li>147 Other: Miscellaneous Consultants</li></ul>			200,000 400,000	-	-	-	-		-	-	-	200,000 400,000		-	-	200,000 400,000
148 Other: CDLAC Fee	0.035%		7,691		-	-			-	-	-	7,691	-	-	-	7,691
149 Other: Miscellaneous Third-Party Reports			125,000	-	-	-	-	-	-	-	-	125,000	-	-	-	125,000
150         Other: Predevelopment Loan Interest           151         Other: (Specify)			1,000,000	-	-	-	-	-	-	-	-	1,000,000		-	-	1,000,000
152 Total Other Costs			2,364,365		-	-	-		-	-	957,110	3,321,475	-	-	-	3,321,475
154 DEVELOPER COSTS 155 Developer Overhead/Profit			625,000	-	-	-	_	-	-	-	-	625,000	550,000	2,495,293	375,442	4,045,735
156 Consultant/Processing Agent			-	-	-	-	-	-	-	-	-	,	-	-	-	-
157 Project Administration			-	•	-	-	-	•	-	-	-	-	-	-	-	-
158         Broker Fees Paid to a Related Party           159         Construction Oversight by Developer			-	-	-	-	-		-	-	-	-		-	-	-
160 Other: (Specify)			-	-		-	-			-	-	-	-		-	-
161 Total Developer Costs			625,000	-	-	-	-	-	-	-	•	625,000	550,000	2,495,293	375,442	4,045,735
162 163																
164 Total Uses of Funds			9,270,741	4,085,255	3,198,238	3,256,628	3,316,104	3,376,688	3,438,399	3,436,317	4,220,166	37,598,535	1,357,873	2,827,888	375,442	42,159,738
165 Net Source & Use 166 Distributions			-	-	-	-	-	-	-	-	-	-	-	-	-	-
166 Distributions 167 Balance of Funds			-		-	-	-		-			-	-	-	-	-
		L	-	-			-	-		-	-	-		-	-	-

#### OPERATING BUDGET & INCOME ANALYSIS

The Grant at Mission Trails

County	S/	AN DIEGO		Proj 2025 Rent	Growth	9.17%	On			
				Square	Total	Gross	Utility	Monthly	Annual	PSH
Rent:	Restriction	<u>%AMI</u>	Units	Feet/Unit	<u>Sq. Ft.</u>	Rents	Allowance	Net Rent	Rent	Units
1BR/1BA	LIHTC	80%	0	652	0		\$ 84.00			0
1BR/1BA	LIHTC	70%	0	652	0	\$ 2,170	\$ 84.00	\$ 2,086	\$-	0
1BR/1BA	LIHTC	60%	0	652	0	\$ 1.860	\$ 84.00	\$ 1,776	\$ -	0
1BR/1BA	LIHTC	50%	0	652	0		\$ 84.00	\$ 1,466	\$-	0
1BR/1BA	LIHTC	40%	0	652	0		\$ 84.00	\$ 1,156	\$-	0
1BR/1BA	LIHTC	30%	0	652	0	\$ 930	\$ 84.00	\$ 846	\$ -	0
1BR/1BA	LIHTC	30%	12	652	7,824	\$ 930	\$ 84.00	\$ 846	\$ 121,824	12
2BR/1BA	LIHTC	80%	0	828	0	\$ 2,978	\$ 111.00	\$ 2,867	\$ -	0
2BR/1BA	LIHTC	70%	0	828	0	\$ 2,605	\$ 111.00	\$ 2,494	\$ -	0
2BR/1BA	LIHTC	60%	12	828	9,936	\$ 2,233	\$ 111.00	\$ 2,122	\$ 305,568	0
2BR/1BA	LIHTC	50%	4	828	3,312	\$ 1,861	\$ 111.00	\$ 1,750	\$ 84,000	0
2BR/1BA	LIHTC	40%	4	828	3,312	\$ 1,489	\$ 111.00	\$ 1,378	\$ 66,144	0
2BR/1BA	LIHTC	30%	3	828	2,484	\$ 1,116	\$ 111.00	\$ 1,005	\$ 36,180	2
2BR/1BA	LIHTC	30%	0	828	0	\$ 1,116	\$ 111.00	\$ 1,005	\$ -	0
3BR/2BA	LIHTC	80%	0	1,127	0	\$ 3,441	\$ 145.00	\$ 3,296	\$ -	0
3BR/2BA	LIHTC	70%	0	1,127	0	\$ 3.010	\$ 145.00	\$ 2,865	\$-	0
3BR/2BA	LIHTC	60%	6	1,127	6.762	\$ 2,580	\$ 145.00	\$ 2,435	\$ 175,320	0
3BR/2BA	LIHTC	50%	4	1,127	4,508	\$ 2,150	\$ 145.00	\$ 2,005	\$ 96,240	0
3BR/2BA	LIHTC	40%	0	1,127	0	\$ 1,720	\$ 145.00	\$ 1.575	\$ -	0
3BR/2BA	LIHTC	30%	2	1,127	2,254	\$ 1,290	\$ 145.00	\$ 1,145	\$ 27,480	0
3BR/2BA	LIHTC	30%	0	1,127	0	\$ 1,290	\$ 145.00	\$ 1,145	s -	0
2BR/1BA	n/a	Manager	1	1,127	1,127	• .,200	\$ -	\$ -	\$ -	0
ZDIGIDA	ina ina	manager		1,127	1,121		Ψ -	Ψ -	•	14
										.4
Total Rents			48		41,519	-11			912,756	
Community Room	Office		40		3,000				512,750	
				18%	9,772					
6 Loss to Efficien	cy are Feet, excluding	e e mana e rei el		18%						
Construction Squa RA Overhang	are Feet, excluding	commerciai			54,291				291,888	
ncome from Ope	rations			PUPM					291,000	
	erations								0.010	
aundry				\$ 12.00					6,912	
	p. Fees, Late, etc.)			\$ 4.00					2,304	
Garage	18.1.1			\$ -		0	Garages		0	
Cable & Highspee				\$ -					0	
Felephone Income	9			\$ -					0	
Sub-Total				\$ 16.00					1,213,860	
ess: Vacancies (				5.0%					60,693	
Commercial Inco				-	\$2.00/sq				0	
ess: Vacancies	0			50%		310			0	
fotal Income									1,153,167	
Operating Expen	ISES			PUPA			Notes			
Admin				\$ -					0	
lanagement Fee				\$ -					0	
Jtilities				\$ -					0	
ayroll				\$ -					0	
Repair & Maintena	ance			\$ -	-	-	-		0	
nsurance				\$ -					0	
Real Estate Taxes				s -					0	
Other				\$ 9,000					432,000	
otal Expenses				\$ 9,000					432,000	
,				,					. ,	
et Operating Inc	come								721,167	
Reserves				\$500/unit					24,000	
Services				\$1,404/unit	per unit				67,392	
San Diego Monito	ring Fees		-					-	18,760	
ssuer and Monito				0.05%					7,500	1,1
landatory Debt S				0.420%					0	
let Income Avail	lable for Debt Ser	vice							603,515	

Use 2025 FMRs? <u># of</u> <u>Units</u>

0 0

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291,888

Loan Sizing	Tranche A	Tranche B	Tranche C
Loan Amount	7,561,712	0	0
Interest	6.40%	6.40%	
Term	17	18	
Amortization	40	35	
Debt Service Coverage	1.15	1.15	
Monthly Payment	43,733	0	
Annual Payment	524,796	0	
Cash Flow After D/S	78,719		

#### LIHTC & Basis Calculation The Grant at Mission Trails

ACTUAL OR EST. Eliaible 30% ELIGIBLE BASIS **DESCRIPTION OF COSTS** OF COSTS Basis? LAND COST/ACQUISITION 2,700,000 No XXXXXXXXXXXX Land Cost or Value Demolition 151,350 No XXXXXXXXXXXX No XXXXXXXXXXXX Legal Land Lease Rent Prepayment No XXXXXXXXXXXX Existing Improvements Cost or Value -Yes - Acq Off-Site Improvements Yes Predevelopment Interest/Holding Cost Yes -Assumed, Accrued Interest on Existing Debt (Rehab/Acq) Yes Excess Purchase Price Over Appraisal No XXXXXXXXXXXX No XXXXXXXXXXXX Other: (Specify) 2,851,350 Total Land / Acquisition NEW CONSTRUCTION Off-Site Improvements 150,000 Yes 150,000 Site Work 500,000 Yes 500,000 Yes 16,377,344 Structures 16,377,344 General Requirements 1,225,969 Yes 1,225,969 433,176 Contractor Overhead 433,176 Yes Contractor Profit 1.299.527 Yes 1.299.527 Prevailing Wages 3,405,469 Yes 3,405,469 General Liability Insurance 233,915 Yes 233,915 Yes Urban Greening Bond Premium Yes Other: (Specify) Yes Other: (Specify) Yes Other: (Specify) Yes Other: (Specify) Yes **Total New Construction** 23,625,399 23,625,399 ARCHITECTURAL + SURVEY + ENGINEERING Design / Supervision 1,165,000 Yes 1,165,000 Supervision Yes Total Survey & Engineering 710,000 Yes 710,000 Other: (Specify) Yes Yes Other: (Specify) **Total Architectural** 1,875,000 1,875,000 CONSTRUCTION PERIOD EXPENSES Construction Loan Interest 2,143,194 Partial 1.661.212 253,253 Origination Fee 253,253 Yes Credit Enhancement/Application Fee 25,000 Yes 25,000 Partial Other: GC Construction Interest Cost of Issuance 28,215 Yes 28,215 Title & Recording 100,000 100,000 Yes Taxes Yes Insurance 295,000 Yes 295,000 Employment Reporting Yes 187,500 187,500 Construction Expenses/Testing Yes Accrued Interest on Residual Receipt Loans 572,833 Partial 491,000 Other: (Specify) Yes Other: (Specify) Yes 3,604,995 **Total Construction Period Expense** 3,041,180 PERMANENT FINANCING EXPENSES Loan Origination Fee No XXXXXXXXXXXX Credit Enhancement/Application Fee No XXXXXXXXXXXX 10,000 Title & Recording No XXXXXXXXXXXX Taxes No XXXXXXXXXXXX Insurance No XXXXXXXXXXXX Legal for Perm Loan 15,000 No XXXXXXXXXXXX Other: (Specify) 27,500 No XXXXXXXXXXXX Other: (Specify) No XXXXXXXXXXXX **Total Permanent Financing** 52,500 LEGAL FEES Legal Paid by Applicant 150,000 Yes 150,000 Lender Legal 75.000 Yes 75.000 Other: Investor Legal 50,000 No XXXXXXXXXXXX Other: Bond Issuer Legal 50,000 No XXXXXXXXXXXX Other: MGP Legal 25.000 Yes 25.000 Other: SDHC Legal Fees 27,500 No XXXXXXXXXXXX XXXXXXXXXXXX Other: (Specify) No 377,500 **Total Legal Fees** 250,000 CAPITALIZED RESERVES

Operating Reserve			
	268,612	No	XXXXXXXXXXXX
Replacement Reserve	-	No	XXXXXXXXXXXX
Transition Reserve	-	No	XXXXXXXXXXXX
Lease-Up Reserve	-	No	XXXXXXXXXXXX
Other: Soft Loan Debt Service Reserve	-	No	XXXXXXXXXXXX
Other: (Specify)	-	No	XXXXXXXXXXXX
Other: (Specify)	-	No	XXXXXXXXXXXX
Total Reserves	268,612		
CONTINGENCY COSTS			
Construction Hard Cost Contingency	1,426,605	Yes	1,426,605
Soft Cost Contingency	710,567	Yes	710,567
Other: (Specify)	-	Yes	-
Other: (Specify)	-	Yes	-
Other: (Specify)	-	Yes	-
Total Contingency	2,137,172		2,137,172
OTHER			
TCAC App/Allocation/Monitoring Fees	54,629	No	XXXXXXXXXXXX
Environmental Audit	50,000	Yes	50,000
Local Development Impact Fees	949,155	Yes	949,155
Permit Processing Fees	250,000	Yes	•
			250,000
Capital Fees	-	Yes	-
Marketing	100,000	No	XXXXXXXXXXX
Furnishings	100,000	Yes	100,000
Market Study	15,000	Yes	15,000
Accounting/Reimbursable	50,000	Yes	50,000
Appraisal Costs	20,000	Yes	20,000
Construction Management	-	Yes	-
Prevailing Wage Monitoring		Yes	
Other: Relocation Cost	200,000	No	XXXXXXXXXXXX
Other: Miscellaneous Consultants	400,000	Yes	400,000
Other: CDLAC Fee	7,691	Yes	7,691
Other: Miscellaneous Third-Party Reports	125,000	Yes	125,000
Other: Predevelopment Loan Interest	1,000,000	Yes	1,000,000
Other: (Specify)	-	Yes	-
Fotal Other Costs	3,321,475		2,966,846
	•,•=•,••		
DEVELOPER COSTS			
Developer Fee Limit - Per Application (4%)	2,500,000		2,500,000
Developer Fee Calculation	4,045,735		4,045,735
Developer Overhead/Profit	4,045,735	Yes	4,045,735
Consultant/Processing Agent	-	Yes	-
Project Administration	-	Yes	-
Broker Fees Paid to a Related Party	-	Yes	-
Broker Fees Paid to a Related Party Construction Oversight by Developer		Yes Yes	-
Construction Oversight by Developer	 	Yes	
Construction Oversight by Developer Dther: (Specify)	-		-
Construction Oversight by Developer Dther: (Specify)	4,045,735	Yes	
Construction Oversight by Developer Dther: (Specify)	-	Yes	-
Construction Oversight by Developer Other: (Specify) Fotal Developer Costs	4,045,735	Yes	- - 4,045,735
Construction Oversight by Developer Other: (Specify) Fotal Developer Costs	4,045,735	Yes	- - 4,045,735
Construction Oversight by Developer Other: (Specify) Fotal Developer Costs TOTAL RESIDENTIAL COSTS	4,045,735	Yes	- - 4,045,735
Construction Oversight by Developer Other: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS	4,045,735	Yes	4,045,735 37,941,332
Construction Oversight by Developer Other: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS	4,045,735	Yes	- - 4,045,735
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS	4,045,735	Yes	4,045,735 37,941,332
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail	4,045,735	Yes	4,045,735 37,941,332
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity	4,045,735	Yes	4,045,735 37,941,332 - 37,941,332
Construction Oversight by Developer Other: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity	4,045,735	Yes	4,045,735 37,941,332
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL COMMERCIAL COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis	4,045,735	Yes Yes	4,045,735 37,941,332 - 37,941,332 - 37,941,332
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL COMMERCIAL COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis	4,045,735	Yes	4,045,735 37,941,332 - 37,941,332
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL COMMERCIAL COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis	4,045,735	Yes Yes	4,045,735 37,941,332 - 37,941,332 - 37,941,332
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis 130% DIFFICULT DEVELOPMENT FACTOR?	4,045,735	Yes Yes	4,045,735 37,941,332 - 37,941,332 - 37,941,332
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis 130% DIFFICULT DEVELOPMENT FACTOR? Credit Reduction	4,045,735	Yes Yes	4,045,735 37,941,332 - 37,941,332 - 37,941,332
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis I30% DIFFICULT DEVELOPMENT FACTOR? Credit Reduction	4,045,735	Yes Yes	- 4,045,735 37,941,332 - 37,941,332 - 37,941,332 49,323,731 -
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis 130% DIFFICULT DEVELOPMENT FACTOR? Credit Reduction Fotal Adjusted Qualified Basis	4,045,735	Yes Yes	- 4,045,735 37,941,332 - 37,941,332 37,941,332 49,323,731
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis 130% DIFFICULT DEVELOPMENT FACTOR? Credit Reduction Fotal Adjusted Qualified Basis	4,045,735	Yes Yes	- 4,045,735 37,941,332 - 37,941,332 - 37,941,332 49,323,731 -
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis 130% DIFFICULT DEVELOPMENT FACTOR? Credit Reduction Fotal Adjusted Qualified Basis EX CREDITS @ % LI Eligible@ Tx Credit Rt	4,045,735	Yes Yes	4,045,735 37,941,332 - 37,941,332 37,941,332 49,323,731 49,323,731 4.00%
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis 130% DIFFICULT DEVELOPMENT FACTOR? Credit Reduction Fotal Adjusted Qualified Basis EX CREDITS @ % LI Eligible@ Tx Credit Rt	4,045,735	Yes Yes	- 4,045,735 37,941,332 - 37,941,332 37,941,332 49,323,731
Construction Oversight by Developer         Dther: (Specify)         Total Developer Costs         TOTAL RESIDENTIAL COSTS         TOTAL COMMERCIAL COSTS         TOTAL PROJECT AND BASIS COSTS         Adjustment for Excess Basis / Commercial&Retail         Additional Amount Excluded From Basis - Solar Equity         Requested Undadjusted Eligible Basis         130% DIFFICULT DEVELOPMENT FACTOR?         Credit Reduction         Total Adjusted Qualified Basis         TX CREDITS @ % LI Eligible         TX CREDITS @ % LI Eligible	4,045,735	Yes Yes	- 4,045,735 37,941,332 - 37,941,332 - 37,941,332 49,323,731 - 49,323,731 4.00% 1,972,949
Construction Oversight by Developer         Dther: (Specify)         Total Developer Costs         TOTAL RESIDENTIAL COSTS         TOTAL COMMERCIAL COSTS         TOTAL PROJECT AND BASIS COSTS         Adjustment for Excess Basis / Commercial&Retail         Additional Amount Excluded From Basis - Solar Equity         Requested Undadjusted Eligible Basis         130% DIFFICULT DEVELOPMENT FACTOR?         Credit Reduction         Total Adjusted Qualified Basis         TX CREDITS @ % LI Eligible         TX CREDITS @ % LI Eligible	4,045,735	Yes Yes	4,045,735 37,941,332 - 37,941,332 37,941,332 49,323,731 49,323,731 4.00%
Construction Oversight by Developer Dther: (Specify) Fotal Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis I30% DIFFICULT DEVELOPMENT FACTOR? Credit Reduction Fotal Adjusted Qualified Basis FX CREDITS @ % LI Eligible@ Tx Credit Rt FX CREDITS @ % LI Eligible	4,045,735	Yes Yes	- 4,045,735 37,941,332 - 37,941,332 - 37,941,332 49,323,731 - 49,323,731 4.00% 1,972,949
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis 130% DIFFICULT DEVELOPMENT FACTOR? Credit Reduction Total Adjusted Qualified Basis FX CREDITS @ % LI Eligible@ Tx Credit Rt TX CREDITS @ % LI Eligible FX CREDITS @ % LI Eligible FX CREDITS OVER TEN YEARS	4,045,735	Yes Yes	- 4,045,735 37,941,332 - 37,941,332 - 37,941,332 49,323,731 - 49,323,731 4.00% 1,972,949
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis 130% DIFFICULT DEVELOPMENT FACTOR? Credit Reduction Total Adjusted Qualified Basis FX CREDITS @ % LI Eligible@ Tx Credit Rt TX CREDITS @ % LI Eligible FX CREDITS @ % LI Eligible FX CREDITS OVER TEN YEARS	- - 4,045,735 42,159,738 - 42,159,738	Yes	- 4,045,735 37,941,332 - 37,941,332 37,941,332 49,323,731 - 49,323,731 4.00% 1,972,949 19,729,492
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis 130% DIFFICULT DEVELOPMENT FACTOR? Credit Reduction Fotal Adjusted Qualified Basis FX CREDITS @ % LI Eligible TX CREDITS @ % LI Eligible TX CREDITS OVER TEN YEARS TX CREDIT EQ'Y@\$/Credit@% Investment	- - 4,045,735 42,159,738 - 42,159,738	Yes	4,045,735 37,941,332 - 37,941,332 37,941,332 49,323,731 49,323,731 40,00% 1,972,949 19,729,492 17,360,217
Construction Oversight by Developer         Dther: (Specify)         Total Developer Costs         TOTAL RESIDENTIAL COSTS         TOTAL COMMERCIAL COSTS         TOTAL PROJECT AND BASIS COSTS         Adjustment for Excess Basis / Commercial&Retail         Additional Amount Excluded From Basis - Solar Equity         Requested Undadjusted Eligible Basis         130% DIFFICULT DEVELOPMENT FACTOR?         Credit Reduction         Total Adjusted Qualified Basis         FX CREDITS @ % LI Eligible         FX CREDITS @ % LI Eligible         FX CREDITS OVER TEN YEARS         FX CREDIT EQ'Y@\$/Credit@% Investment         Additional Amount Voluntarily Excluded From Basis-State Only	- - 4,045,735 42,159,738 - 42,159,738	Yes	- - - - - - - - - - - - - - - - - - -
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis 130% DIFFICULT DEVELOPMENT FACTOR? Credit Reduction Fotal Adjusted Qualified Basis FX CREDITS @ % LI Eligible@ Tx Credit Rt TX CREDITS @ % LI Eligible FX CREDITS @ % LI Eligible FX CREDITS OVER TEN YEARS FX CREDIT EQ'Y@\$/Credit@% Investment Additional Amount Voluntarily Excluded From Basis-State Only	- - 4,045,735 42,159,738 - 42,159,738	Yes	4,045,735 37,941,332 - 37,941,332 37,941,332 49,323,731 49,323,731 40,00% 1,972,949 19,729,492 17,360,217
Construction Oversight by Developer         Dther: (Specify)         Fotal Developer Costs         TOTAL RESIDENTIAL COSTS         TOTAL COMMERCIAL COSTS         TOTAL PROJECT AND BASIS COSTS         Adjustment for Excess Basis / Commercial&Retail         Additional Amount Excluded From Basis - Solar Equity         Requested Undadjusted Eligible Basis         130% DIFFICULT DEVELOPMENT FACTOR?         Credit Reduction         Fotal Adjusted Qualified Basis         FX CREDITS @ % LI Eligible         FX CREDITS @ % LI Eligible         FX CREDITS OVER TEN YEARS         FX CREDIT EQY@\$/Credit@% Investment         Additional Amount Voluntarily Excluded From Basis-State Only         Requested Undadjusted Eligible Basis-State Only		Yes Yes	- 4,045,735 37,941,332 - 37,941,332 49,323,731 - 49,323,731 4.00% 1,972,949 19,729,492 17,360,217 9,217,585 28,723,747
Construction Oversight by Developer         Other: (Specify)         Total Developer Costs         TOTAL RESIDENTIAL COSTS         TOTAL COMMERCIAL COSTS         TOTAL PROJECT AND BASIS COSTS         Adjustment for Excess Basis / Commercial&Retail         vaditional Amount Excluded From Basis - Solar Equity         Requested Undadjusted Eligible Basis         30% DIFFICULT DEVELOPMENT FACTOR?         Credit Reduction         rotal Adjusted Qualified Basis         "X CREDITS @ % LI Eligible         "X CREDITS @ % LI Eligible         "X CREDITS OVER TEN YEARS         "X CREDIT EQY@\$/Credit@% Investment         vaditional Amount Voluntarily Excluded From Basis-State Only         Requested Undadjusted Eligible Basis         "X CREDIT EQY@\$/Credit@% Investment         vaditional Amount Voluntarily Excluded From Basis-State Only         Requested Undadjusted Eligible Basis & Over 4 Yrs		Yes Yes Yes Yes Yes	- 4,045,735 37,941,332 - 37,941,332 - 37,941,332 49,323,731 - 49,323,731 4.00% 1,972,949 19,729,492 17,360,217 9,217,585 28,723,747 8,617,124
Construction Oversight by Developer         Dther: (Specify)         Fotal Developer Costs         TOTAL RESIDENTIAL COSTS         TOTAL COMMERCIAL COSTS         TOTAL PROJECT AND BASIS COSTS         Adjustment for Excess Basis / Commercial&Retail         Additional Amount Excluded From Basis - Solar Equity         Requested Undadjusted Eligible Basis         130% DIFFICULT DEVELOPMENT FACTOR?         Credit Reduction         fotal Adjusted Qualified Basis         FX CREDITS @ % LI Eligible         FX CREDITS @ % LI Eligible         FX CREDITS OVER TEN YEARS         FX CREDIT EQ'Y@\$/Credit@% Investment         Additional Amount Voluntarily Excluded From Basis-State Only         Requested Undadjusted Eligible Basis State Only		Yes Yes Yes Yes Yes	- 4,045,735 37,941,332 - 37,941,332 49,323,731 - 49,323,731 4.00% 1,972,949 19,729,492 17,360,217 9,217,585 28,723,747
Construction Oversight by Developer Dther: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS TOTAL COMMERCIAL COSTS TOTAL PROJECT AND BASIS COSTS Adjustment for Excess Basis / Commercial&Retail Additional Amount Excluded From Basis - Solar Equity Requested Undadjusted Eligible Basis 130% DIFFICULT DEVELOPMENT FACTOR? Credit Reduction Fotal Adjusted Qualified Basis FX CREDITS @ % LI Eligible@ Tx Credit Rt FX CREDITS @ % LI Eligible FX CREDITS @ % LI Eligible FX CREDITS OVER TEN YEARS FX CREDITS OVER TEN YEARS FX CREDIT EQ'Y@\$/Credit@% Investment Additional Amount Voluntarily Excluded From Basis-State Only Requested Undadjusted Eligible Basis & Over 4 Yrs State Tax Credits - 13% of Eligible Basis & Over 4 Yrs State Tax Credits Equity	↓	Yes Yes Yes Yes 99.99%	4,045,735 37,941,332 - 37,941,332 37,941,332 49,323,731 49,323,731 49,323,731 400% 1,972,949 19,729,492 17,360,217 9,217,585 28,723,747 8,617,124 7,669,240
Construction Oversight by Developer         Dther: (Specify)         Total Developer Costs         TOTAL RESIDENTIAL COSTS         TOTAL COMMERCIAL COSTS         TOTAL PROJECT AND BASIS COSTS         Adjustment for Excess Basis / Commercial&Retail         Additional Amount Excluded From Basis - Solar Equity         Requested Undadjusted Eligible Basis         130% DIFFICULT DEVELOPMENT FACTOR?         Credit Reduction         Total Adjusted Qualified Basis         TX CREDITS @ % LI Eligible@ Tx Credit Rt         TX CREDITS @ % LI Eligible         TX CREDITS OVER TEN YEARS         FX CREDIT EQ'Y@\$/Credit@% Investment         Additional Amount Voluntarily Excluded From Basis-State Only         Requested Undadjusted Eligible Basis & Over 4 Yrs         State Tax Credits = 13% of Eligible Basis & Over 4 Yrs		Yes Yes Yes Yes 99.99%	- 4,045,735 37,941,332 - 37,941,332 - 37,941,332 49,323,731 - 49,323,731 4.00% 1,972,949 19,729,492 17,360,217 9,217,585 28,723,747 8,617,124
Construction Oversight by Developer Other: (Specify) Total Developer Costs TOTAL RESIDENTIAL COSTS TOTAL COMMERCIAL COSTS	↓	Yes Yes Yes Yes 99.99%	4,045,735 37,941,332 - 37,941,332 37,941,332 49,323,731 49,323,731 49,323,731 400% 1,972,949 19,729,492 17,360,217 9,217,585 28,723,747 8,617,124 7,669,240

