



REPORT TO THE HOUSING AUTHORITY

DATE ISSUED: May 8, 2013

REPORT NO: HAR13-015

ATTENTION: Chair and Members of the Housing Authority of the City of San Diego
For the Agenda of June 11, 2013

SUBJECT: Hotel Churchill Development Plan

COUNCIL DISTRICT: 3

REQUESTED ACTION

That the Housing Authority of the City of San Diego approves staff recommendations and the development plan outlined in this report for the lease and rehabilitation of the Hotel Churchill, located at 827 C Street.

STAFF RECOMMENDATIONS

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Approve a development services Memorandum of Agreement (MOA), designating Housing Development Partners of San Diego (HDP) or a to-be-formed entity, as the developer for the rehabilitation of the Hotel Churchill for not less than 57 Single Room Occupancy (SRO) units, with the total number of units currently estimated to be 67 SRO units;
- 2) Approve a Letter of Intent (LOI) on terms referenced in the LOI, between the Housing Commission and HDP or a to-be-formed entity for a 65-year lease of the Hotel Churchill;
- 3) Approve an agreement to provide an up to \$3,800,000 residual receipts loan, to be funded with a combination of HOME Investment Partnership (HOME) funds, Inclusionary Affordable Housing funds, and/or SRO Inclusionary In-Lieu funds, to HDP or a to-be-formed entity, for the lease and rehabilitation of the Hotel Churchill, including architectural and other development fees and expenses;
- 4) Approve an agreement to provide up to \$8,296,409 in federal Moving-to-Work (MTW) program funds to HDP or a to-be-formed Housing Commission affiliated entity, as approved by the Housing Commission, for the lease and rehabilitation of the Hotel Churchill;
- 5) Approve an interim predevelopment budget of \$250,000 in Housing Commission SRO In-Lieu funds to be utilized for predevelopment expenses to be incurred by the Housing Commission, or by HDP, to expedite the project, with the right to assign any unexpended portion of the interim predevelopment budget to HDP for the same use and to assign any and all work product developed by the Housing Commission concerning the Hotel Churchill, including, but not limited to, that work product developed under the interim predevelopment budget, to HDP or a to-be-formed entity;

- 6) Authorize the Interim Executive Vice President and Chief Operating Officer of the Housing Commission, or designee to:
 - a. execute any and all documents and to perform such acts as are necessary or appropriate to implement these approvals, including without limitation the execution of the final agreements contemplated in the items approved by this action, upon the advice and consent of the General Counsel of the Housing Commission,
 - b. adjust funding terms/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes that may occur after approval of this report but before close of escrow, provided, however, that the combined maximum Housing Commission funding amount of \$12,096,409 and the \$19,101,400 maximum estimated total development cost (TDC) may not increase, and
 - c. allow the substitution of any portion of the proposed funding sources identified above with alternate funding sources, provided that the substituted funds are available within the Housing Authority-approved budget of the Housing Commission and/or are made available from third-party sources upon terms and conditions which are financially beneficial and commercially reasonable for the project, as determined by the Interim Executive Vice President and Chief Operating Officer upon advice of General Counsel, and provided that the total project Housing Commission loan amount and maximum estimated TDC after substitution does not exceed the amounts approved by this action.

SUMMARY

Hotel Churchill (Churchill) is a vacant 94-unit Single Room Occupancy (SRO) hotel located at 827 C Street between 9th and 10th Street in downtown San Diego (Attachment 1 – site map). The Churchill is a seven-story structure (over a basement) that is approximately 100 years old and is designated as a local historical resource by the City of San Diego (Historic Site Number 634). The Churchill is subject to the City of San Diego's SRO Hotel Regulations (San Diego Municipal Code Section 143.0510) replacement housing restriction and settlement agreement which require restricting 57 SRO hotel rooms at 50% of Area Median Income (AMI) for a minimum period of 30 years. The Churchill was acquired by the Housing Commission on August 16, 2011, as the result of foreclosure proceedings initiated by the Housing Commission in response to certain non-compliance by the former owner. When the Housing Commission acquired the property it was vacant, in significant disrepair, and was not in a safe and habitable condition. Since acquisition of the property, Housing Commission staff has taken immediate and necessary actions to clean-up and safeguard the property, and to complete necessary temporary roof repair. However, the building remains vacant and uninhabitable.