% of Available	le	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Cash Flow	Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
	2.00% Gross Revenue	1,213,860	1,238,137	1,262,900	1,288,158	1,313,921	1,340,200	1,367,004	1,394,344	1,422,230	1,450,675	1,479,689
	5.00% Vacancy	(60,693)	(61,907)	(63,145)	(64,408)	(65,696)	(67,010)	(68,350)	(69,717)	(71,112)	(72,534)	(73,984)
	Net Revenue	1,153,167	1,176,230	1,199,755	1,223,750	1,248,225	1,273,190	1,298,653	1,324,626	1,351,119	1,378,141	1,405,704
	Net Commercial Income	0	0	0	0	0	0	0	0	0	0	0
	3.00% Operating Expenses	432,000	444,960	458,309	472,058	486,220	500,806	515,831	531,306	547,245	563,662	580,572
	Net Operating Income	721,167	731,270	741,446	751,692	762,005	772,383	782,823	793,321	803,874	814,479	825,132
	0.00% Replacement Reserves	24.000	24.000	24.000	24.000	24.000	24.000	24.000	24.000	24.000	24.000	24.000
	3.00% San Diego Monitoring Fees (SDHC, City, County)	18,760	19.323	19.323	19.323	19.323	19.323	19.323	19.323	19.323	19.323	19.323
	3.00% Services	67.392	69.414	71,496	73.641	75.850	78,126	80,470	82,884	85,370	87.931	90,569
	Cash Available to Debt Service	611,015	618,534	626,627	634,728	642,832	650,935	659,030	667,114	675,181	683,225	691,240
		011,010	010,004	020,027	004,120	042,002	000,000	000,000	001,114	010,101	000,220	001,240
	6.40% Principal and Interest (Tranche A)	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796
	Issuer and Monitoring Fee	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
	0.42% MHP Mandatory Soft Loan Payments	0	0	0	0	0	0	0	0	0	0	0
	0.42% FWHG Mandatory Soft Loan Payments	0	0	0	0	0	0	0	0	0	0	0
	0.42% VHHP Mandatory Soft Loan Payments	0	0	0	0	0	0	0	0	0	0	0
	Net Project Cash Flow	78,719	86,238	94,332	102,432	110,536	118,639	126,735	134,819	142,886	150,930	158,945
	DSCR	1.15x	1.16x	1.18x	1.19x	1.21x	1.22x	1.24x	1.25x	1.27x	1.28x	1.30x
	3.00% LP Fee	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720
36,878	3.00% Managing GP Fee	4,800	4,944	5,092	5,245	5,402	5,565	5,731	5,903	6,080	6,263	6,451
	0.00% SDHC Fixed Annual Fee	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Cash Available After GP/LP Fees	58,919	66,144	73,935	81,724	89,507	97,278	105,033	112,766	120,471	128,143	135,774
400.00%	0.000/ Deferred Developer Fee	50.040	00 444	70.005	04 704	00 507	07.070	405 022	440 700	400 474	100 110	405 774
100.00%	0.00% Deferred Developer Fee Cash Available After Deferred Fee Payment	<u>58,919</u> 0	<u>66,144</u> 0	73,935	<u>81,724</u> 0	<u>89,507</u> 0	97,278 0	<u>105,033</u> 0	<u>112,766</u> 0	120,471 0	128,143 0	<u>135,774</u> 0
	Cash Available After Deferred Fee Payment	U	U	U	U	U	U	U	U	U	U	U
33.56%	3.00% City of San Diego CDBG	0	0	0	0	0	0	0	0	0	0	0
29.53%	4.00% SDHC	0	0	0	0	0	0	0	0	0	0	0
36.91%	3.00% County of San Diego ARPA	0	0	0	0	0	0	0	0	0	0	0
0.00%	3.00% Residual Receipt Loans Accrued Interest	0	0	0	0	0	0	0	0	0	0	0
0.00%	0.00% Miscellaneous	0	0	0	0	0	0	0	0	0	0	0
	Cash Flow Available After Soft Loan Loans	0	0	0	0	0	0	0	0	0	0	0
90.00%	Partnership Admin Fee	0	0	0	0	0	0	0	0	0	0	0
	Cash Flow Available after Partnership Admin Fee	0	0	0	0	0	0	0	0	0	0	0
	LP Distribution	0	0	0	0	0	0	0	0	0	0	0
99.99%												-
99.99% 0.01%	GP Distribution	0	0	0	0	0	0	0	0	0	0	0

Con. How         How         Yes 10         Yes 11         Yes 10         Yes 10         Yes 20         Yes 21         Yes 22         Yes 23         Yes 23         Yes 24         Yes 23         Yes 24         Yes 25         Yes 25 </th <th>% of Available</th> <th></th> <th></th> <th>2039</th> <th>2040</th> <th>2041</th> <th>2042</th> <th>2043</th> <th></th>	% of Available			2039	2040	2041	2042	2043											
Substrate         CTS-543         (TS-573)         (TS-574)         (TS-574)	Cash Flow	Rate		Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27
Subset         Subset         (75,453)         (75,513)         (70,513)         (90,083)         (81,685)         (86,685)         (86,685)         (86,685)         (81,472)         (81,472)         (81,473) <th< th=""><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th></th<>																			
Net Revenue         1432.818         1442.495         1432.167         1582.01         1687.067         1272.515         1772.156         1772.715         1781.426         1.881.797         1.881.897         1.881.															11				
Net Commercia         0         <		5.00%	Vacancy				,			. ,	,	· · · /	( . ,	( . ,	· · /	· · /		( . ,	
30ml         Community Exc.         634.407         653.439         673.432         693.233         773.515         700.200         00.847         827.757         852.888         977.1107         994.512         991.811         994.512         991.811         994.512         991.811         994.512         991.811         994.512         991.811         998.683         976.859         977.814         998.683         976.859         977.814         998.683         976.859         977.814         998.693         976.859         997.811         998.693         976.859         997.811         998.693         997.811         998.693         997.811         998.693         997.811         998.693         997.811         998.693         997.811         998.693         997.811         998.693         997.811         998.693         997.811         998.693         997.811         998.693         998.693         997.811         998.693         998.693         998.693         198.293         198.233         198.233         198.233         198.233         198.233         198.233         198.233         198.233         198.233         198.233         198.233         198.233         198.233         198.233         198.233         198.233         198.233         198.233         198.233																			
Net Operating         835,829         846,568         857,33         889,141         978,959         899,819         922,432         933,355         944,169         955,016         955,539         976,830         987,831         989,083           0.00%         Sam Diep Min         932,331         10,323         10,324         121,129																			
000%         Replacement R         24.000         24		3.00%																	
B.00% Services         Sain Diego Mon         19.323			Net Operating	835,829	846,566	857,338	868,141	878,969	889,818	900,682	911,555	922,432	933,305	944,169	955,016	965,839	976,630	987,381	998,083
3.00%         San Dego Mon         19.323         19		0.000/		04.000	04.000	04.000	04.000	04.000	04.000	04.000	04.000	04.000	04.000	04.000	04.000	04.000	04.000	04.000	04.000
3.0%         3.0%         9.08         90.867         101.395         101.495         101.444         111.389         114.720         118.172         121.171         125.389         120.130         133.004         133.094         133.094         133.094         133.094         141.104         145.337           Gesh Availabit         693.220         707.158         715.649         722.881         730.652         738.361         765.927         768.265         775.777         725.562         755.07         7500 <t< th=""><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th>1</th><th>1</th><th></th><th></th><th></th><th></th></t<>														1	1				
Cash Available         699_220         797_158         715_048         722_081         730_652         738_351         745_971         755_502         769_377         762_653         789_512         7500         7.500			0	-										-		-	-		
And Principal and In         524,796 <td></td> <td>3.00%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1</td> <td>1.1.1</td> <td></td> <td></td> <td>- 1</td> <td></td> <td></td> <td></td> <td></td> <td></td>		3.00%								1	1.1.1			- 1					
Hole         State and Mon         7.500			Cash Available	699,220	707,158	715,048	722,881	730,652	738,351	745,971	753,502	760,937	768,265	115,411	782,563	789,512	796,313	802,954	809,423
elssue*and Mon         7.500		6.40%	Principal and In	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796	524,796
0.42%         MHP Mandator         0		0												- /					
0.42%         VHHP Mandata:         0			MHP Mandator	0	0			0	0					0	0	0		0	0
Net Project Ca         166,524         174,663         182,752         190,586         199,356         206,055         213,675         221,007         228,641         235,970         243,162         260,268         257,216         264,017         277,128           3.00%         LP Fee         6,921         7,129         7,343         7,563         -         -         -         -         -         -         -         -         -         -         1,47x         1,46x         1,40x         1,4		-		-	-	-	-				-	-	-		-			-	-
DSCR         1.31x         1.33x         1.34x         1.36x         1.37x         1.39x         1.40x         1.42x         1.44x         1.46x         1.47x         1.46x         1.50x         1.51x         1.52x           3.00%         LP Fee         6.921         7,129         7,343         7,563         -         <		0.42%																	
30.0%         LP Fee         6.921         7,129         7,343         7,563           36.878         3.00%         Managing GP F         6.644         6.844         7,049         7,260         7,478         7,703         7,934         8,172         8,417         8,669         8,929         9,197         9,473         9,757         10,050         10,000         1											1 -								
36,878         3.00%         Managing GP F         6,644         6,844         7,049         7,260         7,478         7,703         7,934         8,172         8,417         8,669         8,929         9,197         9,473         9,757         10,050         10,352           0.0%         SDHC Fixed Ar         10.000         10,000			DOCK	1.51%	1.55%	1.54x	1.50x	1.57X	1.59X	1.40X	1.42X	1.45X	1.44%	7.40x	1.478	1.40X	1.50X	1.51X	1.52X
0.00%         SDHC Fixed Ar         10,000         1		3.00%	LP Fee	6,921	7,129	7,343	7,563												
Cash Available         143,359         150,890         158,360         165,762         188,353         195,741         203,035         210,224         217,300         224,252         231,070         237,743         244,260         250,608         256,776           100.00%         0.00%         Deferred Devel         143,359         150,890         158,360         23,432         0	36,878	3.00%	Managing GP F	6,644	6,844	7,049	7,260	7,478	7,703	7,934	8,172	8,417	8,669	8,929	9,197	9,473	9,757	10,050	10,352
100.00%         0.00%         Deferred Devel:         143.359         150.890         158.360         23.432         0		0.00%	SDHC Fixed Ar	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Cash Available         0         0         142,330         188,878         188,353         195,741         203,035         210,224         217,300         224,252         231,070         237,743         244,260         250,608         256,776           33.56%         4.00%         City of San Dieg         0         0         0         47,762         60,697         63,206         65,685         68,133         70,545         72,920         75,252         77,540         79,780         81,966         84,097         86,166           29,53%         4.00%         SDHC         0         0         42,030         53,414         55,621         57,803         59,957         62,080         64,169         66,222         68,236         70,206         72,130         74,005         75,826           3.00%         County of San I         0			Cash Available	143,359	150,890	158,360	165,762	180,878	188,353	195,741	203,035	210,224	217,300	224,252	231,070	237,743	244,260	250,608	256,776
Cash Available         0         0         142,330         188,878         188,353         195,741         203,035         210,224         217,300         224,252         231,070         237,743         244,260         250,608         256,776           33.56%         4.00%         City of San Dieg         0         0         0         47,762         60,697         63,206         65,685         68,133         70,545         72,920         75,252         77,540         79,780         81,966         84,097         86,166           29,53%         4.00%         SDHC         0         0         42,030         53,414         55,621         57,803         59,957         62,080         64,169         66,222         68,236         70,206         72,130         74,005         75,826           3.00%         County of San I         0																			
33.56%         3.00%         City of San Die;         0         0         47.762         60,697         63.206         65,685         68,133         70,545         72,920         75,252         77,540         79,780         81,966         84,097         86,166           29,53%         4.00%         SDHC         0         0         42,030         53,414         55,621         57,803         59,957         62,080         64,169         66,222         68,236         70,206         72,130         74,005         75,826           36,91%         3.00%         County of San I         0         0         52,538         66,767         69,526         72,253         74,946         77,600         80,211         82,778         85,294         87,758         90,163         92,506         94,783           0.00%         0.00%         Miscellaneous         0	100.00%	0.00%	Deferred Devel	143,359		158,360			ů.	ů.	ÿ	ů.	v	ů.	v	ů.	ů.	v	ů.
29.53%         4.00%         SDHC         0         0         42.030         53.414         55,621         57.803         59.957         62.080         64.169         66.222         68.236         70.206         72.130         74.005         75,826           36.91%         3.00%         County of San I         0         0         52,538         66,767         69,526         72,253         74,946         77,600         80,211         82,778         85,294         87,758         90,163         92,506         94,783           0.00%         3.00%         Residual Receit         0			Cash Available	0	0	0	142,330	180,878	188,353	195,741	203,035	210,224	217,300	224,252	231,070	237,743	244,260	250,608	256,776
29.53%         4.00%         SDHC         0         0         42.030         53.414         55.621         57.803         59.957         62.080         64.169         66.222         68.236         70.206         72.130         74.005         75.826           36.91%         3.00%         County of San I         0         0         52,538         66,767         69,526         72,253         74,946         77,600         80,211         82,778         85,294         87,758         90,163         92,506         94,783           0.00%         3.00%         Residual Receit         0						_													
38.91%         3.00%         County of San I         0         0         52,538         66,767         69,526         72,253         74,946         77,600         80,211         82,778         85,294         87,758         90,163         92,506         94,783           0.00%         3.00%         Residual Receit         0				-	-	-	, -	/			/	- /	1	- 1 -	1	.,			
0.00%         3.00%         Residual Recei         0				Ū	8	0													
0.00%         Miscellaneous         0			,	-	-	0							-				-		-
Cash Flow Avi         0         <				0	-	0	-				-	0	-	-			-		-
90.00%         Partnership Adi         0	0.00%	0.00%		•	•	0				-		-	0	•	-	-		-	<u> </u>
Cash Flow Av:         0         <		1	Gasil Flow AVa	U	U	U	U	U	U	U	v	v	v	V	U	v	v	U	U
Cash Flow Av:         0         <	90.00%	1	Partnership Adu	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
99.99%         LP Distribution         0	00.0070	1	-	÷	-			-	-	-	-	-	•				-		÷
0.01% <u>GP Distribution 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0</u>		1		-			-					-		-	-		-	-	
	99.99%	1	LP Distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Ca: 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0.01%	1	GP Distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		1	Remaining Ca	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Califflow         Role         Vanu 20         Vanu 30         Vanu 30 <th< th=""><th>% of Available</th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th></th<>	% of Available																	
Solow         Yueanny         (103,868)         (107,781)         (106,873)         (114,378)         (114,378)         (114,378)         (113,389)         (123,378)         (123,383)         (128,480)         (133,38)         (243,133)         (134,480)         (134,483)         (144,63)         (1	Cash Flow	Rate	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41	Year 42	Year 43
Socs         Vacuumy         (103,586)         (107,781)         (109,587)         (113,180)         (114,378)         (113,880)         (112,378)         (123,877)         (123,837)         (124,808)         (131,886)         (141,876)         (131,886)         (131,886)         (131,886)         (140,872)         (141,876)         (141,876)         (141,876)         (141,876)         (141,876)         (141,876)         (141,876)         (141,876)         (141,876)         (141,876)         (141,876)         (141,876)         (141,876)         (141,	1	0.00%	0.074.004	0 440 000	0 455 007	0 400 700	0 0 40 74 4	0 007 500	0 000 000	0.070.000	0 407 500	0 470 400	0 505 000	0 570 474	0 007 007	0.000.054	0 700 050	0 700 500
Net Revenue         1.868.235         2.007.082         2.173.190         2.218.0571         2.2173.190         2.218.0571         2.247.305         2.447.305																		
Net Commercial         0		,	. ,	, ,		,	,	,	,	. ,	. ,	,	· · /	( , ,	( ,			,
30ml         0perating         1008.307         108.308         1.018.038         1.12.438         1.215.888         1.225.088         1.228.088         1.288.188         1.288.188         1.288.188         1.288.288         1.288.188         1.288.288         1.288.188         1.288.288         1.288.188         1.288.288         1.188.18         1.288.181         1.288.188         1.288.188         1.288.188         1.288.188         1.288.188         1.288.188         1.288.188         1.288.188         1.288.188         1.288.188         1.288.188         1.288.188         1.288.188         1.288.188         1.288.188         1.288.188         1.288.188         1.288.188         1.288.18																		
Het Operating         1.098,728         1.091,327         1.091,327         1.090,728         1.190,759         1.190,759         1.190,759         1.190,759         1.190,750																		
And         And <th></th>																		
3.00%         Services         19.233		<u></u>	.,	.,,	1,020,000	1,0 10,220	.,,.	.,	.,010,010	.,	.,,	.,,	.,,	1,110,000	1,120,101	1,101,000	.,,	.,
3.0%         Services         198.087         154.188         158.217         194.109         198.022         195.221         201.180         207.216         21.342         21.935         223.223           Gash Availabit         915.708         821.796         821.796         827.673         833.224         833.786         843.776         853.372         857.683         861.631         865.265         868.520         91.401         97.590         75.90		0.00% Replacement R	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Cash Available         815,708         821,796         827,873         833,324         838,726         843,891         846,776         853,372         857,663         861,631         865,256         868,520         871,401         873,880         877,543         877,540           6.40%         Principal and h         524,796		3.00% San Diego Mon	19,323	19,323	19,323	19,323	19,323	19,323	19,323	19,323	19,323	19,323	19,323	19,323	19,323	19,323	19,323	19,323
And         Principal and In         524.796		3.00% Services	149,697	154,188	158,814	163,578	168,485	173,540	178,746	184,109	189,632	195,321	201,180	207,216	213,432	219,835	226,430	233,223
Hestore and Mon         7.500		Cash Available	815,708	821,796	827,673	833,324	838,736	843,891	848,776	853,372	857,663	861,631	865,256	868,520	871,401	873,880	875,934	877,540
Hesser and Mon         7.500         0			504 700	504 705	504 705			504 700	504 705	504 705		504 705	504 705	504 705	504 705			
0.42%         MHP Mandator         0																		-
0.42%         FWHG Mandati         0				1	1				1									
Met Project Ca         283,413         289,500         295,377         301,028         306,440         311,596         316,480         321,077         325,368         332,961         336,224         339,106         866,380         668,44         870,040           30,0%         I. 53x         1.53x         1.57x         1.57x         1.59x         1.69x         1.61x         1.63x         1.63x         1.64x         116.52x         116.7x         116.7x         117.01x           30,0%         Managing GPF         10.662         10.982         11.312         11.651         12.000         12.731         13.113         13.507         13.912         14.329         14.759         15.202         15.658         16.611           0.00%         SDHC Fixed Ax         10.000         <			-		-		-	-	-	•	-	-	-			-	-	-
DSCR         1.53x         1.54x         1.55x         1.57x         1.59x         1.59x         1.69x         1.61x         1.62x         1.63x         1.63x         1.64x         116.52x         116.79x         117.01x           30.0%         LP Fee         3.00%         Managing GP F         10.662         10.982         11.312         11.851         12.000         12.731         13.113         13.507         13.912         14.329         14.759         15.202         15.658         16.128         16.611           0.00%         SDMC Fixed Ar         10.000		0.42% VHHP Mandatc			Ŷ		ů.	ş	Ŷ	v	v	v	v	ÿ		v		<b>°</b>
38,878         3.00%         LP Fie           38,878         3.00%         Managing GP F         10,662         10,982         11,312         11,651         12,000         12,360         12,731         13,113         13,507         13,912         14,329         14,759         15,202         15,658         16,128         16,611           0.00%         SDHC Fixed Ar         10,000         11,65         11,65 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>,</td> <td></td> <td></td> <td> ,</td> <td></td> <td>,</td> <td>,</td> <td></td> <td></td> <td></td>									,			,		,	,			
38.878         3.00%         Managing GP F         10.662         10.982         11.312         11.851         12.000         12.360         12.731         13.113         13.507         13.912         14.759         15.202         15.658         16.128         16.611           0.00%         SDHC Fixed Ar         10.000		DSCR	1.53x	1.54x	1.55x	1.57x	1.58x	1.59x	1.59x	1.60x	1.61x	1.62x	1.63x	1.63x	1.64x	116.52x	116.79x	117.01x
38.878         3.00%         Managing GP F         10.662         10.982         11.312         11.851         12.000         12.360         12.731         13.113         13.507         13.912         14.759         15.202         15.658         16.128         16.611           0.00%         SDHC Fixed Ar         10.000		3.00% LP Fee																
Image: Cash Available         262,751         268,518         274,066         279,378         284,439         289,235         293,749         297,964         301,861         305,424         308,632         311,465         313,904         840,722         842,306         843,429           100.00%         Deferred Devel         0	36,878	3.00% Managing GP F	10,662	10,982	11,312	11,651	12,000	12,360	12,731	13,113	13,507	13,912	14,329	14,759	15,202	15,658	16,128	16,611
100.00%         Deferred Devel         0	-	0.00% SDHC Fixed Ar	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Cash Available         262,751         268,518         274,066         279,378         284,439         289,235         293,749         297,964         301,861         305,424         308,632         311,465         313,904         840,722         842,306         843,429           33,56%         4.00%         City of San Die         88,171         79,294         86,745         87,989         89,140         90,192         91,140         91,976         926,977         248,267         10,430         0           38,91%         500%         City of San Die         88,171         79,294         86,745         87,989         89,140         90,192         91,140         91,976         926,977         248,267         10,430         0           30,00%         County of San I         96,988         99,118         101,261         104,994         106,765         108,431         109,987         111,425         112,740         113,924         114,970         115,871         310,334         13,038         0           0.00%         Residual Recei         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0 <td></td> <td>Cash Available</td> <td>262,751</td> <td>268,518</td> <td>274,066</td> <td>279,378</td> <td>284,439</td> <td>289,235</td> <td>293,749</td> <td>297,964</td> <td>301,861</td> <td>305,424</td> <td>308,632</td> <td>311,465</td> <td>313,904</td> <td>840,722</td> <td>842,306</td> <td>843,429</td>		Cash Available	262,751	268,518	274,066	279,378	284,439	289,235	293,749	297,964	301,861	305,424	308,632	311,465	313,904	840,722	842,306	843,429
Cash Available         262,751         268,518         274,066         279,378         284,439         289,235         293,749         297,964         301,861         305,424         308,632         311,465         313,904         840,722         842,306         843,429           33,56%         4.00%         City of San Dier         88,171         90,107         91,968         93,751         95,449         97,059         98,574         87,989         89,140         90,102         91,140         91,976         926,697         248,267         10,430         0           28,53%         4.00%         SDHC         77,591         79,294         80,932         82,501         83,996         85,412         86,745         87,989         89,140         90,192         91,140         91,976         92,697         248,267         10,430         0           30.0%         County of San I         96,988         99,118         101,165         103,126         104,994         106,765         108,431         109,987         111,425         112,740         113,924         114,970         115,871         310,334         13,038         0           0.00%         Residual Recei         0         0         0         0         0         0			_		_	_	_		_			_			_		_	_
33.56%         3.00%         City of San Dieg         88,171         90,107         91,968         93,751         95,449         97,059         98,574         99,988         101,296         102,491         103,568         104,519         105,337         282,122         11,853         0           29,53%         3.00%         County of San I         96,988         99,118         101,165         103,126         104,994         106,765         108,431         109,987         111,425         112,740         113,924         114,970         115,871         310,334         13,038         0           0.00%         0.00%         0.00%         0.00%         0.00         0 </td <td>100.00%</td> <td></td> <td>-</td> <td></td> <td>-</td> <td>0</td> <td>ő</td> <td>ů.</td> <td>ů.</td> <td>v</td> <td>ů.</td> <td>-</td> <td>ů.</td> <td><u> </u></td> <td>ů.</td> <td></td> <td>ů.</td> <td></td>	100.00%		-		-	0	ő	ů.	ů.	v	ů.	-	ů.	<u> </u>	ů.		ů.	
29.53%         4.00%         SDHC         77,591         79,294         80,932         82,501         83,996         85,412         86,745         87,989         89,140         90,192         91,140         91,976         92,697         248,267         10,430         0           36.91%         3.00%         County of San I         96,988         99,118         101,165         103,126         104,994         106,765         108,431         109,987         111,425         112,740         113,924         114,970         115,871         310,334         13,038         0           0.00%         3.00%         Residual Recei         0 <td< td=""><td></td><td>Cash Available</td><td>262,751</td><td>268,518</td><td>274,066</td><td>2/9,3/8</td><td>284,439</td><td>289,235</td><td>293,749</td><td>297,964</td><td>301,861</td><td>305,424</td><td>308,632</td><td>311,465</td><td>313,904</td><td>840,722</td><td>842,306</td><td>843,429</td></td<>		Cash Available	262,751	268,518	274,066	2/9,3/8	284,439	289,235	293,749	297,964	301,861	305,424	308,632	311,465	313,904	840,722	842,306	843,429
29.53%         4.00%         SDHC         77,591         79,294         80,932         82,501         83,996         85,412         86,745         87,989         89,140         90,192         91,140         91,976         92,697         248,267         10,430         0           36.91%         3.00%         County of San I         96,988         99,118         101,165         103,126         104,994         106,765         108,431         109,987         111,425         112,740         113,924         114,970         115,871         310,334         13,038         0           0.00%         3.00%         Residual Recei         0 <td< td=""><td>33 56%</td><td>3.00% City of San Dier</td><td>88 171</td><td>90 107</td><td>91 968</td><td>93 751</td><td>95 449</td><td>97 059</td><td>98 574</td><td>99 988</td><td>101 296</td><td>102 491</td><td>103 568</td><td>104 519</td><td>105 337</td><td>282 122</td><td>11 853</td><td>0</td></td<>	33 56%	3.00% City of San Dier	88 171	90 107	91 968	93 751	95 449	97 059	98 574	99 988	101 296	102 491	103 568	104 519	105 337	282 122	11 853	0
36.91%         3.00%         County of San I         96,988         99,118         101,165         103,126         104,994         106,765         108,431         109,987         111,425         112,740         113,924         114,970         115,871         310,334         13,038         0           0.00%         3.00%         Residual Receiption         0					-		-				-		-	-				
0.00%         Miscellaneous         0	36.91%	3.00% County of San I	96,988	99,118	101,165	103,126	104,994	106,765	108,431	109,987	111,425	112,740	113,924	114,970	115,871		13,038	0
Cash Flow Av:         0         <											-		-				-	0
Polon         Partnership Adi         0	0.00%	0.00% Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Av:         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         80,699         84,343           99.99%         LP Distribution         0         0         0         0         0         0         0         0         0         0         0         80,699         84,334           0.01%         GP Distribution         0         0         0         0         0         0         0         0         0         0         0         0         80,699         84,334		Cash Flow Ava	0	0	0	0	0	0	0	0	0	0	0	0	0	0	806,985	843,429
Cash Flow Av:         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         80,699         84,343           99.99%         LP Distribution         0         0         0         0         0         0         0         0         0         0         0         80,699         84,334           0.01%         GP Distribution         0         0         0         0         0         0         0         0         0         0         0         0         80,699         84,334	00.00%	Determine the		0		0	0	0		0		<u> </u>	0				700.007	750.000
99.99%         LP Distribution         0	90.00%		-	-	-			-							-			
0.01% <u>GP Distribution 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 8 8</u>		Cash Flow AV	U	U	U	U	U	U	U	U	U	U	U	U	U	U	80,099	84,343
0.01% <u>GP Distribution 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 8 8</u>	99.99%	LP Distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	80,690	84,334
Remaining Ca: 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0.01%	GP Distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
		Remaining Ca	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

% of Available															
Cash Flow	Rate		Year 44	Year 45	Year 46	Year 47	Year 48	Year 49	Year 50	Year 51	Year 52	Year 53	Year 54	Year 55	Totals
1															
		Gross Revenue		2,901,190	2,959,214	3,018,398	3,078,766	3,140,341	3,203,148	3,267,211	3,332,555	3,399,206	3,467,190	3,536,534	119,670,250
	<b>5.00%</b>	Vacancy	(142,215)	(145,059)	(147,961)	(150,920)	(153,938)	(157,017)	(160,157)	(163,361)	(166,628)	(169,960)	(173,360)	(176,827)	(5,983,512)
		Net Revenue	2,702,089	2,756,130	2,811,253	2,867,478	2,924,828	2,983,324	3,042,991	3,103,850	3,165,928	3,229,246	3,293,831	3,359,708	113,686,737
		Net Commercia	0	0	0	0	0	0	0	0	0	0	0	0	0
	3.00%	Operating Expe		1,586,067	1,633,649	1,682,659	1,733,139	1,785,133	1,838,687	1,893,847	1,950,663	2,009,183	2,069,458	2,131,542	58,782,940
		Net Operating	1,162,217	1,170,063	1,177,604	1,184,819	1,191,689	1,198,191	1,204,304	1,210,003	1,215,265	1,220,063	1,224,373	1,228,166	54,903,798
	0.00%	Replacement R	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	1,320,000
		San Diego Mon	19,323	19,323	19,323	19,323	19,323	19,323	19,323	19,323	19,323	19,323	19,323	19,323	1,062,191
		0	240,220	247,427	254.849	262.495	270,370	278.481		295.440			322,835	332,521	9.170.139
	3.00%	Services Cash Available		879,314	254,849 879,432	262,495 879,002	877,997	876,388	286,835 874,146	295,440 871,240	304,303 867.638	313,433 863,308	858,215	852,322	43,351,468
		Cash Available	8/8,8/5	8/9,314	879,432	879,002	8//,99/	876,388	874,146	8/1,240	867,638	863,308	858,215	852,322	43,351,468
	6 40%	Principal and In	0	0	0	0	0	0	0	0	0	0	0	0	20,991,826
	0.1070	Issuer and Mon	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	412,500
	0.42%	MHP Mandator	0	0	0	0	0	0	0	0	0	0	0	0	,
		FWHG Mandat	0	0	0	0	0	0	0	0	0	0	0	0	
	0.42%	VHHP Mandatc	0	0	0	0	0	0	0	0	0	0	0	0	0
		Net Project Ca DSCR	871,175 117.16x	871,814 117.24x	871,932 117.26x	871,502 117.20x	870,497 117.07x	868,888 116.85x	866,646	863,740 116.17x	860,138 115.69x	855,808 115.11x	850,715 114.43x	<b>844,822</b> 113.64x	21,947,142
		DSCR	117.16X	117.24X	117.26X	117.20x	117.07X	116.85X	116.55x	116.17X	115.69X	115.11X	114.43X	113.64X	
	3.00%	LP Fee													92,995
36.878		Managing GP F	17,110	17,623	18,152	18,696	19,257	19,835	20,430	21,043	21,674	22,324	22,994	23,684	653,144
00,010		SDHC Fixed Ar	10,000	10.000	10,000	10.000	10,000	10,000	10,000	10.000	10,000	10,000	10,000	10,000	000,111
		Cash Available	•	844,191	843,780	842,805	841,239	839,053	836,216	832,697	828,464	823,484	817,721	811,139	20,651,003
100.00%	0.00%	Deferred Devel	0	0	0	0	0	0	0	0	0	0	0	0	1,545,735
		Cash Available	844,065	844,191	843,780	842,805	841,239	839,053	836,216	832,697	828,464	823,484	817,721	811,139	19,105,268
33.56%		City of San Dieç	0	0	0	0	0	0	0	0	0	0	0	0	2,500,000
29.53%	4.00%	SDHC	0	0	0	0	0	0	0	0	0	0	0	0	2,200,000
36.91%		County of San I	0	0	0	0	0	0	0	0	0	0	0	0	2,750,000
0.00%	3.00%	Residual Recei	0	0	0	0	0	0	0	0	0	0	0	0	0
0.00%	0.00%	Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0
		Cash Flow Ava	844,065	844,191	843,780	842,805	841,239	839,053	836,216	832,697	828,464	823,484	817,721	811,139	11,655,268
			750.050	750 770		750 505		755 / /0	750 50 /	710,100		7.1.105	705.040	700.005	
90.00%		Partnership Adı	759,658	759,772	759,402	758,525	757,116	755,148	752,594	749,428	745,618	741,135	735,948	730,025	10,489,741
		Cash Flow Ava	84,406	84,419	84,378	84,281	84,124	83,905	83,622	83,270	82,846	82,348	81,772	81,114	1,165,527
99.99%		LP Distribution	84,398	84,411	84,370	84,272	84,116	83,897	83,613	83,261	82,838	82,340	81,764	81,106	1,165,410
0.01%		GP Distribution	8	8	8	8	8	8	8	8	8	8	81,704	8	117
0.0170		Remaining Ca:	0	0	0	0	0	0	0	0	0	0	0	0	0
ļ.	1	Remaining Ca	v	U	v	v	v	v	U	v	v	v	v	v	v