In April 2012, the Housing Commission issued a Request for Proposals (RFP) to select a development team to rehabilitate the Churchill and operate it as an SRO. Three RFP responses were received by the Housing Commission. On September 14, 2012 (HCR 12-111), the Housing Commission Board rejected all proposals received in response to the RFP.

Given the age (built approximately 100 years ago) and condition of the Churchill, the Housing Commission explored whether the building could be demolished and replaced with a newly constructed property. The Churchill is designated on the Local Register of Historic places, and is eligible for designation, but is not designated on the National Register of Historic places. Therefore, it was determined that obtaining approval to demolish and re-construct the Churchill would be extremely difficult to achieve without significant time and cost and no certainty that this could be achieved.

HDP's Proposal

An alternative plan to rehabilitate and preserve the existing Churchill has been proposed by Housing Development Partners of San Diego (HDP), a California 501(c) (3) non-profit public benefit corporation which was incorporated in April 1990 and is an affiliate of the Housing Commission. HDP is a separate legal entity established by the Housing Commission to acquire and develop low- and moderate-income housing and to provide services related to housing. HDP is an experienced developer and has successfully participated in affordable housing developments throughout San Diego, most recently completing the Mason Hotel in downtown San Diego (an historic rehabilitation and reconfiguration of a SRO building which had been severely damaged). HDP's Board of Directors includes the President and CEO of the Housing Commission, Housing Commissioners Gramling and Spoon, and community members. The current Board of HDP consists of five members. See detailed disclosure below.

Under HDP's proposal, the Housing Commission will provide HDP (or a to-be-formed entity) an option to lease the Churchill property under a proposed 65-year lease (Letter of Intent at Attachment 2). HDP's proposed financial structure includes obtaining a \$3,000,000 loan from Civic San Diego (Civic), a \$1,800,000 loan from the State Mental Health Services Act funds (MHSA), and up to \$12,096,409 of Housing Commission funds. Other financing may include a combination of HDP private lender financing, and/or HDP deferred developer fee.

San Diego Housing Commission Section 9.4 Procurement Code Compliance

Under the provisions of the Housing Authority approved procurement policy for the San Diego Housing Commission, Section 9.4, the Housing Commission is authorized to enter into the MOA as a services agreement with HDP, since the project furthers the public policy of reducing homelessness and creating safe, decent and sanitary housing. Further the MOA promotes the public interest by fulfilling the City of San Diego SRO requirement, as documented in the City of San Diego and Housing Commission approved settlement of prior litigation, requiring that at least 57 SRO units, on the proposed site, be provided to residents earning at or less than 50% of AMI. The proposed agreement also meets the other provisions of Section 9.4. Specifically, HDP is a non-profit, affiliated with the San Diego Housing Commission that will supervise all person and entities working on the project. HDP will, to the extent required by Section 9.4 of the procurement policy, provide workers compensation insurance and all necessary indemnifications of the Housing Commission, the Housing Authority and the City for all claims alleged to have been caused by the acts or omissions of employees of HDP. These provisions are and/or will be included in all related contracts. By the execution of this report the Interim Executive Vice President and Chief Operating Officer makes the certifications required by Section 9.4 of the Procurement Code.

Proposed 2014 Federal Budget

There is some concern that possible federal budget cuts, may impact HUD's programs including the HUD MTW program. At this time it is unknown which specific HUD programs, or what amounts, may be impacted by federal budget cuts. The proposed approvals will give both the Housing Commission and HDP some flexibility in dealing with some of this funding uncertainty. (See recommendation 6.c.)