# The Grant at Mission Trails LP Organizational Structure Borrower The Grant at Mission Trails LP, A California limited partnership **Managing General Partner** Administrative General Partner **Investor Limited Partner** The Grant at Mission Trails AGP LLC, PSCDC The Grant LLC, A California TBD A California limited liability limited liability company 99.999% Interest company .00049% Interest .00051% Interest Sole Member Pacific Southwest Community Development Corporation, a California nonprofit public benefit corporation 100% Interest Sole Member CRP Affordable Housing and Community Development LLC, a Delaware limited liability company 100% Interest President/ Executive Director Robert W Laing President **Chief Executive Officer** Paul Salib John Salib



# ATTACHMENT 4 PROPOSED LOAN NON-BINDING COMMITMENT TERMS SUMMARY The Grant at Mission Trails LP 5945 Mission Gorge Road, San Diego, CA 92120 (Project) May 8, 2025

The San Diego Housing Commission ("Housing Commission") is pleased to submit this non-binding commitment terms summary. This commitment terms summary is not a binding contract and is subject to the approval by the San Diego Housing Commission Board of Commissioners ("Board of Commissioners") and, if necessary, the Housing Authority of the City of San Diego. The purpose of this commitment terms summary is to set forth the general terms and conditions under which the Housing Commission is interested in making a loan ("Housing Commission Loan") to The Grant at Mission Trails LP, a California limited partnership, formed by CRP Affordable Housing and Community Development LLC (CRP) (the "Borrower") for The Grant at Mission Trails ("Project") with respect to the proposed acquisition and construction and the permanent financing of a 48-unit development (with 47 affordable units and one unrestricted manager's unit) located at 5945 Mission Gorge Road in the City of San Diego. Closing must occur within twenty-four (24) months from the date of the San Diego Housing Commission's NOFA Award Letter unless an extension is/has been granted by the President & CEO of the Housing Commission (or by their designee) in their sole discretion.

In the event of a conflict between any term or provision (or absence of any term or provision) of this commitment terms summary and any term or provision of any approval of any applicable board or governing body, the term or provision of such board or governing body shall apply and shall prevail. Provided that the Housing Commission loan is approved by the San Diego Housing Commission Board of Commissioners and, if necessary, by the Housing Authority of the City of San Diego, the following terms shall apply to the Housing Commission loan. In addition, Exhibit A includes the Borrower's Pro forma which models financial Projections of the Project.

The terms of the Housing Commission's proposed financing shall be as follows:

1. <u>Maximum loan amount (not to exceed)</u> - Up to \$2,200,000 as a residual receipts loan. Loan funds to be used for the acquisition, construction and permanent financing of the Project.

2. <u>Interest Rate</u> - 4 percent simple interest.

3. **Loan Term** - The loan will be due and payable in full in 55 years from completion of the Project.



4. **Loan Payments** –Annual residual receipts payments at 50 percent of the Project's residual cash flow is required. In addition to the 50 percent residual cash payment the Borrower shall also pay a fixed \$10,000 annual payment to the Housing Commission. Provided, however, if the Housing Commission approves other lenders whose loans will be paid from residual receipts, then the Housing Commission and such other approved lenders shall share the 50 percent of the Project's residual receipts, in proportion to the original principal balances of their respective loans. Residual payments and the fixed \$10,000 annual payment will begin on May 1 in the year immediately following the calendar year in which construction is completed. The Housing Commission defines residual receipts as the net cash flow of the development after specified expenses and other debt service are paid. The following items, in addition to other operating expenses, shall be payable by the Borrower prior to the calculation of residual receipts:

- (i) The year 1 "Limited Partnership Fees" shall be capped at \$25,000 per year. "Limited Partnership Fees" shall be defined to include any and all partnership related fees including but not limited to: investor partnership fees, asset management fees, other limited partnership oversight fees, and general partner fees. Partnership fee increases will be capped at three (3) percent annually. Unpaid partnership fees shall not accrue for purposes of calculating residual receipts.
- (ii) Eligible deferred developer fee, and
- (iii) Repayment of eligible development deficit and operating deficit loans.

# 5. Affordability

- Restricted units must remain affordable for 55 years. At escrow closing the Borrower and the Housing Commission shall cause a Declaration of Covenants, Conditions, and Restrictions (CC&R), restricting the rent and occupancy of the affordable units for 55 years, to be recorded against the Project. Such CC&R shall be in a form and format acceptable to the Housing Commission and its General Counsel in their sole discretions.
- (ii) The affordability shall be as follows:

Unit Type	AMI	Affordable Units
One-Bedroom	30%	12
Two-Bedroom	30%	3
		3
Two-Bedroom	40%	4
Two-Bedroom	50%	4
Two-Bedroom	60%	12
Three-Bedroom	30%	2
Three-Bedroom	50%	4
Three-Bedroom	60%	6
Manager Unit		1
TOTAL		48



6. **<u>Purchase Option</u>** – The Borrower will provide the Housing Commission with the option to purchase the property's leasehold at the end of the 15-year tax credit compliance period.

7. <u>Alternate Funding</u> - Borrower shall also seek alternative funding, including but not limited to the State of California Department of Housing and Community Development, County of San Diego, Federal Home Loan Bank, etc. along with tax exempt bonds and 4% tax credits or 9% tax credits, Housing Commission legal counsel will determine if subsequent approvals for alternative financing structures are required by the San Diego Housing Commission Board of Commissioners and the Housing Authority of the City of San Diego.

8. <u>Site Value</u> – An appraisal of the subject site with an effective date of April 1, 2024, valued the property at \$2,800,000, which ties to the Purchase and Sale agreement. The appraisal was obtained by the developer and was conducted by Novogradac.

9. <u>**Closing Costs</u>** - The Borrower shall pay all escrow, title and closing costs, including, without limitation, paying for an American Land Title Association (ALTA) Lenders Policy for the Housing Commission loan with endorsements, as acceptable to the Housing Commission's legal counsel.</u>

10. <u>Construction Costs Third-Party Review</u> - Prior to Housing Commission Loan closing, a costs review may be obtained by the Housing Commission with a third-party consultant. If obtained, Borrower will reimburse the Housing Commission at escrow closing for all reasonable third-party- review costs.

11. <u>**Contractor**</u> - The construction contract shall be competitively bid to at least three qualified General Contractors and shall be awarded to the lowest qualified and responsive bidder.

a. Borrower will submit copies of three qualified bids received from subcontractors for each trade.

b. Construction Agreement - Borrower shall submit the proposed Construction Agreement to the Housing Commission for its review and prior approval. The Housing Commission shall have a minimum of two weeks for its review of the proposed Construction agreement.

c. Subcontractors – the Borrower shall require the General Contractor to solicit and obtain competitive bids from at least three qualified subcontractors for each major trade involved in the construction of the Project. Those bids will be reviewed and approved by the Borrower. The Borrower and General Contractor shall submit the subcontractors' competitive bids to the Housing Commission for prior review and reasonable approval.

d. Change orders at or in excess of \$150,000 shall have Housing Commission prior written approval. For proposed change orders over \$150,000, the Borrower and General Contractor shall submit to the Housing Commission a detailed explanation of why the change



order work is necessary, why the issue was not included in the original scope of work, and why the change is not being charged against the General Contractor's contingency.

e. Agreement Changes - a Construction Agreement with a Guaranteed Maximum Price (GMP) may not be revised to a Lump Sum or other form of Construction Agreement without the prior written approval of the Housing Commission.

f. Insurance - prior to close of escrow, evidence of the General Contractor's insurance acceptable to the Housing Commission's legal counsel shall be provided. The Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego, shall be named as additional insureds on the General Contractor's insurance policies.

12. <u>**Tax Credit Equity</u>** - Borrower will provide the Letter of Intent with equity pricing from the low-income housing tax credit (LIHTC) investor within 90 days of closing.</u>

13. **First Mortgage** - Borrower will provide the term sheet from the first mortgage provider that was used at time of application as well as an update within 90 days of closing.

14. <u>**Cost Certification**</u> - The Borrower shall submit the final tax credit cost certification to the Housing Commission for its review and approval before the cost certification is completed/finalized.

15. <u>Cost Savings and/or Additional Proceeds at Escrow Closing</u> - In the event that the Borrower obtains funds in excess of those shown as sources in Exhibit A Pro Forma, then upon the construction loan closing, the excess funds shall be used as follows:

a. First, such excess funds shall be used to fund development cost overruns reasonably approved by the Housing Commission.

b. Second, upon Construction Loan Closing and subject to lender and investor approval, any excess funds shall be used to pay the Housing Commission Loan as set forth in Section 16 below.

c. Other Public Lenders - If the Project financing includes other public lenders who may require cost savings sharing then the cost savings shall be split proportionately based upon the public lenders loan amounts and in conformance with the other public lenders' agreements.

d. Excess funds will be applied first to pay down the accrued interest, and the remaining amount shall pay down the principal.

16. <u>Cost Savings and/or Additional Proceeds at Conversion to Permanent Financing</u> - In the event that the Borrower obtains funds in excess of those shown as sources in Exhibit A Pro Forma, (including but not limited to cost savings, improved debt, improved tax credit equity pricing, deferred developer fee if any, and any other sources), then upon conversion to permanent loan, the excess funds shall be used as follows:

a. First, to pay for development cost overruns reasonably approved by the Housing Commission.



b. Second, used to make any necessary adjustment to the total tax credit allocation as may be required by CTCAC.

c. Third, payment towards the Borrower's deferred developer fee. A deferred developer fee is currently modeled in the Pro Forma (Attachment A).

d. Fourth, excess funds shall be shared fifty percent (50%) to the Borrower and the other fifty percent (50%) will be paid to the Housing Commission and other soft lenders in proportion to the original principal balance of their loans.

e. Excess funds will be applied first to pay down the accrued interest, and the remaining amount shall pay down the principal.

# 17. **Developer Fee**

a. The maximum gross Developer's Fee paid from Development Sources will be \$4,045,735 with \$1,379,101 projected to be Deferred Developer Fee, repayment of which will be treated as an operating expense for purposes of calculating residual receipts.

- b. Additional Developer Fee provisions:
  - i. If for any reason the Borrower does not collect the entire Developer Fee from development sources through the last equity installment, with the exception of negative tax credit adjusters, i.e, if additional Developer Fee is deferred, additional deferred Developer Fee approved by the Housing Commission shall be given priority over Housing Commission residual receipt payments.
  - ii. Deferred Developer Fee outstanding after the expiration of the 15-year tax credit compliance period shall be contributed to the Project in the form of a capital contribution.

c. Developer Fee payment shall be paid out incrementally in accordance with lender and investor requirements.

18. <u>**Due Diligence**</u> - The Borrower, at Borrower's expense, shall provide the following: a current appraisal, an environmental review, a lead paint and asbestos review.

19. <u>Environmental Requirements</u> - Currently HOME funds are planned for this Project. Notwithstanding any provision of this Letter, the parties agree and acknowledge that this Letter constitutes a conditional reservation and does not represent a final commitment of HOME funds or site approval under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). HOME funds constitute a portion of the funding for the Project, and a final reservation of HOME funds shall occur only upon satisfactory completion of environmental review and receipt by the City of San Diego of a Release of Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of NEPA.

The parties agree that the provision of any HOME funds to the Project will be conditioned on the City of San Diego's determination to proceed with, modify or cancel the Project based on the results of subsequent environmental review under NEPA. By execution of this Letter, you acknowledge no legal claim to any amount of HOME funds to be used for the Project or site unless and until the site has received environmental clearance under NEPA. You are also



prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, clearance, rehabilitation, conversion, repair or construction prior to environmental clearance under NEPA. Violation of this provision may result in denial of any HOME funds for this Project.

20. <u>Fees/Payments to Housing Commission</u> - Borrower will pay to the Housing Commission:

- a) <u>Underwriting Fee</u> a flat underwriting fee in the amount of <u>\$60,000</u> will be charged as reimbursement of Housing Commission costs related to underwriting and issuing the loan. This must be included in the total development cost of the Project and is to be paid at close of escrow.
- b) <u>Legal Fee</u> the Housing Commission charges a legal costs fee for document preparation and review that must be included in the total development cost. Current Housing Commission legal fees are <u>\$25,000</u> and are to be paid at the close of escrow.
- c) <u>Compliance Affordability Monitoring Fee</u> compliance monitoring fees must be incorporated into the operating proforma. Borrower will pay the fee in accordance with the then-existing Housing Commission fee schedule. Current annual affordability monitoring are as follows:  $157.50 \times (47 \text{ units})$  to be affordability monitored =  $\underline{$7,402.50$}$  per year. Additional training and assistance is currently at \$100 per hour.
- d) <u>Asset Management Fee</u> -the Housing Commission charges a 15-year capitalized asset management fee of **§15,000** and is paid at close of escrow.
- e) <u>Third-Party Construction Review</u> the Housing Commission may require a thirdparty review of the construction costs/budget to determine the reasonableness of construction costs. The third-party reviewer will be selected by the Housing Commission and paid for by the borrower. Current fees are an estimated <u>\$12,500</u> paid by the developer at close of escrow.
- f) <u>Environmental Noticing Fee</u> publishing/filing costs will be determined and paid at close of escrow.

# 21. Fees for Asset Management (amounts not to exceed)

- As detailed in paragraph 4 (above), the year 1 "Limited Partnership Fees" shall be capped at \$25,000 per year and shall not increase more than 3.0% annually.
   "Limited Partnership Fees" include asset management fee s related to the investor and general partner's management of the Project.
- b. Unpaid general partner fees shall not accrue for purposes of calculating residual receipts.
- c. Any changes to the asset management partnership fees will require the prior written approval of the Housing Commission's President and CEO or their designee.

22. **Financing Gap** - The Borrower will cover any financing gap that arises after Housing Commission underwriting, with its equity, its developer fee, and/or other non-Housing



Commission sources, all of which shall be subject to the approval of the Housing Commission in its sole discretion which will not be unreasonably withheld. No additional Housing Commission funds, beyond the \$2,200,000 Housing Commission Loan, will be provided for the Project via any Housing Commission's future Notices of Funds Available.

23. <u>Funding Sources</u> - The Housing Commission may fund the Housing Commission Loan from various sources including local, State, and/or federal funds including HOME Investment Partnership Program funds. The Housing Commission reserves the right to allocate available program funds in the best interest of the Housing Commission. In the event the Housing Commission ultimately determines to fund (all or part) of the Housing Commission Loan using any HOME funds, then Borrower shall comply with the HOME programs rules and regulations, Federal Davis Bacon law and Section 3.

24. <u>**HOME Investment Partnerships (HOME) Funds</u>** - HOME funds are currently planned to partly fund the Commission Loan. In the event the Housing Commission funds all or part of the Housing Commission Loan using any HOME funds, then:</u>

- a. HOME program regulations will be applicable.
- b. HOME funds may not be used to fund any of the following:
  - i) Any reserves are not eligible for HOME funds (including but not limited to operating reserves).
  - ii) Offsite improvements are not eligible for funding with HOME funds.
  - iii) Furnishings costs are not eligible for funding with HOME funds.
  - iv) Commercial space improvements are not eligible for funding with HOME funds.
- c. The HOME IDIS funding system requires at least one HOME draw in a 12-month period and at least a small portion of the HOME funds must remain in the IDIS system until the Project is ready for occupancy.

25. <u>Insurance</u> - Borrower shall, at all times during the term of the Housing Commission Loan, maintain general liability and property insurance (fire and extended coverage), workers compensation, builder's completed value risk insurance against "all risks of physical loss" (during construction) and, if required by the Housing Commission, flood and earthquake insurance, in forms acceptable to the Housing Commission and approved by the Housing Commission's General Counsel. The San Diego Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego shall be listed as additional insureds for Borrower's and its general contractor's general liability insurance and as loss payees for property insurance. Evidence of insurance coverage shall be provided to the Housing Commission prior to close of escrow.

26. **Loan Disbursement Schedule** - Upon submittal and approval of eligible costs, the Housing Commission Loan (up to <u>\$2,200,000</u>) will be disbursed as follows:

- Up to 75 percent (<u>\$1,650,000</u>) at escrow closing.
- Up to 10 percent (<u>\$220,000</u>) to be distributed at 50 percent construction completion,



- Up to 10 percent (<u>\$220,000</u>) to be withheld until the issuance of a Certificate of Occupancy and all unconditional lien releases are forwarded to the Housing Commission.
- Up to 5 percent (<u>\$110,000</u>) upon conversion to permanent financing.
- a. The Housing Commission's President and Chief Executive Officer, or their designee, is authorized to modify the Housing Commission Loan disbursement schedule in their sole reasonable discretion.
- b. In the event the Housing Commission funds (all or part) of the Housing Commission Loan using HOME funds, then a portion of the HOME funds shall be withheld until final inspection approval and all unconditional lien releases are forwarded to the Housing Commission.
- c. Housing Commission Loan proceeds shall be disbursed for work completed upon Housing Commission approval of payment requests in a form approved by the Housing Commission. Verifiable documentation of expenses must be submitted with all payment requests.

# 27. Management of the Development

- a. <u>Management Plan</u> Prior to occupancy the Borrower shall submit a Management Plan to the Housing Commission for its review and approval. The Management Plan shall be subject to initial and periodic approval by the Housing Commission, at its reasonable discretion.
- b. <u>Approval of Management Fee</u> The Borrower's proposed property manager's fee must be approved by the Housing Commission.
- c. <u>Default</u> The Housing Commission reserves the right to declare Borrower in default of the loan agreement after an uncured ninety (90) day written notice of malfeasance and/or misfeasance in management of the Project.
- d. <u>Manager's Unit</u> Experienced on-site management is required. There shall be one manager's unit.
- e. <u>Marketing Plan</u> In the event the Housing Commission funds (all or part) of the Housing Commission Loan using HOME funds, then to ensure compliance with HOME regulations and with federal fair housing requirements prior to occupancy, the Borrower shall submit a proposed marketing plan for review and approval by the Housing Commission's Civil Rights Analyst in the Procurement and Compliance Division.

28. <u>Maximum Resident Service Expenses & Case Management</u> - For the calculation of Housing Commission's residual receipts the attached pro forma's operating expense budget models an annual <u>\$67,373</u> Social Services Expenditure with a 3.0 percent annual escalator. Increasing this amount will require prior Housing Commission written approval.

29. <u>Annual Budget Submittal</u> - Three months prior to the end of each calendar year, the Borrower shall submit an annual budget for Housing Commission review and prior approval.



30. **Project Based Vouchers**- The project will include 12 Project Based Vouchers (PBV) from the Housing Commission.

31. <u>Prevailing Wage</u> – It is anticipated that the Project will be subject to payment of Federal Davis-Bacon prevailing wage rates because Federal Project Based Vouchers are being utilized for this Project. Due to other potential funding sources, the Project may also be subject to payment of State prevailing wages. In such case, the greater of Federal or State prevailing wages will be applicable.

32. <u>**Recourse**</u> - The Housing Commission Loan will be recourse until the timely completion of the construction, after which it will become non-recourse.

33. <u>Reserves</u> - Replacement reserves and operating reserves must be consistent with lender and equity investor requirements. The Housing Commission reserves the right to require higher operating or replacement reserves.

a. Replacement Reserve-The attached proforma models an annual replacement reserve at <u>\$24,000</u> (\$500 per unit per year).

b. Operating Reserve - The attached proforma models a 3-month capitalized operating reserve at  $\underline{\$268,367}$  at conversion to permanent financing. The operating reserve is to be maintained for the entire term of the Housing Commission Loan.

c. Disbursements from Reserves: Housing Commission prior written approval shall be required for any and all disbursements from either the Project's operating reserve funds and/or from the Project's replacement reserve funds.

34. <u>Section 3</u> - In the event the Housing Commission funds (all or part) of the Housing Commission Loan using any HOME funds, then Section 3 of the HUD Act of 1968 will be applicable and Borrower should be familiar with, and remain in compliance with, all Section 3 requirements.

35. <u>Security</u> - The Housing Commission Loan will be secured by a Declaration of Covenants, Conditions and Restrictions (CC&R) and a Deed of Trust which will be senior to the deeds of trust and security instruments securing all other sources of funds secured by the Property, except that the Housing Commission's CC&R and Deed of Trust shall be subordinated to:

- a) <u>Deeds of Trust</u> The deed of trust and security instruments securing the construction and permanent loan.
- b) <u>Lien position</u> The lien positions will be approved by the Housing Commission's President and CEO and the Housing Commission's General Counsel. It is intended that the lien positions will be in conformance with the public lenders' program requirements, and the requirements of private lenders which may require Housing Commission subordination.
- c) <u>Cure Rights</u> The Housing Commission shall have the right, but not the obligation, to cure all senior encumbrances in all subordinating agreements that it executes. All



subordination agreements shall be subject to the sole approval of the Housing Commission's President and Chief Executive Officer and General Counsel.

36. <u>**Tenant Service Delivery Plan</u>** - Borrower shall submit a draft tenant service delivery plan 90-days prior to occupancy for Housing Commission staff review and comment. Borrower shall submit a revised draft incorporating Housing Commission comment prior to occupancy of the first tenant. A final tenant service deliver plan shall be subject to the approval of the Housing Commission in its reasonable discretion and will not be unreasonably withheld prior to Project lease up.</u>

37. <u>Title (ALTA Lender's Policy)</u> - The Borrower shall acquire, at its sole cost and expense, an ALTA Lender's Policy for the Housing Commission Loan with endorsements acceptable to the Housing Commission.

38. <u>Miscellaneous Additional Conditions</u> - The Housing Commission reserves the right to impose such additional conditions in the final documentation of the transaction as are reasonably necessary to protect the interests of the Housing Commission and fulfill the intent of this letter.

39. **Exhibit A - Proforma** - is attached hereto and is hereby incorporated.

If the Borrower is willing to proceed on the terms and conditions referenced herein, please execute this letter of intent and return it to the undersigned by May 14, 2025, so that this letter of intent may be attached to the Housing Commission Board report.

# ACKNOWLEDGED AND AGREED TO BY:

CRP Affordable Housing and Community Development LLC, a Delaware limited liability company

By: Paul Salib, Managing Member

San <u>Diego</u> Housing Commission

By: Jurnifer kreutter Jenniter Kreutter Vice President, Multifamily Housing Finance Real Estate Division



Attachment: Exhibit A Developer's Pro forma



# DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/ ENTITY SEEKING GRANT/BORROWERS

(Collectively referred to as "CONTRACTOR" herein)

# **Statement for Public Disclosure**

1.	Name of CONTRACTOR:
2.	Email:
2.	Address and Zip Code:
3.	Telephone Number:
4.	Name of Principal Contact for CONTRACTOR:
5.	Federal Identification Number or Social Security Number of CONTRACTOR:
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 ( <i>select and upload requested documents</i> ):
	A corporation (Upload Articles of Incorporation) Attached below in Annexure A
	<ul> <li>A nonprofit or charitable institution or corporation. (Upload copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status)</li> <li>A partnership known as (Name):</li></ul>
	Check one:
	General Partnership (Upload statement of General Partnership)
	Limited Partnership (Upload Certificate of Limited Partnership)
	A business association or a joint venture known as:
	(Upload joint venture or business association agreement)
	A Federal, State or local government or instrumentality thereof.
	Other (Please explain):



#### Real Estate Department

- 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.
  - 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:	
Address:	
Name:	
Address:	
Name:	
Address:	

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



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):

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:

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.

Name and Address	Relationship to CONTRACTOR
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

14. Provide description of 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 financial statements that was requested (attached) as part of the Application, including, but not necessarily limited to, profit and loss statements and statements of financial position:

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:

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

a. In banks/savings and loans:

Amount: \$

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

Name: \_\_\_\_\_\_

Address: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

Page **4** of **16** 



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

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

Additional Information, as needed:

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

Name and Address	Contact Name
Name:	
Address:	
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, provide date, place, and under what name: \_\_\_\_\_\_

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

Yes No

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

	SAN DIEGO
くぼう	HOUSING
SDHC	COMMISSION
Case 1:	

Case 2:			
Case 3:			

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: **N/A** 

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond

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

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



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

Yes No
--------

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

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

General description of such work: \_\_\_\_\_

Complete one table for each project:

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



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

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



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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

22. Provide a detailed and complete statement regarding equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

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:



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

25.	Is the proposed	CONTRACTOR,	and/or	are	any	of	the	proposed	subcontractors,	currently	involved	in	any
	construction-relation	ted litigation?											
	Yes	No											

If yes, please explain:

- 26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverage's. List the amount of coverage (limits) currently existing in each category.
  - a. General Liability, including Bodily Injury and Property Damage Insurance [Attach certificate of insurance showing the amount of coverage and coverage period(s)]: \_\_\_\_\_\_

Check coverage(s) carried:

- **Comprehensive Form**
- **Premises Operations**
- **Explosion and Collapse Hazard**
- Underground Hazard
- Products/Completed Operations Hazard
- **Contractual Insurance**
- **Broad Form Property Damage**
- Independent Contractors
- Personal Injury
- b. Automobile Public Liability/Property Damage [Attach certificate of insurance showing the amount of coverage and coverage period(s)]:

Check coverage(s) carried:

- **Comprehensive Form**
- Owned
- Hired
- Non-Owned



- c. Workers Compensation [*Attach* certificate of insurance showing the amount of coverage and coverage period(s)]:
- d. Professional Liability (Errors and Omissions) [*Attach* certificate of insurance showing the amount of coverage and coverage period(s)]:
- e. Excess Liability [*Attach* certificate(s) of insurance showing the amount of coverage and coverage period(s)]:
- 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. YES
- 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. **YES**
- 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. **YES**



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

Government Complaint	Entity	Making	Date	Resolution

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 i	in detail:	 

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

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



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.

- 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.
- 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

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, please 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 🗌

If yes, please explain: \_\_\_\_\_\_

No No



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

1.	Name:	-
	Address:	
	Phone:	
	Project Name and Description:	
2.	Name:	-
	Address:	
	Phone:	
	Project Name and Description:	
3.	Name:	-
	Address:	
	Phone:	
	Project Name and Description:	

- 39. Provide 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.
- 40. State the name and experience of the proposed Construction Superintendent.

Experience



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", 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 to the provisions of CONTRACTOR acknowledges that public disclosure of the information contained herein the tory.

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 \_\_\_\_\_ day of 20 CONTRACTOR By: Signature Authorized Signatory Title

# Acknowledgement Form

State of New York)

)ss.:

County of Westcherber

On the <u>March</u> in the year <u>2024</u>, before me, the undersigned notary public, personally appeared <u>JOHN Calib</u>, personal known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J. UM Notary Public

JOELY LAKE COVIELLO NOTARY PUBLIC, STATE OF NEW YORK Registration No. 01CO0018972 Qualified in Westchester County Commission Expires December 21, 2027



### CERTIFICATION

The CONTRACTOR, CRP Affordable Hc, 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: Title: President

By:\_\_\_\_\_ Title: \_\_\_\_\_

Dated: 3/28/2024

Dated:\_\_\_\_\_

### Acknowledgement Form

State of New York)

)ss.:

County of Wertinester

On the  $28^{\text{M}}$  day of  $\underline{Morh}$  in the year 2024, before me, the undersigned notary public, personally appeared  $\underline{John falib}$ , personal known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J. Culle Notary Public

JOELY LAKE COVIELLO NOTARY PUBLIC, STATE OF NEW YORK Registration No. 01CO0018972 Qualified in Westchester County Commission Expires December 21, 2027

Secretary of State Statement of Information (Limited Liability Company)		LC-12	20-D44871		
			FILED		
IMPORTANT — Read instructions before completing this form.			In the office of the Secretary of State of the State of California		
Filing Fee – \$20.00					
Conversion First name \$1.00; each attachment name \$0	50.		AUG 28, 2020		
Copy Fees – First page \$1.00; each attachment page \$0.50; Certification Fee - \$5.00 plus copy fees			This Space For Office Use Only		
1. Limited Liability Company Name (Enter the exact name of the L					
CRP AFFORDABLE HOUSING AND COMMUNITY					
		•	y or Place of Organization (only if formed outside of California)		
202023810970	DELAV	VARE			
4. Business Addresses     a. Street Address of Principal Office - Do not list a P.O. Box		City (no abbreviat	ions) State Zip Code		
4455 Morena Boulevard, Suite #107		San Diego	CA 92117		
b. Mailing Address of LLC, if different than item 4a		City (no abbreviat	, , , , , , , , , , , , , , , , , , , ,		
122 East 42nd Street, Suite 1903 c. Street Address of <b>California</b> Office, if Item 4a is not in California - Do not list a	a P O Box	New York City (no abbreviat	ions) NY 10168 Zip Code		
5. Manager(s) or Member(s) If no managers have been appointed or elected, provide the name and address of each member. At least one name <u>and</u> address must be listed. If the manager/member is an individual, complete Items 5a and 5c (leave Item 5b blank). If the manager/member is an entity, complete Items 5b and 5c (leave Item 5a blank). Note: The LLC cannot serve as its own manager or member. If the LLC has additional managers/members, enter the name(s) and addresses on Form LLC-12A (see instructions).					
a. First Name, if an individual - Do not complete Item 5b	,	Middle Name	Last Name Suffix		
b. Entity Name - Do not complete Item 5a Castellan Holdings LLC					
c. Address City (no abbreviations) 122 East 42nd Street, Suite 1903 New York		ions) State Zip Code NY 10168			
6. Service of Process (Must provide either Individual OR Corporation	n.)				
INDIVIDUAL – Complete Items 6a and 6b only. Must include agent's	full name ar	nd California street	address.		
a. California Agent's First Name (if agent is <b>not</b> a corporation)		Middle Name	Last Name Suffix		
b. Street Address (if agent is <b>not</b> a corporation) - <b>Do not enter a P.O. Box</b>		City (no abbreviat	ions) State Zip Code CA		
CORPORATION - Complete Item 6c only. Only include the name of	the registere	ed agent Corporation			
c. California Registered Corporate Agent's Name (if agent is a corporation) – Do VCORP SERVICES CA, INC. (C3156773)	not complete	ttem 6a or 6b			
7. Type of Business					
a. Describe the type of business or services of the Limited Liability Company Real Estate					
8. Chief Executive Officer, if elected or appointed					
a. First Name		Middle Name	Last Name Suffix		
Paul b. Address		City (no abbreviat			
122 East 42nd Street, Suite 1903		New York	NY 10168		
9. The Information contained herein, including any attachme	ents, is tru	e and correct.			
08/28/2020 Paul Salib		(	CEO		
Date Type or Print Name of Person Completing the	e Form		Title Signature		
Return Address (Optional) (For communication from the Secretary of person or company and the mailing address. This information will become p					
Name:	ablic when III				
·		1			
Company:					
Address:		I			
City/State/Zip:		L			

CRP AFFORDABLE HOUSING & COMMUNITY DEVELOPMENT

3/28/2024

San Diego Housing Commission Attention: Real Estate Division, Multifamily Housing Bond Program 1122 Broadway, Suite 300 San Diego CA 92101

**Re: Audited Financial Statements** 

# TO WHOEVER IT MAY CONCERN

This is to certify that the audits of 2023 financials are in progress.

Please find attached the engagement letter with the accountant for the audit of 2023 financials, audited 2022 financial statement and unaudited 2023 financial statement.

If you have any queries, please reach out to me on my email.

Sincerely,

DocuSigned by:

John Salib President jsalib@crpaffordable.com

# Castellan Holdings LLC and Subsidiaries (A Limited Liability Company)

# Consolidated Financial Statements (Together with Independent Auditors' Report)



# (A Limited Liability Company)

# For the Year Ended December 31, 2022

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# Independent Auditors' Report

To the Managing Member of Castellan Holdings LLC and Subsidiaries

## Opinion

We have audited the consolidated financial statements of Castellan Holdings LLC and subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2022, and the related consolidated statement of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

• Exercise professional judgment and maintain professional skepticism throughout the audit.

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Mayer Hoffman McCann CPA's

Woodbury, NY May 3, 2023

#### **Consolidated Balance Sheet**

#### December 31, 2022

#### ASSETS

CURRENT ASSETS	
Cash	\$ 11,003,434
Fees receivable	2,753,383
Deposits	166,722
Prepaid expenses	98,191
Total Current Assets	14,021,730
Property, equipment and leasehold improvements, net	140,793
Investments in and advances to unconsolidated real estate entities	 7,386,860
TOTAL ASSETS	\$ 21,549,383
LIABILITIES AND MEMBERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable - trade	\$ 403,536
Accounts payable - construction	1,566,473
Accrued expenses	2,381,377
Unearned developer fees	2,170,259
Line of credit payable	 3,000,000
Total Current Liabilities	9,521,645
MEMBERS' EQUITY	 12,027,738
TOTAL LIABILITIES AND MEMBERS' EQUITY	21,549,383

#### **Consolidated Statement of Operations**

REVENUES Property management fees and other related income Development fees Real estate lending transaction fee income Construction income TOTAL REVENUES	\$ 580,231 2,116,000 3,475,131 4,580,296 10,751,658
INVESTMENT INCOME	
Equity in net income of CRP Affordable Housing and Community	
Development Fund LLC and CRP Affordable Housing Fund LLC	1,852,863
Equity in net income of CREIF II (GP) LLC	2,541,663
Equity in net gain of other investees	1,310,930
TOTAL INVESTMENT INCOME	5,705,456
EXPENSES Payroll and related expenses, net Professional fees Rent and related expenses Other operating and administrative expenses TOTAL EXPENSES	6,921,172 2,890,050 435,068 800,561 11,046,851
INCOME BEFORE OTHER INCOME (EXPENSE)	5,410,263
OTHER INCOME (EXPENSE) Interest income Interest expense	25,259 (157,681)
NET INCOME	\$ 5,277,841

#### **Consolidated Statement of Changes in Members' Equity**

Members' equity - January 1, 2022	\$ 7,453,686
Contributions	1,811,714
Distributions	(2,426,167)
Syndication costs	(89,336)
Net income	 5,277,841
Members' equity - December 31, 2022	\$ 12,027,738

#### **Consolidated Statement of Cash Flows**

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 5,277,841
Adjustments to reconcile net income to net cash used in operating activities:	
Equity in net income of investees	(5,705,456)
Expenses not requiring use of operating funds:	
Depreciation	(43,176)
Changes in operating assets and liabilities:	
Deposits	(166,722)
Fees receivable	(309,116)
Prepaid expenses	137,558
Accounts payable - trade	(89,771)
Accounts payable - construction	739,072
Accrued Expenses	2,381,377
Net Cash Provided by Operating Activities	2,221,607
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts from investees	3,238,731
Investment in real estate companies	(2,066,919)
Receipts from affiliates	4,764,096
Net Cash Provided by Investing Activities	5,935,908
CASH FLOWS FROM FINANCING ACTIVITIES	
Line of credit proceeds	8,222,000
Line of credit repayments	(10,722,000)
Members' distributions	(2,426,167)
Contributions	1,811,714
Syndication costs	(89,336)
Net Cash Provided by Financing Activities	(3,203,789)
NET CHANGE IN CASH	4,953,726
CASH – January 1, 2022	6,049,708
CASH – December 31, 2022	\$ 11,003,434
SUPPLEMENTAL DISCLOSURE OF CASH FLOW TRANSACTIONS Cash paid during the year for interest:	\$ 157,681

#### Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

#### NOTE 1: ORGANIZATION AND NATURE OF BUSINESS

Castellan Holdings LLC ("Castellan") was formed in Delaware as a Limited Liability Company on March 19, 2013, for the purpose of operating a full service, vertically integrated real estate company with internal platforms including investment, property management, asset management, construction, and development of real estate.

Castellan owns the following subsidiaries:

- Liberty Place Property Management LLC is in the business of property management and other services.
- Castellan Managing Member LLC is in the business of earning carried interest and acquisition fees from certain affiliated property owners for properties acquired by affiliates of the manager.
- CRP Manager LLC is in the business of earning carried interest and acquisition fees from certain affiliated property owners for properties acquired by affiliates of the manager.
- Castellan Managing Member II LLC is in the business of earning carried interest from certain affiliated property owners for properties acquired by affiliates of the manager.
- Castellan Managing Member IV LLC is in the business of earning carried interest from certain affiliated property owners for properties acquired by affiliates of the manager.
- CRP Founders Capital Managing Member LLC is in the business of earning carried interest and acquisition fees from certain affiliated property owners for properties acquired by affiliates of the manager.
- Castellan Managing Member V LLC is in the business of earning carried interest from CRP Osbourne LLC.
- CREIF Manager LLC is in the business of earning carried interest from the Castellan Real Estate Income Fund.
- CREIF II Manager LLC is in the business of earning carried interest from the Castellan Real Estate Income Fund II.
- Ironcore Construction LLC is in the business of providing construction services.
- CRP Affordable Housing Manager LLC is in the business of managing CRP Affordable Housing and Community Development Fund LLC and CRP Affordable Housing Fund LLC.
- Castellan Capital LLC is in the business of originating real estate loans.

#### Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Presentation**

The accompanying consolidated financial statements are prepared on the accrual basis of accounting under accounting principles generally accepted in the United States of America ("GAAP").

#### Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Castellan and its wholly owned subsidiaries (the "Company"). All intercompany transactions have been eliminated in consolidation.

#### Investments in Unconsolidated Real Estate Entities

In accordance with ASC 323, Investments - Equity Method and Joint Ventures ("ASC 323"), the Company uses the equity method of accounting for its investments in unconsolidated entities over which it exercises significant influence but does not have a controlling interest. The equity method of accounting requires the investment to be initially recorded at cost and subsequently adjusted for the Company's share of equity in the unconsolidated entity's earnings or losses.