The Property

The Churchill is a vacant SRO hotel located on an approximately 10,000 square foot rectangular lot. The parcel's northern 5,000 square feet contains a vacant seven-story residential structure over a basement. The southern 5,000 square feet contains a nineteen-space parking lot. The complex has 94 vacant SRO units. The building includes an elevator which is not compliant with the Americans with Disabilities Act of 1990 (ADA). The structure was built approximately one hundred years ago. A trolley stop is located three blocks east at Park Boulevard and "C" Street. Bus service is available along Broadway.

Due to the property's age (approximately 100 years), it is in need of significant rehabilitation. The proposed project will include Universal Design features and will comply with all federal accessibility standards. The development will also incorporate sustainable development features using the Housing Commission's Sustainability Guidelines. A detailed scope of work will be produced after an architect is engaged.

HDP's general rehabilitation plan includes: reducing the number of units from 94 to approximately 67 with some flexibility to increase or decrease this number during the design and approval process; reconfiguring and increasing the size of each unit and providing a bathroom and kitchenette for each unit; installing a new elevator that is ADA compliant; and maintaining the historical facade of the building. The after-rehabilitation unit sizes are estimated at 350 square feet and the building gross square footage is estimated at approximately 35,000 square feet. Zoning is Centre City Planned District Neighborhood Mixed-Use Center and the project shall comply with the Downtown Planned Development Ordinance. Lipman Stevens & Carpenter MAI "as-is" property appraised value on May 10, 2010, was \$2,200,000.

MOA

The necessary rehabilitation costs have not yet been determined. Approval of the proposed MOA (Attachment 3) and the proposed Predevelopment Budget will enable HDP to engage the services of an architect to develop a detailed scope of work as well as plans and specifications. Under the proposed MOA, HDP will be required to obtain additional financing to complete rehabilitation of the project. Currently, HDP intends to seek approximately \$3,000,000 from Civic San Diego (Civic) and approximately \$1,800,000 from the County of San Diego through Mental Health Services Act ("MHSA") funding. On March 27, 2013, the Civic Board approved an Affordable Housing Master Plan which shows \$3,000,000 for Churchill under its FY2014 possible "Proposed Affordable Housing Projects for Funding". It is estimated that Civic will present its Affordable Housing Master Plan to City Council in mid-May 2013. HDP's application to MHSA is in process.

Predevelopment Budget

So that development of Churchill can start as quickly as possible, HDP is proposing a \$284,200 phase one predevelopment budget. The Housing Commission will fund only up to \$250,000 of the proposed \$284,200 phase one predevelopment budget. HDP will fund the \$34,200 balance of the phase one predevelopment budget. It is proposed that the predevelopment funds could be expended by either the Housing Commission or by HDP with Housing Commission staff's approval. Consultants who will perform the predevelopment tasks have not yet been identified but it is Housing Commission staff's preference and intent, unless not feasible, to utilize local consultants.

Estimated predevelopment uses are as follows (please note predevelopment line items are estimates and may change):

Table 1 - Estimated Predevelopment Budget - Uses	Amount
ALTA Survey	\$10,000
Architect/Engineering	\$100,000
Environmental Phase I and Phase II	\$20,000
Environmental NEPA Consultant	\$20,000
Historical Consulting	\$15,000
Legal	\$35,000
Market Study	\$6,000
Preconstruction	\$15,000
Other Consultants	\$26,000
Contingency	\$24,700
Subtotal	\$271,700
Legal - HDP	\$12,500
Estimated Total Predevelopment Budget Uses (Phase 1)	\$284,200

If additional predevelopment costs are necessary they would be paid by the developer, HDP.