#### Variable Interest Entities

The Company accounts for variable interest entities ("VIEs") in accordance with ASC 810. In accordance with ASC 810, an entity is a VIE when: (a) the equity investment at risk in the entity is not sufficient to permit the entity to finance its activities without additional subordinated financial support provided by other parties, including the equity holders; (b) the entity's equity holders as a group either (i) lack the direct or indirect ability to make decisions about the entity, (ii) are not obligated to absorb expected losses of the entity or (iii) do not have the right to receive expected residual returns of the entity; or (c) the entity's equity holders have voting rights that are not proportionate to their economic interests, If an entity is deemed to be a VIE pursuant to ASC 810, the enterprise that has both (i) the power to direct the activities of the VIE that most significantly impacts the entity's economic performance and (ii) the obligation to absorb the expected losses of the entity or right to receive benefits from the entity that could be potentially significant to the VIE is considered the primary beneficiary and must consolidate the VIE. In accordance with ASC 810, the Company performs ongoing reassessments of whether it is the primary beneficiary of a VIE. The financial statements of the VIEs for which the Company is considered to be the primary beneficiary, if any, are consolidated in the Company's consolidated financial statements.

#### Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the

#### Notes to Consolidated Financial Statements

#### For the Year Ended December 31, 2022

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Use of Estimates (continued)

consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Affiliate

For purposes of these consolidated financial statements, an affiliate is defined as an entity under common control and/or ownership, or an individual who effectively owns and/or controls the Company.

#### Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturities of three months or less upon acquisition to be cash equivalents. There were no cash equivalents as of December 31, 2022.

#### Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash held in financial institutions. The Company maintains its cash in various financial institutions. At times, such accounts may be excess of the Federal Deposit Insurance Corporation ("FDIC") insurance limits. The amount that is federally insured is subject to the FDIC limit of \$250,000 per depositor, per insured financial institution. As of December 31, 2022, there was approximately \$10,725,000 in excess of FDIC insured limits.

#### Fees Receivable and Allowance for Doubtful Accounts

Fees receivable consist of property management income, developer fees, construction services, incentive fees, and other real estate services.

The Company records an allowance for doubtful accounts for all fees receivable not expected to be collected. The Company evaluates the collectability of its fees receivable based on a combination of factors. In circumstances when the Company is aware of a specific customer's inability to meet its financial obligations, the Company records a specific reserve against amounts due. For all other instances, the Company recognizes reserves based on historical experience and review of the individual accounts outstanding. When management determines that all efforts have been exhausted to collect the delinquent fees receivable, they are charged off.

#### Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Leasehold improvements are carried at cost and are depreciated when placed into service using the straight-line method over the term of the lease, or its estimated useful life if shorter. Equipment is depreciated on a straight-line method over an estimated useful life ranging

#### Notes to Consolidated Financial Statements

#### For the Year Ended December 31, 2022

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property and Equipment (continued)

from 5 to 10 years. Significant renovations or improvements that extend the life of the real estate are capitalized. Replacements and betterments are capitalized. Expenditures for minor replacements, maintenance, and repairs are charged to operations. The Company reviews the carrying value of its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such review indicates that the property and equipment is impaired, when the carrying amount of the property and equipment exceeds the sum of its undiscounted estimated future cash flows, excluding interest charges, the property and equipment's carrying amount is written down to its fair value. There was no impairment adjustment deemed necessary by management for the year ended December 31, 2022.

#### Property Management Fees and Other Related Income

Income from real estate related fees includes property management income, which is recognized when earned.

#### Real Estate Lending Transaction Fee Income

The Company's lending transactions fee income is recognized when earned. It includes origination, extension, and exit fees the Company earns from borrowers.

#### Investment Income

The Company's investment income is derived from its share of earnings or losses, including payment of promote income, generated by its investments in real estate entities. Investment income is also derived from sales of properties.

#### Income Taxes

The Company is organized as a limited liability company, which is considered a passthrough entity for federal and state income tax purposes. As such, taxable income or loss realized by the Company is allocated to the members in accordance with their respective membership interests, and accordingly, reported on their individual tax returns. No provision for income taxes has been included in the accompanying consolidated financial statements.

The Company follows the provisions of FASB Accounting Standards Codification ("ASC") Topic 740 "Income Taxes", which provides standards for establishing and classifying any tax provisions for uncertain tax positions. The Company evaluates the uncertainties of tax positions taken or expected to be taken on its tax return based on the probability of whether the position will be sustained upon examination by tax authorities. The Company uses a more-likely-than-not threshold for recognition and derecognition of tax positions taken or to be taken in a tax return. Management concluded that it had no material uncertain tax liabilities to be recognized at December 31, 2022.

#### Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

#### NOTE 3: TRANSACTIONS WITH AFFILIATES AND EQUITY OWNED ENTITIES

<u>CRP</u> Affordable Housing and Community Development Fund LLC, CRP Affordable Housing Fund LLC and CIX Castellan Affordable Housing Fund LLC (collectively referred to as "Affordable")

The Company is entitled to 100% of the profits in Affordable once the investors receive their preferred return. The accompanying consolidated statement of operations includes the Company's share of its equity in the net income reported by Affordable. The Company's net investment in Affordable represents its share of the cumulative equity in the investee.

The Company has significant influence in Affordable and reports its investment using the equity method of accounting. The Company's share of the financial position of Affordable is shown as a net liability of \$4,598,472 included in investments in and advances to unconsolidated real estate entities. The financial position of Affordable at December 31, 2022 included total assets of \$53,195,122 and total liabilities of \$23,674,913. For the year ended December 31, 2022, Affordable had net income of \$4,713,644, of which the Company's share was income of \$1,852,863. Income and loss are allocated in accordance with the underlying operating agreement, which may be different than the ownership percentage disclosed.

#### Castellan NYC Partners LLC ("Castellan NYC")

The Company owns a less than 1% interest in Castellan NYC. The Company's net investment in Castellan NYC represents its share of the cumulative equity in the investee.

The Company has significant influence in Castellan NYC and reports its investment using the equity method of accounting. The Company's share of the financial position of Castellan NYC is shown as a net asset of \$736,704 included in investments in and advances to unconsolidated real estate entities. The financial position of Castellan NYC at December 31, 2022 included total assets of \$2,185,329 and total liabilities of \$4,594,524. For the year ended December 31, 2022, Castellan NYC had a net loss of \$685,032, of which the Company's share was \$274,013. Income and loss are allocated in accordance with the underlying operating agreement, which may be different than the ownership percentage disclosed.

#### CREIF II (GP) LLC ("CREIF II")

The Company owns a 26.3% interest in CREIF II. The accompanying consolidated statement of operations includes the Company's share of its equity in the net income reported by CREIF II in 2022. The Company's net investment in CREIF II represents its share of the cumulative equity in the investee.

The Company has significant influence in CREIF II and reports its investment using the equity method of accounting. The Company's share of the financial position of CREIF II is shown as a net liability of \$513,422 included in investments in and advances to unconsolidated real estate entities. The financial position of CREIF II at December 31, 2022 included total assets of \$310,434,220 and total liabilities of \$166,220,421. For the year

#### Notes to Consolidated Financial Statements

#### For the Year Ended December 31, 2022

#### NOTE 3: TRANSACTIONS WITH AFFILIATES AND EQUITY OWNED ENTITIES (continued)

#### CREIF II (GP) LLC ("CREIF II") (continued)

ended December 31, 2022, CREIF II had net income of \$14,615,874, of which the Company's share was \$2,541,663. Income and loss are allocated in accordance with the underlying operating agreement, which may be different than the ownership percentage disclosed.

#### CREIF (GP) LLC ("CREIF")

The Company owns a less than 1% interest in CREIF. The Company's net investment in CREIF represents its share of the cumulative equity in the investee.

The Company has significant influence in CREIF and reports its investment using the equity method of accounting. The Company's share of the financial position of CREIF is shown as a net asset of \$9,562 included in investments in and advances to unconsolidated real estate entities. The financial position of CREIF at December 31, 2022 included total assets of \$46,520,506 and total liabilities of \$20,545,920. For the year ended December 31, 2022, CREIF had a net loss of \$1,180,410, of which the Company's share was \$0. Income and loss are allocated in accordance with the underlying operating agreement, which may be different than the ownership percentage disclosed.

#### CRP Founders Capital LLC ("Founders")

The Company owns a 6.67% interest in Founders. The accompanying consolidated statement of operations includes the Company's share of its equity in the net loss reported by Founders in 2022. The Company's net investment in Founders represents its share of the cumulative equity in the investee throughout 2022.

The Company has significant influence in Founders and reports its investment using the equity method of accounting. The Company's share of the financial position of Founders is shown as a net liability of \$1,714,771 included in investments in and advances to unconsolidated real estate entities. The financial position of Founders at December 31, 2022 included total assets of \$16,787,025 and total liabilities of \$19,648. For the year ended December 31, 2022, Founders had income of \$2,143,404, of which the Company's share was \$2,143,404, which is included in equity in net gain of other investees. Income and loss are allocated in accordance with the underlying operating agreements, which may be different than the ownership percentage disclosed.

#### Notes to Consolidated Financial Statements

#### For the Year Ended December 31, 2022

#### NOTE 3: TRANSACTIONS WITH AFFILIATES AND EQUITY OWNED ENTITIES (continued)

#### GRJ NJ-PA Portfolio LLC ("GRJ")

The Company owns a 3.0253% interest in GRJ. The accompanying consolidated statement of operations includes the Company's share of its equity in the net income reported by GRJ in 2022. The Company's net investment in GRJ represents its share of the cumulative equity in the investee.

During 2022, GRJ was sold. For the year ended December 31, 2022, GRJ had net income of \$8,425,565, of which the Company's share was \$146,295, which is included in equity in net gain of other investees. Income and loss are allocated in accordance with the underlying operating agreement, which may be different than the ownership percentage disclosed.

#### CRP Seattle Warehouse I LLC ("Seattle")

The Company owns a 5.0106% interest in Seattle. The accompanying consolidated statement of operations includes the Company's share of its equity in the net loss reported by Seattle in 2022. The Company's net investment in Seattle represents its share of the cumulative equity in the investee.

The Company has significant influence in Seattle and reports its investment using the equity method of accounting. The Company's share of the financial position of Seattle is shown as a net liability of \$52,424 included in investments in and advances to unconsolidated real estate entities. The financial position of Seattle at December 31, 2021 included total assets of \$1,408,287 and total liabilities of \$5,000. For the year ended December 31, 2022, Seattle had net income of \$19,391, of which the Company's share was \$972, which is included in equity in net gain of other investees. Income and loss are allocated in accordance with the underlying operating agreement, which may be different than the ownership percentage disclosed.

#### CRP NoMad Owner LLC

In its role of sponsor and managing member, Castellan agreed to make 2 loans to help finance the development of the 24-story residential rental property located at 7-9 East 30<sup>th</sup> Street as follows:

- \$6,025,000 loan that bears interest at the same rate as the property's construction loan. As of December 31, the interest rate was 7.5%. The loan is due upon the earlier of the conversion of the property's construction loan to permanent financing or sale of the property.
- An additional loan in the amount of \$5,150,584 as of December 31, 2022, that bears interest at 7%. The loan is due upon the earlier of the conversion of the property's construction loan to permanent financing or sale of the property.

#### **Notes to Consolidated Financial Statements**

#### For the Year Ended December 31, 2022

#### NOTE 3: TRANSACTIONS WITH AFFILIATES AND EQUITY OWNED ENTITIES (continued)

Castellan also advances funds from time to time to its sponsored real estate investments. The advances are short term in nature and are due on demand.

Additionally as of December 31, 2022, the Company is owed \$265,000 from CRP Osbourne LLC for construction fees, which is included in fees receivable.

As of December 31, 2022, the Company had the following investment balances with affiliated entities, as detailed below:

CRP NoMad Owner LLC	\$ 11,175,584
Affordable	(4,958,472)
Castellan NYC Partners LLC	736,704
CREIF II (GP) LLC	(513,422)
CREIF (GP) LLC	9,562
CRP Founders Capital LLC	(1,714,771)
Other affiliates	2,651,675
Total	<u>\$ 7,386,860</u>

#### NOTE 4: **INVESTMENT IN AFFORDABLE HOUSING**

The Company is a general partner (GP) and owns less than 1% economic interest in the below affordable housing entities. These have been deemed to be VIEs in which the Company is not the VIEs' primary beneficiary.

The entities are involved in developing, owning and operating Low Income Housing Tax Credit (LIHTC) affordable housing projects. As GP, the Company is involved in the day to day activities of the entities which primarily includes construction overview and managing the project. However, the other limited partners have protective rights and the GP cannot take any decision which most significantly impacts the entity's economic performance without the consent of limited partners and hence company is not the primary beneficial owner.

Name of Entity	Total Assets	Total Liabilities
CRP Redwood View LP	\$ 18,474,029	\$ 15,367,132
CRP The Meridian LP	\$ 22,903,194	\$ 20,669,682
CRP Konocti Gardens LP	\$ 17,601,521	\$ 14,645,446
CRP Shiloh Terrace LP	\$ 27,761,360	\$ 24,487,501
CRP St. Stephen's Apartment LP	\$ 17,435,211	\$ 15,358,363
CRP Valencia Pointe LP	\$ 50,244,137	\$ 46,350,767
CRP Worthington Del Sol LP	\$ 13,264,499	\$ 12,486,460
CRP Worthington La Luna Family	\$ 18,458,820	\$ 17,522,360
Apartments LP		
CRP Napa Cove Apartments LP	\$ 17,217,198	\$ 14,312,003
CRP Senator Conness Apartments LP *	\$ 13,959,416	\$ 9,499,630
*Note: Company is a 50% co-GP in Senator Conness Apartments LP.		

Note: Company is a 50% co-GP in Senator Conness Apartments LP.

#### Notes to Consolidated Financial Statements

#### For the Year Ended December 31, 2022

#### NOTE 4: INVESTMENT IN AFFORDABLE HOUSING (continued)

GP is the guarantor of the low-income housing tax credits, the operating deficit and construction loan. The tax credit guarantee and the operating deficit will expire at the end of the 15 year compliance period. The construction loan guarantee will expire at the maturity date of the construction loan. The Company believes that the likelihood it will have to fund pursuant to the guarantees is remote.

#### NOTE 5: REVOLVING CREDIT LINE

On February 26, 2015, the Company entered into a revolving credit agreement with Sterling National Bank in the amount of \$1,000,000. As a result of subsequent modifications, the amended agreement has an extended maturity date of February 1, 2024, and the amount available was increased to \$8,000,000. Interest on the outstanding and unpaid principal amount of the revolving credit line is calculated at a rate per annum equal to the Prime Rate plus .75%, with a floor interest rate of 6.5%. As of December 31, 2022, there was an outstanding amount due of \$3,000,000. Interest expense on the revolving credit line for the year ended December 31, 2022 was \$157,681.

The revolving credit agreement contains a covenant whereby the Company must maintain a net worth of \$4,000,000. Management believes the Company was in compliance with the terms and conditions of the agreement.

#### NOTE 6: OBLIGATIONS UNDER OPERATING LEASE

The Company leases its corporate office under an operating lease which expires on December 31, 2029. Minimum rent is recognized as an expense on the straight-line method over the term of the lease with an escalation clause. This has resulted in a deferred rent payable of \$224,871 as of December 31, 2022, which is reflected in accounts payable on the accompanying consolidated balance sheet. Minimum future rental payments under the non-cancelable operating lease consist of the following:

Year ending December 31,

2023	\$ 369,015
2024	\$ 369,015
2025	\$ 369,015
2026	\$ 369,015
2027	\$ 369,015
Thereafter	\$ 615,023

The Company makes monthly payments on the lease for rent as well as additional payments to cover utilities, increases in operating expenses, and real estate taxes during the year. The Company paid a total of \$435,068 in rent and related expenses for the year ended December 31, 2022.

#### Notes to Consolidated Financial Statements

#### For the Year Ended December 31, 2022

#### NOTE 7: DISTRIBUTIONS TO MEMBERS

From time to time, the Company shall determine the amount, if any, by which its funds then on hand exceed its reasonable working capital needs, including reasonable reserves for future Company obligations. Any excess funds shall be distributed to the members in accordance with the Operating Agreement.

The net cash flow for any particular period shall be distributed to the members in the following order of priority:

- a. First, to the members holding all the outstanding member loans on a paripassu basis (in proportion to the relative outstanding amounts of the accrued interest and outstanding principal balance of each member loan).
- b. Next, to the members in proportion to their respective membership interests.

During 2022, the Company made distributions in the amount of \$2,426,167 to its members.

#### NOTE 8: SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated balance sheet through May 3, 2023, the date these consolidated financial statements were available to be issued.



February 7, 2024

Castellan Holdings LLC & Affiliated Entities c/o Joel Hammer 122 East 42nd Street, Suite 1902 New York, NY 10168

Dear Mr. Hammer:

CBIZ Marks Paneth ("CBIZ", "we" or "us") is pleased to provide Castellan Holdings LLC & Affiliated Entities ("you") with professional tax return preparation services, and any agreed-upon accounting services support, for the year ended December 31, 2023 and/or fiscal year ending in 2024. This engagement letter, and the attached Standard Terms and Conditions of Services ("STC"), embodies the entire agreement ("Agreement") with you regarding CBIZ's tax return preparation services. Please review this Agreement, sign a copy of it where indicated below, and return the signed Agreement to us.

This Agreement is binding on all persons and entities for whom these services are rendered pursuant to this Agreement, and each signatory below represents and warrants that he or she has the legal power and authority to act on behalf of and to bind those persons and entities.

### **Tax Return Preparation Services**

We will prepare the Federal income tax return and any state income tax return(s) that we have specified in "Schedule 1" attached at the end of this letter (regardless of whether this is for one person or entity or for multiple persons or entities (including subsidiaries), or any combination thereof). If you would like us to prepare additional returns (e.g., other states, gift or excise tax), or prepare any returns for related taxpayers not contemplated by this Agreement, please include such returns and additional taxpayers on the attached "Schedule 2" and return it to us with your signed Agreement. If you choose to add taxpayers, jurisdictions or other types of returns, this will increase the amount of our fees and expenses described below.

We will advise you if we believe, based on the information you provide us, an income or franchise tax return should be filed in any other jurisdiction, but we will not prepare any such tax return without your approval. It is important that you inform us of any new or expanded activities that could trigger filing requirements in additional state(s), such as the acquisition of property or the hiring of employees in a new state. Activities of a pass-through entity in which you are an owner, partner, member or beneficiary may also trigger additional state tax filings, so please contact us if you have acquired an interest in a new pass-through entity over the past year.

This engagement does not include the preparation of:

(a) Forms or calculations related to any quarterly federal or state estimated tax payment obligations (or similar withholding obligations) associated with the tax returns covered by this engagement letter; or

(b) Forms or calculations related to any federal or state applications for extension of time to file the tax returns covered by this engagement letter.

**CBIZ** 88 Froehlich Farm Boulevard Woodbury, NY 11797 Ph: 516.992.5900 Fx: 516.992.5800

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Our fees for the preparation of these forms or calculations are included in any fees quoted in this engagement letter.

We may prepare federal or state applications for extension of time to file the tax returns covered by this engagement letter at our discretion when such forms reflect no amount due and are limited in number ("zero extension forms"). These will be billed in accordance with the fee paragraph below unless the parties agree to a separate arrangement.

Because of their special purpose, nature and format, income tax returns do not constitute financial statements prepared in accordance with generally accepted accounting principles. The tax returns should be used only for income tax purposes and must not be used as a substitute for financial statements. Tax return preparation services do not constitute accounting or auditing services and are not designed to discover fraud, defalcations or other irregularities, should any exist.

We will use our professional judgment in resolving issues regarding reporting positions on your returns whenever the tax law is unclear or uncertain, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor, as long as it is consistent with the law and our professional duties and obligations. We are prohibited from signing any tax return containing a tax position that in our professional judgment does not conform to the applicable laws and standards of our profession. Should you ask us to sign a tax return that contains such a position, we reserve the right to cease work on your returns, and we accept no responsibility for any damages that may occur as a result. We cannot provide any assurance that any tax positions taken will not be challenged, and if challenged, that the taxing authority will not be successful. If a taxing authority contests a position taken on your returns, it may assess additional tax, interest and penalties, for which we assume no responsibility. There are numerous tax credits, exclusions and deductions for which a detailed review of business or investment activities would be required to determine their availability. Such a detailed review is beyond the scope of services of this Agreement. If you would like us to undertake a detailed review of your activities to identify tax credits, exclusions or deductions, please contact us to discuss the terms of an engagement for these services. For the sake of clarity, should CBIZ agree to respond to inquiries from you or a third-party auditor in connection with any type of vendor audit, examination, verification, "cold comfort letter" or other review (a "Vendor Audit"), you agree to pay CBIZ for all of our time, billed at our then current rates, and expenses incurred in responding to such Vendor Audit.

We will prepare your tax returns based on the information that you provide. You represent and warrant that the information you are supplying to us is accurate and complete to the best of your knowledge as required for the preparation of complete and accurate tax returns. You have final responsibility for the tax returns and, therefore, you should review them carefully before you sign them. You should retain all documents that form the basis for the information presented on your tax returns. Please refer to Sections D and L of the STC for additional information.

Any tax advice we offer in conjunction with the preparation of your tax returns ("tax advice") is based on our assumption (without independent verification) that all of the representations and all of the originals, copies, and signatures of documents reviewed by us are accurate, true, and authentic. Our tax advice is based on the law, regulations, cases, rulings, and other tax authority in effect as of the date the services were rendered. If there are subsequent changes in or to the foregoing tax authorities (for which we shall have no responsibility to advise you), such changes may result in our advice being rendered invalid or may necessitate (upon your request) a reconsideration of the advice.

In addition to the professional fees discussed below, you agree to reimburse us for our direct and reasonable outof-pocket expenses related to travel and any required or other approved expenditures incurred in connection with our services. We will also assess a 5% technology and administrative fee to cover the cost of technology, processing, and other administrative expenses. Please refer to Section E of the STC for additional information regarding fees.

Our fees for these tax services will be based on the fee quote contained in this paragraph. Based on the information provided by you to us regarding the nature and scope of this engagement, the fee will be listed on Schedule 1.

#### Page 3 of 18

Changes in the scope of our services, including preparation of additional returns, researching unanticipated technical issues, or performing unanticipated bookkeeping work as a precondition to tax return preparation will result in an increase in this fee, which we will discuss with you prior to performing the additional services. This quote is also dependent upon the accuracy and completeness of the information provided by you to us regarding the nature and scope of this engagement, as well as upon anticipated cooperation from you or your personnel, and the ready availability of all information necessary for us to complete the engagement. If the information provided by you to us regarding the nature and scope of this engagement is not accurate or complete, we do not receive the anticipated cooperation of your personnel, or if the information necessary for us to complete this engagement is not receive the anticipated available to us, we will discuss this with you and arrive at a revised fee quote.

#### **Additional Services**

You are providing your primary contact, financial and business information in order to permit CBIZ to offer you tax and business suggestions when CBIZ deems it appropriate or advantageous to you. You confirm that this service, while creating no duty on the part of CBIZ, is a benefit to you that is separate from and in addition to any tax return preparation services.

While it is our intention to suggest tax and business ideas or services to you, this engagement generally does not include the rendering of any specific tax consulting services. However, we may provide, at your request, limited tax consulting services including, but not limited to, tax projections, responding to inquiries or tax examinations by any governmental agency or tax authority, assisting you in maintaining your accounting and depreciation records, reviewing proposed or completed transactions, or tax research in connection with these matters. These limited consulting services will be subject to the STC and our fees for these additional services will be based upon our prevailing hourly rates effective at the time the services are provided, the time required for work performed, the complexity of any technical issues addressed unless otherwise agreed to by both parties.

If you ask us to perform other services that are not covered by this, or any other, engagement letter, you agree that any such engagements or services performed as a result of such requests will be subject to the STC.

#### Assessing the Impact of New or Recent Legislation

Due to the complexity and ambiguity of numerous recently enacted tax laws, the IRS will continue to issue new rules and guidance on a regular basis. As a result, there may be aspects of these laws, any legislation enacted after the date of this letter, and interpretive guidance that could affect your current or future years' taxes and reporting. We are happy to help you assess the impact of these laws or guidance on you or your businesses. Unless otherwise indicated, these services are beyond the scope of any tax return preparation or consulting services described herein. If you request such services, we will bill you for the services at our prevailing hourly rates. Such services will be subject to the STC.

#### **Conditions and Limitations**

To assist you in understanding the scope of our services and other matters related to our preparation of your tax returns, we have attached a copy of the STC. All of our tax return preparation services are expressly subject to these conditions and limitations, and by signing below, you agree to them.

If this letter accurately describes the arrangement for our services to you, please sign the enclosed copy of this letter and return it to us.

DocuSign Envelope ID: E8B6C731-589D-4883-B867-EFC0C07C8E54

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We want to thank you for using CBIZ and look forward to a long and mutually satisfying relationship.

Very truly yours,

DocuSigned by: andrew H. Eubrick Andrew Kubrick, Managing Director CBIZ

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

Castellan Holdings LLC & Affiliated Entities

DocuSigned by: By Hammer, Joel Joel Hammer

Date 2/19/2024 | 7:58 PST

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# Schedule 1

# (List of Tax Returns to be Prepared)

<u>Entities</u>	<u>Fee</u>
CRP Rivington Street Redevelopment LLC	4,000
CRP Rivington LLC	4,000
CRP East 28th Street A LLC	4,000
CRP East 28th Street LLC	4,000
CRP West 135th Street A LLC	5,500
CRP West 135th B LLC	5,500
CRP West 135th Street LLC	4,000
CRP Evergreen LLC	2,500
CRP Fifth Avenue C LLC	4,000
CRP/CIX NYC 30th Street LLC	4,000
CRP 7-9 East 30th Joinder LLC	4,000
CRP 7 East 30th A LLC (all three Fairworths)	4,000
CRP NoMad LLC	4,000
CRP East 30th Street LLC	4,000
CRP 7 East 30th Street C LLC FKA CRP St. Nicholas York LLC	4,000
CRP 7 EAST 30TH A LLC FKA CRP Fairworth LLC	4,000
7 East 30th B West 111th C FKA CRP 184th St. Nicholas LLC	4,000
CRP Sunrise Highway LLC	5,500
CRP Wetherole A LLC	4,000
CRP Wetherole FDB 1031 LLC	4,000

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CRP Wetherole LLC	4,000
CRP Chambers Steet D LLC FKA CRP Park Avenue LLC	4,000
CRP Chambers Street LLC	4,000
CRP Uptown Portfolio Investors LLC	4,000
CRP St Marks Place A LLC	4,000
CRP St Marks Place LLC	4,000
CRP St Marks 117 West 141 1031 LLC	4,000
CRP Clarendon A LLC (Uptown II)	7,000
CRP Clarendon B LLC (Uptown II B)	4,000
CRP Clarendon C LLC (Uptown III)	4,000
CRP Clarendon LLC	4,000
CRP West 111th Street Owner LLC	4,000
CRP West 111th Street LLC	4,000
CRP 515 West 111th B LLC FKA CRP Broadway C LLC	4,000
515 West 111th Street Inc.	4,000
CRP 515 West 111TH A LLC FKA CRP St. Nicholas York B LLC	4,000
CRP 515 West 111th LLC	4,000
Castellan NYC Partners LLC	4,000
CRP Founders Capital LLC	4,000
CRP Affordable Housing and Development LLC	10,000
CRP Affordable Housing and Development Fund LLC	4,000
CRP Affordable Housing Fund LLC	4,000
CIX CRP Affordable Fund LLC	4,000
CRP Affordable (Feeder) Inc.	5,000

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CRP Affordable Housing Fund (Feeder) LLC	5,000
Castellan Holdings LLC	15,000
Castellan Holdings Manager LLC	2,000
CRP West 151st Street B LLC	4,000
3231 Greenpoint LLC	4,000
CRP West 151st Street LLC	4,000
CRP West 164th Street B LLC	4,000
CREIF (GP) LLC	4,000
CRP GRJ LLC	4,000
CRP Cloverly LLC	4,000
CRP Seattle Warehouse 1 LLC	4,000
Castellan EP LLC	4,000
CREIF (GP) II LLC	4,000

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# Schedule 2

# (Additional Tax Returns to be Prepared, List Here)

Taxpayer	Additional Tax Returns
List Here	

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#### STANDARD TERMS AND CONDITIONS OF SERVICES

#### A. Services

These Standard Terms and Conditions of Services ("STC") and the engagement letter to which these terms are appended constitute the entire agreement between you and CBIZ for the tax services to be rendered (the "Agreement"). As used herein, the term "tax services", includes only the tax services as described in the attached engagement letter. All decisions in connection with the implementation of CBIZ's tax services in connection with this engagement shall be your responsibility. The tax services contemplated by this Agreement are not intended to include any Personal Financial Planning Services as defined in the AICPA's Statement on Standards in Personal Financial Planning Services. Furthermore, unless explicitly described in the Engagement Letter and agreed to by CBIZ, our services do not include providing any opinion, attestation, certification, advice, or guidance regarding your technical or functional cybersecurity systems, programs, policies or procedures, or any method you employ for using, storing, transmitting, or protecting sensitive information. If you desire such services, they may be provided under a separate agreement. Unless otherwise prohibited by law, your submission of your income tax information to us constitutes acceptance of the engagement letter and STC for this engagement.

B. Third Parties and Internal Use

Except as otherwise agreed, all tax services hereunder shall be solely for your internal purposes and use, and this engagement does not create privity between CBIZ and any person or party (a "third party") other than you. This engagement is not intended for the express or implied benefit of any third party. No third party is entitled to rely, in any manner or for any purpose, on the tax services provided by CBIZ. In order to protect CBIZ from any unauthorized reliance or claims, you further agree, with respect to the tax services provided by CBIZ and any associated deliverable, that you will not distribute, make available, circulate, quote to or allow use by any third party without including the following written disclaimer: "By accepting access to this document or information you acknowledge that such access creates no rights or privity between you and CBIZ, and you acknowledge and agree that you have no right to rely on this information and assume all risks in doing so." However, nothing in this paragraph shall be construed as limiting or restricting such disclosure for your tax return filing purposes. You agree to hold CBIZ harmless from any claims or liability that may arise out of or result from your disclosure of, or from CBIZ complying with your request to disclose or share, your information with third-parties.

#### **C.** Confidentiality

CBIZ will maintain the confidentiality of your information in accordance with applicable professional standards. CBIZ will use reasonable precautions to protect your "Confidential Information," which means (i) information contained in your internal financial and business records, (ii) "tax return information" as defined in Treasury Regulation § 301.7216-1(b)(3), and (iii) other information concerning you or your business that is marked "confidential" or otherwise identified as "confidential" in writing at the time of disclosure. Notwithstanding the foregoing, Confidential Information does not include information (i) that is or becomes publicly available or generally known to persons in your industry without breach of our obligations under this section, (ii) received by us after the termination of the Engagement Letter, or (iii) is deidentified or anonymized by CBIZ and separated from the client's data.

We may disclose your Confidential Information to our employees, independent contractors and affiliates, including their employees and independent contractors, as necessary to provide our services. You authorize CBIZ to engage such affiliates and third parties to provide services on our behalf and, in this context, provide them with access to your Confidential Information. Without limiting the foregoing, we may in certain circumstances disclose your

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Confidential Information to software vendors for the purpose of obtaining technical support in the course of providing services to you, but it is our policy to require these vendors to maintain the confidentiality of confidential information disclosed to them. We may also disclose Confidential Information if required by a court or governmental agency, but we will use commercially reasonable efforts to inform you, unless prohibited by law, prior to disclosure. To protect your Confidential Information, you agree that you will not disclose any Confidential Information to us except as we request or as necessary for us to provide our services.

We may use subcontractors, which may be located outside the U.S., to assist us in the process of preparing your tax returns. We have dedicated teams of professionals to assist in serving you. CBIZ is sensitive to concerns regarding the handling of personal and confidential information and can share further information regarding how we and our subcontractors protect your information upon request. In order to safeguard the confidentiality of client information, both CBIZ and any subcontractors we may use have established internal policies, procedures and controls designed to maintain data security and protect privacy. We will not utilize a subcontractor without a written confidentiality agreement in place to prevent the unauthorized release of client information.

We may use the information you provide to us in connection with this engagement ("Information") to check for conflicts of interest and to verify independence. We may disclose the Information to any company, or any employee of such company, that is owned or controlled, directly or indirectly, by CBIZ, Inc. ("Affiliate"). Information may also be used in CBIZ's efforts to improve the services provided, develop additional services we can offer, and to provide you with access to the different types of services offered by our Affiliates, including where appropriate, tax consulting, general business consulting, retirement or estate planning, business succession, asset acquisition or disposition, payroll, benefits, insurance, wealth management and investing, human resources, accounting, valuation, internal audit, mergers and acquisitions, and technology consulting, or to prepare subsequent years' engagement letters. You have the right to limit the Information you wish to have used or disclosed. We may use the Information to compile lists in order to provide you with tax or business information, newsletters or other correspondence determined from the Information to be relevant to you or your industry, and information on other products or services offered by our Affiliates. We may also use and disclose the Information as subsequently requested or directed by you. We will not disclose Information to any person who is not an Affiliate without obtaining a separate consent to such disclosure except (a) as otherwise specifically provided herein, or (b) at your request or direction. Unless you specify otherwise, the consent to the use and disclosure of the Information provided herein will be valid until the statute of limitations to assess any tax by the Internal Revenue Service with respect to the tax return has expired.

Periodically, we may perform benchmarking studies on an industry basis to provide additional value-added information to our clients. You consent to our sharing of your Confidential Information with third parties for these purposes. Such benchmarking studies will be general in nature and the information provided will not contain any identifying features that can be attributed to you. We may also aggregate and share internally certain deidentified or anonymized data in our efforts to improve the services we offer and provide to our clients.

#### **D.** Client Responsibilities

You are responsible for making financial records and related information available to us to enable us to provide the tax services described herein, but you agree to provide only the information that is necessary and that we request. CBIZ will have no responsibility for information, records, or data you provide to us that we did not request, including data outside the scope of the engagement. CBIZ shall be entitled to assume and rely on, without independent verification, the accuracy of all representations, assumptions, information and data that you and your representatives provide to CBIZ. All assumptions, representations, information and data to be supplied by you and your representatives will be complete and accurate. You represent and warrant that you maintain proper records and otherwise satisfy the criteria to claim and substantiate deductions for meals, entertainment, travel, gifts, charitable contributions, and vehicle use (if applicable) as required by federal law. The rules regarding the deductibility of various expenses, e.g., charitable contributions, continue to grow more onerous. Please consult the most recent versions of IRS Publications if you have questions, or consult with us. CBIZ may use information and data furnished

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by others; however, CBIZ shall not be responsible for, and CBIZ shall provide no assurance regarding, the accuracy and completeness of any such information or data.

Except as specifically provided herein, CBIZ shall not assume any responsibility for any financial reporting with respect to the tax services provided hereunder. You acknowledge and understand that CBIZ is providing no attest services of any kind, scope or nature whatsoever, as part of this engagement. CBIZ shall have no responsibility to address any legal matters or questions of law in connection with this engagement.

You shall cooperate with CBIZ in the performance by CBIZ of its tax services hereunder, including, without limitation, providing CBIZ with reasonable facilities and timely access to necessary data, information, and your personnel. You shall be responsible for the performance of your personnel and agents and for the accuracy and completeness of all data and information provided to CBIZ for purposes of the performance by CBIZ of its tax services hereunder.

E. Fees and Payment; Subpoenas and Post-Engagement Inquiries

Except to the extent specifically addressed in the applicable Engagement Letter or Project Addendum, the following terms in this Section E will apply. In the case of a conflict between these terms and the terms of the applicable Engagement Letter or Project Addendum, the Engagement Letter or Project Addendum will control. Our invoices for these consulting services will be rendered each month as work progresses and are payable on presentation. The invoices may designate CBIZ, Inc. as the receiving party for ACH and wire payments. If properly submitted invoices are not paid within 30 days of the invoice date, a late charge may accrue at the lesser of (i) 1% per month or (ii) the highest rate allowable by law. Without limiting its rights or remedies, CBIZ shall have the right to halt or terminate entirely its consulting services until full payment is received on such past due invoices. In the case of nonpayment, you will be liable for any and all costs and fees incurred by CBIZ to collect the fees contemplated herein. The failure of CBIZ to exercise its right to suspend or terminate work shall not constitute a waiver by CBIZ of any right or remedy, and CBIZ will bear no liability to you if work is suspended or terminated because of nonpayment. In the event of a termination of this engagement pursuant to section F below, you agree to compensate CBIZ for consulting services performed and expenses incurred through the effective date of termination. All outstanding bills will be paid in full prior to the release of any information or prior to final product or service delivery, unless other arrangements to pay your bill have been agreed upon.

#### F. Term

This engagement shall conclude on the completion and delivery of CBIZ's tax services hereunder. This engagement may be terminated by either party at any time by giving written notice to the other party not less than 10 business days before the effective date of termination. The following sections of this Agreement will survive completion of the Services or its earlier termination, and will apply to any and all services provided by CBIZ in the future, unless and until these STC are superseded by a new Engagement Letter and STC: Fees and Payment; Subpoenas and Post-Engagement Inquiries, Confidentiality, Third Parties and Internal Use, Property and Record Retention, Employment Offers to Our Personnel, Dispute Resolution and Jury Trial Waiver, Governing Law and Severability, Fees and Payment, Limitation on Damages, Indemnification and such other provisions of this Agreement which by their nature are intended to survive.

#### G. General

This Agreement forms the entire agreement between the parties relating to the services, and replaces and supersedes any previous proposals, correspondence, understandings or other communications whether written or oral, unless specifically incorporated by this Agreement. This Agreement may only be amended or modified in a writing executed by both parties. These STC may be incorporated by reference into, and shall therefore become a part of, any subsequent letter of reengagement. Should our STC change in subsequent years, we will notify you of those changes and solicit your agreement thereto. Such changes will then be considered an enforceable part of this

#### Page 12 of 18

Agreement from that point forward. Handwritten changes to this Agreement will have no effect and will not constitute a counteroffer. This agreement shall be binding on all transferees, successors and assigns of both CBIZ and you. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control. Each party acknowledges that this was a negotiated contract, and as a result, no part of this contract shall be construed against either party based on drafting of the contract. If any provision of this Agreement is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement shall remain enforceable. For evidentiary purposes, an electronic scan (e.g., PDF file) of this executed Engagement Letter and these STC shall be deemed by the parties to be a true, authenticated document which is admissible into evidence.

No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach or of any other covenant. No waiver or discharge shall be valid unless in writing and signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

You acknowledge and agree that you will be solely responsible for any and all applicable sales and use tax due in connection with the services provided under this Agreement.

These STC contemplate that this engagement may involve the preparation of multiple returns for multiple parties, and those parties may be any combination of individuals, trusts, or entities. If the only tax services covered by this engagement are being offered exclusively to individuals, trusts or entities, these STC should be interpreted accordingly. The person signing the engagement letter represents and warrants that he or she has express authority to bind any individual, trust or entity for whom services are being rendered under this engagement to the terms of this engagement letter and to these STC. Furthermore, Signatory warrants and represents that he or she will provide a copy of the "NOTICE OF PRIVACY PRACTICES CBIZ, INC. and its subsidiaries" to each person identified herein for whom we are preparing a Form 1040.