Proposed Total Project Estimated Sources

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Table 2 - Estimated Sources of Funds	Estimated Amounts	Per Unit (67 units)	% of Total
Proposed Estimated Housing Commission funding:			
a. Moving-to-Work Funds	\$8,296,409	\$123,827	43.43%
b. HOME funds	\$2,900,000	\$43,284	15.18%
c. Inclusionary Affordable Housing funds or SRO In Lieu funds (Local Funds)	<u>+\$900,000</u>	<u>+\$13,433</u>	<u>+4.71%</u>
d. Subtotal	\$12,096,409	\$180,543	63.33%
Civic San Diego Loan (estimated)	\$3,000,000	\$44,776	15.71%
MHSA (estimated)	\$1,800,000	\$26,866	9.42%
Private Lender Funds (estimated)	\$2,157,066	\$32,195	11.29%
Deferred Developer Fee (estimated)	\$47,925	\$715	0.25%
Total Project Estimated Sources of Funds	\$19,101,400	\$285,096	100%

The Table 2 amounts by funding source are estimates and may change. Approval of this matter will authorize the Interim Executive Vice President and Chief Operating Officer of the Housing Commission to reallocate funds amongst the listed sources as needed not to exceed a total Housing Commission proposed funding amount of \$12,096,049.

Proposed Total Project Estimated Uses

Table 3 - Estimated Financing Uses	Estimated Amounts	Per Unit (67 units)	% of Total
Rehabilitation Hard Costs	\$14,285,878	\$213,222	74.79%
Permits/Fees	\$500,000	\$7,463	2.62%
Architectural	\$1,671,447	\$24,947	8.75%
Due Diligence	\$253,000	\$3,776	1.32%
Financing Costs	\$491,770	\$7,340	2.57%
Other Soft Costs	\$277,200	\$4,137	1.45%
Reserves	\$222,105	\$3,315	1.16%
Developer Fee	\$1,400,000	\$20,896	7.33%
Estimated Total Development Cost (TDC)	\$19,101,400	\$285,096	100%
Estimated TDC Per Unit (for 67 units)	\$285,096		

Prevailing wages will apply to this development due to the use of federal HOME and Move-To-Work (MTW) funds.

AFFORDABLE HOUSING IMPACT

The property is currently subject to an amended Replacement Housing Agreement that requires 57 of the units remain affordable to very low-income households (50 percent of Area Median Income [AMI]) for a period for 30 years under the terms of the City’s SRO Ordinance.

The use of HOME Investment Partnerships funds, HUD MTW funds, Inclusionary Affordable Housing funds, and SRO In-lieu funds will impose additional affordability restrictions.

As described in the Housing Commission’s FY 2013 MTW Annual Plan, the Housing Commission is actively pursuing development opportunities that will preserve and acquire affordable housing in San Diego utilizing available HUD MTW funds. The Hotel Churchill is an example of this commitment and once rehabilitated, will provide affordable housing to an estimated 66 households. Additional details of the Hotel Churchill project will be provided in the Housing Commission’s FY 2013 MTW Annual Report.

The Churchill’s estimated 66 after-rehabilitation units (excluding one manager’s unit) will be affordable to tenants with incomes at AMI levels ranging from 50 percent AMI (currently \$28,250 for a one-person household to 80 percent AMI (currently \$45,150/year for a one-person household).

The affordability and estimated rents are summarized in Table 4 below.

Table 4 Affordability & Estimated Rents Table

Proposed Sources *	Affordable Units Required by the Source	Unit Type	Estimated Maximum % AMI Eligible Tenants	Sources’ Est’d Net Rents **	Required Years of Affordability Restriction
City SRO Ordinance	57	SRO	50%	\$681	30 Years
Moving-to-Work	30	SRO	80%	\$1,102	55 Years
HOME:					
- Low HOME Rents	5		50%	\$698	15 Years
- High HOME Rents	17		60%	\$822	15 Years
Subtotal	22	SRO			
SDHC Local Funds	All non-manager’s units	SRO	80%	\$1,102	65 Years

* The Moving-to-Work 30 required affordable units and the HOME program 22 required affordable units will be counted against the same units as the 57 City SRO Ordinance/Replacement-Housing-Agreement units requirement. The more stringent of the affordability restrictions will apply during the term of their applicability. For instance for the first 30 years, 57 of the units will be affordable at 50% of AMI and the remainder of the units will be affordable at 80% of AMI.