The use of the singular or plural may be used herein for ease of presentation, but should be read to include the other where appropriate.

It is common practice for professional service firms such as ours, in discussions with prospective clients, to make reference to prior work, and we would like to have the opportunity to do so with respect to this assignment. Unless you inform CBIZ to the contrary, on completion of this assignment we understand that we will be entitled to make reference to having undertaken it, including your name and logo, if applicable, and a general description of the nature of the engagement, in CBIZ newsletters and publications and discussions with third parties regarding work opportunities.

#### H. Foreign Account / Relationship Reporting

Any U.S. citizen or resident (including individuals, corporations, partnerships, trusts and estates) who has a financial interest in, or signature or other authority over, "foreign financial accounts" with an aggregate value exceeding \$10,000 at any time during the prior calendar year, is required to report that relationship to the U.S. Department of the Treasury on FinCEN Form 114, Foreign Bank and Financial Accounts Report (FBAR). Filing requirements also apply to those with direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign financial accounts of its own. Because persons with a financial interest and persons with signature authority are required to submit filings, a single account may require multiple filings. For example, a corporate-owned foreign account would require filings by the corporation and by the individual corporate officers with signature authority. FinCEN Form 114 must be filed electronically by April 15, but the due date of the filing can be extended until October 15.

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"Foreign financial accounts", for purposes of this requirement, are financial accounts located in a foreign jurisdiction and may include, but are not limited to, bank accounts, mutual funds, securities or brokerage accounts, life insurance, credit cards, retirement plans and interests in partnerships, trusts or other pass-through entities having foreign accounts.

In addition, the Internal Revenue Service also requires information reporting under applicable Internal Revenue Code sections and related regulations, and the respective IRS tax forms are due when your income tax return is due, including extensions. The IRS reporting requirements are in addition to the U.S. Department of the Treasury reporting requirements stated above. Therefore, if you fall into one of the categories enumerated below, or if you have any direct or indirect foreign interests, you may be required to file applicable IRS forms.

- You are an individual or entity with ownership of foreign financial assets and meet the specified criteria (Form 8938);
- You are an officer, director or shareholder with respect to certain foreign corporations (Form 5471);
- You are a foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trade or business (Form 5472);
- You are a U.S. transferor of property to a foreign corporation (Form 926);
- You are a U.S. person with an interest in a foreign trust (Forms 3520 and 3520-A); or
- You are a U.S. person with interests in a foreign partnership (Form 8865).

Failure to timely file the appropriate forms with the U.S. Department of the Treasury and the Internal Revenue Service may result in substantial monetary penalties. By signing this Agreement, you accept responsibility for informing us if you believe that you may have foreign reporting requirements with the U.S. Department of the Treasury and/or Internal Revenue Service. We assume no liability for penalties associated with the failure to file, or untimely filing, of any of these forms.

We are able to assist you in the preparation of these filings if you request. These services are beyond the scope of normal tax return preparation and, unless we prepared these forms for you last year, these services will result in an additional fee beyond what is otherwise quoted in this Agreement.

I. Independent Contractor

It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, partner, joint venturer, or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation of behalf of, or in the name of, the other.

J. Employment Offers to Our Personnel

During the term of this Agreement and for a period of one year thereafter, the parties agree not to hire, solicit, or attempt to solicit, whether directly or indirectly, the services of any staff, employee, consultant, or subcontractor of the other party without the prior written consent of that party. Violation of this provision shall, in addition to other relief, require the breaching party to compensate the non-breaching party with 100 percent of the solicited person's annual compensation.

K. Safe Environment

You agree that in any circumstances wherein CBIZ personnel are required to work at any premises or location operated or controlled by you, you will take all actions and precautions necessary to ensure that your premises are free from all known or reasonably foreseeable safety hazards, and all forms of harassment and discrimination.

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#### L. Property and Record Retention

The workpapers and files which CBIZ generates in connection with this engagement are the property of CBIZ. We do not retain any original client records and will return those to you at the completion of this engagement. It is your responsibility to retain and protect your records for possible future use, including, but not limited to, potential examination by any government or regulatory agencies. All CBIZ workpapers and files will be retained pursuant to CBIZ's document retention policy. Your need to retain documents may differ from the CBIZ document retention policy for a myriad of legal reasons having nothing to do with this engagement. Accordingly, you should contact your own legal counsel should you have a question about document retention. CBIZ retains copies of Confidential Information and Information received in connection with the relevant engagement in its confidential working papers in accordance with applicable professional standards, and in the case of a conflict between these terms and any other agreement between the parties this term shall govern.

#### M. Electronic Communication

In the interest of being responsive and facilitating our services to you, we may communicate electronically over the Internet, for example, using email and portals to transfer files. Such communications may include information that is confidential or otherwise sensitive to you. CBIZ employs controls and processes designed to maintain the security of data in transit and at rest, but such controls and processes cannot prevent all unauthorized or criminal activity resulting in access to communications or data. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, we have no control over the unauthorized interception of these communications once they have been sent.

Should you request that we use a public or third-party electronic file transfer service in connection with this engagement, you acknowledge that CBIZ makes no representations or warranties regarding the security of data transmitted to and from, or stored by, that public or third-party electronic file transfer service and you assume responsibility for all use of such service. You agree that CBIZ is not responsible for any loss, or unauthorized interception, of data transmitted to and from, or stored by, that public or third-party electronic file transfer service.

#### N. Governing Law and Severability

These STC, the engagement letter to which these terms are appended, and any and all claims relating to or arising out of this Agreement or related to CBIZ's services, whether sounding in contract, tort, or otherwise, shall be governed by, and construed in accordance with, the laws of the state of Ohio, with venue and jurisdiction in Ohio. If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this Agreement.

#### O. Dispute Resolution and Jury Trial Waiver

Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding any applicable statute of limitations, you must file any claim based on this engagement in court within twelve (12) months after performance of our services under the relevant engagement.

If any dispute, controversy or claim arises in connection with the performance or breach of this agreement, except with respect to the nonpayment or collection of CBIZ's fees, either party may, upon written notice to the other party, request that the matter be mediated. Such mediation will be conducted by a mediator appointed by and pursuant to the rules of the American Arbitration Association or such other neutral facilitator acceptable to both parties. Both

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parties will exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute or controversy.

Each party may disclose any facts to the other party or to the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the mediator will keep confidential all information disclosed during negotiations. The mediator may not act as a witness for either party in any subsequent arbitration between the parties.

The mediation proceedings will conclude within sixty days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties. If the parties cannot resolve a dispute not related to fees through mediation, either party may pursue action in a court of competent jurisdiction as set forth in Section N of these STC.

Unless otherwise prohibited by law or applicable professional standard each of the parties irrevocably, voluntarily and knowingly waives its right to a jury trial of any claim or cause of action based upon or arising out of this agreement or any dealings between the parties hereto relating to the subject matter hereof. The scope of this waiver is intended to be all-encompassing. It includes any and all disputes that may be filed in any court and that relate to the subject matter of this agreement, including, but not limited to, contract claims, tort claims, breach of duty claims and all other common law and statutory claims. It also includes any and all such claims that may be brought against CBIZ, its affiliates and any of their respective personnel, current or former.

#### P. Limitation on Damages

Unless otherwise prohibited by law or applicable professional standard, you agree that CBIZ, any entity related to it and their respective personnel, current or former, shall not be liable to you for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by you to CBIZ pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith, fraud or intentional misconduct of CBIZ. Unless otherwise prohibited by law or applicable professional standard, in no event shall CBIZ, any entity related to it or their respective personnel, current or former, be liable for consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to this engagement. This limitation on liability provision shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), professional standard, or otherwise. Further, CBIZ will bear no liability in the case of cybersecurity incidents perpetrated by criminal actors that result in unauthorized access to your data, except to the extent such incident resulted from CBIZ's negligence, fraud or intentional misconduct, in which case CBIZ liability will be limited as provided above in this Section P.

#### Q. Inherent Conflicts of Interest

CBIZ cannot represent a client when there is a significant risk that the representation of one or more clients will be materially limited by the practitioner's responsibilities to another client, for example (a "conflict of interest"), unless all affected parties have waived the conflict of interest in writing. In some very common situations there are inherent potential conflicts of interest between or among clients and others. For example, an entity, such as a corporation, partnership or limited liability company, has potential conflicts of interest with its respective shareholders, partners or members, board members, officers, management team or employees (collectively "Executives"). Conflicts are present in almost any financial decision of the entity; for example, certain tax elections required to be made by the entity may not benefit all Executives equally, or decisions to make capital improvements, borrow money or admit new owners may have a financial impact on existing Executives. Another example of common inherent conflicts of interest exist between or among estates, trusts or similar entities represented by a fiduciary ("Estate") or a person engaged in succession planning or other disposition of assets ("Grantor"), and the respective primary and contingent

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beneficiaries ("Beneficiaries"). Tax elections, return positions, or other decisions regarding assets or investments may be required to be made by the Estate, and those elections, positions or decisions may not benefit all Beneficiaries equally. It is common for CBIZ to provide tax advice and prepare tax returns for both entities and Estates, and their Executives or Beneficiaries. If CBIZ represents multiple parties in any of the situations described. you hereby acknowledge such conflicts of interest and agree that CBIZ can advise and prepare tax returns for those entities, Estates, Executives or Beneficiaries, as well as perform the services described in this engagement letter on your behalf. Furthermore, in addition to tax compliance and consulting, CBIZ, Inc., through subsidiary entities, offers several different types of services to its clients, including employee benefits consulting and compliance, property and casualty insurance, life insurance, payroll and other services (collectively "Affiliated Services"). CBIZ may refer our clients to others who provide Affiliated Services, and there may be at any given time financial incentives to individuals or to CBIZ if a client uses such Affiliated Services. Such financial incentives may be viewed as creating a conflict of interest for CBIZ. If CBIZ refers you to someone providing Affiliated Services and you agree to use one or more of such Affiliated Services, you hereby acknowledge such conflict of interest and agree that CBIZ can perform the services described in this engagement letter on your behalf. Finally, because CBIZ and its affiliates comprise a large national practice of professional services providers serving clients across the country who operate in a broad range of industries, CBIZ may provide services to other clients who may operate in the same industry as you or be competitors and whose interests may conflict with yours. However, we do not accept any engagements that would require us to represent two clients regarding a common matter unless a conflict waiver is obtained from all parties prior to our engagement. When CBIZ or its affiliates provide services that are not substantially related to matters in which we serve you, you hereby waive any such potential, perceived or actual conflict of interest and agree that CBIZ can perform the services described in this engagement letter on your behalf.

R. Limitations on Oral and Email Communication

We may discuss with you our views regarding the tax treatment of certain items and may provide you with tax information in the body of an email. Any advice or information delivered orally or in the body of an email (as opposed to a memorandum delivered as an email attachment) will be based upon limited tax research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts could affect our analysis and conclusions. Because of these limitations and the related risks, it may not be appropriate to proceed with any transaction solely on the basis of any oral or email communication, and we will not be liable for any loss, cost, or expense resulting from your decision to rely on any oral or email communication.

S. Indemnification

Because this engagement is entered into solely between CBIZ and you, and both parties intend only to create privity with each other and no third parties, unless otherwise prohibited by law or applicable professional standard, you shall indemnify and hold harmless CBIZ and its personnel from and against any third-party causes of action, damages (whether compensatory, consequential, special, indirect, incidental, punitive, exemplary, or of any other type or nature), costs and expenses (including, without limitation, reasonable attorneys' fees and the reasonable time and expenses of CBIZ's personnel involved) brought against or involving CBIZ at any time and in any way arising out of or relating to CBIZ's services under this engagement, except to the extent judicially determined to have resulted from the bad faith, gross negligence, or willful or intentional misconduct of CBIZ's personnel. This includes, without limitation, reimbursing each CBIZ Indemnified Person promptly for all legal and other expenses reasonably incurred by it in connection with investigating, preparing to defend or defending, responding to subpoenas or other requests for production of documents or testimony, or otherwise providing evidence in or preparing to serve or serving as a witness with respect to, any third-party lawsuits, investigations, claims or other proceedings relating in any way to the rendering of services by CBIZ hereunder. This provision shall survive the termination of this agreement for any reason, and shall apply to the fullest extent of the law, whether in contract, tort, or otherwise.

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If any action or proceeding (any of the foregoing being a "Claim") is threatened or commenced by any third party against CBIZ that you are obligated to defend or indemnify under this Agreement, then written notice thereof shall be given to you as promptly as practicable. After such notice and only so long as CBIZ's and your interests with respect to the claim remain consistent, no conflict exists, and, by your control of the defense, CBIZ's insurance is not voided or otherwise compromised in any way, you shall be entitled, if you so elect in writing within ten days after receipt of such notice, to take control of the defense and investigation of such Claim and to employ and engage attorneys to handle and defend the same, at your sole cost and expense, with the approval of CBIZ, which approval shall not be unreasonably withheld. CBIZ shall cooperate in all reasonable respects with you and your attorneys in the investigation, trial and defense of such Claim and any appeal arising therefrom; provided, however, that CBIZ may, at its own cost and expense, participate, through its attorneys or otherwise, in such investigation, trial and defense of such Claim and any appeal arising therefrom; provided, however, that involves a remedy other than the payment of money by solely you without the prior consent of CBIZ.

After notice by you to CBIZ of your election to assume full control of the defense of any such Claim, and CBIZ's approval of selected counsel, you shall not be liable to CBIZ for any legal expenses incurred thereafter by CBIZ in connection with the defense of that Claim. If you do not assume full control over the defense of a Claim, then you may participate in such defense, at your sole cost and expense, and CBIZ shall have the right to defend you in such manner as it may deem appropriate, at your cost and expense.

#### Terms and Conditions Applicable Only to Entities

T. Use of Mayer Hoffman McCann

In the event that you engage Mayer Hoffman McCann P.C., or any other entity associated with CBIZ, to provide you with attest services (collectively "MHM PC"), we may disclose the information you provide to us in connection with this engagement to MHM PC in order to facilitate its performance of those services. In those circumstances only, you authorize MHM PC to provide us access to all of your files and accounting, tax, financial and other information in its possession for the purpose of providing all tax services requested.

U. Exceptions to Third Parties and Internal Use

Section B shall not restrict you from complying with any rules or laws requiring returns be made available to the public (e.g., forms 990, 990-PF, 990-T).

V. Providing Forms K-1

If your tax return involves the preparation of Forms K-1, we may provide a copy of Form K-1 to the person described thereon.

#### W. Management Function

Management is responsible for all management decisions and performing all management functions, and for designating an individual, preferably from senior management, with suitable skill, knowledge, or experience to oversee these services, financial statement preparation services, bookkeeping services, tax services, or other services we provide. Management is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for them.

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# Terms and Conditions Applicable Only to Individuals

Terms and Conditions X, Y and Z Intentionally left blank.

#### CASTELLAN HOLDINGS LLC AND SUBSIDIARIES

#### **Consolidated Balance Sheet**

#### ASSETS

CURRENT ASSETS	12/31/2023 Unaudited)
Cash Fees receivable, net of allowance for doubtful accounts Investments in and advances to unconsolidated real estate entities Other assets Property, equipment and leasehold improvements, net	\$ 11,311,079 6,000,261 6,974,025 365,393 358,426
TOTAL ASSETS	\$ 25,009,184
LIABILITIES AND MEMBERS' EQUITY	
<b>CURRENT LIABILITIES</b> Accounts payable - trade Accounts payable - construction Accrued expenses Line of credit payable Total Liabilities	\$ 127,842 6,194,677 2,273,521 4,055,000 12,651,040
MEMBERS' EQUITY	\$ 12,358,145
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 25,009,184

#### CASTELLAN HOLDINGS LLC AND SUBSIDIARIES

#### **Consolidated Statement of Operations**

# For the year ended December 31, 2023

<b>REVENUES</b> Property management fees Development fees Real estate lending transaction fee income Construction income	<ul> <li>\$ 1,027,638</li> <li>4,381,311</li> <li>5,624,832</li> <li>4,076,853</li> </ul>
TOTAL REVENUES	15,110,634
INVESTMENT INCOME	
Equity in net loss from CRP Affordable	(457,661)
	(457,661)
EXPENSES	
Payroll and related expenses, net	8,268,353
Professional fees	1,812,952
Rent and related expenses	790,511
Other operating and administrative expenses TOTAL EXPENSES	759,757
IOTAL EXPENSES	11,631,573
INCOME BEFORE NON OPERATING EXPENSE	3,021,400
Interest expense, net	456,398
Loss from owned real estate	1,323,911
Depreciation	19,990
NET INCOME	\$ 1,221,101

#### CASTELLAN HOLDINGS LLC AND SUBSIDIARIES

# Consolidated Statement of Changes in Members' Equity

# For the year ended December 31, 2023

Members' equity - January 1, 2023	\$ 12,027,738
Distributions	(2,100,000)
Contributions	1,209,306
Net income	1,221,101
Members' equity - December 31, 2023	\$ 12,358,145



# **CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY) 12/04/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	Marsh Affinity		
Marsh Affinity a division of Marsh USA LLC. PO BOX 14404 Des Moines, IA 50306-9686	PHONE (A/C, No, Ext):	800-743-8130	FAX (A/C, No):	
	E-MAIL ADDRESS:	ADPTotalSource@marsh.com		
		INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A :	New Hampshire Insurance Co.		23841
ADP TotalSource FL XIX, Inc.	INSURER B :			
	INSURER C :			
5800 Windward Parkway	INSURER D:			
Alpharetta, GA 30005 L/C/F: CRP Affordable Housing And Community Development LLC	INSURER E :			
	INSURER F:			
122 EAST 42ND STREET Suite 1903 New York, NY 101680000				

#### COVERAGES **CERTIFICATE NUMBER:**

**REVISION NUMBER:** 

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

RRENCE RENTED (a occurrence) y one person) ADV INJURY GREGATE COMP/OP AGG INGLE LIMIT RY (Per person) RY (Per accident) AMAGE	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
ia occurrence) y one person) ADV INJURY GREGATE COMP/OP AGG INGLE LIMIT RY (Per person) RY (Per accident) AMAGE	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
ADV INJURY GREGATE COMP/OP AGG INGLE LIMIT RY (Per person) RY (Per accident) AMAGE	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
GREGATE COMP/OP AGG INGLE LIMIT RY (Per person) RY (Per accident) AMAGE	\$ \$ \$ \$ \$ \$ \$ \$
COMP/OP AGG INGLE LIMIT RY (Per person) RY (Per accident) AMAGE	\$ \$ \$ \$ \$
INGLE LIMIT RY (Per person) RY (Per accident) AMAGE	\$ \$ \$ \$
RY (Per person) RY (Per accident) AMAGE	\$ \$ \$
RY (Per person) RY (Per accident) AMAGE	\$ \$
RY (Per accident)	\$
AMAGE	-
	\$
	\$
RRENCE	\$
	\$
	\$
E OTH- ER	
CIDENT	\$ Unlimited
- EA EMPLOYEE	\$ Unlimited
- POLICY LIMIT	<sup>\$</sup> Unlimited
	E OTH- ER- ECIDENT - EA EMPLOYEE - POLICY LIMIT

CERTIFICATE HOLDER	CANCELLATION
CRP Affordable Housing and Community Development LLC 122 East 42nd Street Suite 1903 New York, NY 10168	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	Vo Phillips
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