** Estimated net rents after an estimated \$23 utilities allowance deduction.

The ultimate affordability mix may change to allow possible substitution of other funds for a portion of the proposed funding funds.

In addition, it is HDP's intent to target deeper levels of affordability than those required and also to designate a portion of the units for supportive housing.

Section 8 Vouchers

HDP has requested a commitment from the Housing Commission for 66 HUD Section 8 project-based vouchers for the Churchill. Under this Department of Housing and Urban Development (HUD) voucher program, a housing agency and a developer may enter into a 15-year Housing Assistance Payments contract whereby HUD would provide monthly housing assistance payments equivalent to the difference between the HUD-determined contract rent and the tenant's rent payment of up to 30 percent of their income. The Section 8 vouchers program funding is stable but it is subject to annual appropriations by Congress.

Project Sustainability

HDP will aggressively and intentionally look to incorporate energy efficient design, systems, and materials into the building on a cost effective basis.

HDP's Proforma

HDP's Proforma is provided as Attachment 4.

Estimated Development Schedule

- May 10, 2013 - Housing Commission consideration.
- June 11, 2013 - Housing Authority consideration.
- November 2013 - Estimated completion of design work.
- March 2014 - Estimated completion of permitting/approvals.
- May 2014 - Estimated construction start (12 to 15 months estimated construction period).
- August 2015 - Estimated construction completion.

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action were approved by the Housing Authority in the Fiscal Year 2013 Housing Commission Budget and were approved by the Housing Commission in the proposed Fiscal Year 2014 Housing Commission budget, which is scheduled for approval by the Housing Authority on June 11, 2013. Approving this action will not change the Fiscal Year 2013 or Fiscal Year 2014 Total Budget.

Approving this action will produce an estimated 67 total housing units (66 affordable) at an average cost of \$285,096 per unit.

Funding sources approved by this action will be as follows:

- HOME Funds - \$2,900,000
- Inclusionary Affordable Housing Funds and/or SRO Inclusionary In-Lieu Funds - \$900,000
- MTW Funds - \$8,296,409
- Funding sources total - \$12,096,409

Funding uses approved by this action will be allocated as follows:

- Loans and Grants - \$12,096,409

Approving this action will further grant the Interim Executive Vice President and Chief Operating Officer, or designee, the authority to substitute the above funding sources with other available funding sources as long as the total commitment of funds to the project from the Housing Commission and Housing Authority does not exceed \$12,096,409, should the operational need arise or should such actions be to the benefit of the Housing Commission and its mission. Funding substitutions will be memorialized in an Informational report at the next scheduled Housing Commission Board Meeting.

The Housing Commission loan of funds to HDP for the Churchill project is proposed to be a residual receipts loan, with residual receipts shared proportionately with other public lenders. It is estimated that the ground lease payments will be four and one-half percent (4.5%) of annual gross income actually collected and to the extent available from project cash flow. The proforma (Attachment 4 cash flow) estimates a \$31,226 lease payment for year one to Housing Commission. These ground lease and residual receipts revenues will be incorporated into future Housing Commission budgets.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

On November 20, 2007, the City Council voted unanimously in Closed Session on Item CS-1 to approve a settlement of San Diego Superior Court (Case No. GIC858800). This action resulted in an SRO Replacement Housing Agreement for this project and the permanent designation of 57 low-income SRO units under the provisions of the SRO Ordinance.

On August 15, 2008, and November 13, 2009, the Housing Commission Board approved time extension requests by the Owner to complete the Churchill's rehabilitation work by November 30, 2009, due to delays in replacing the elevator equipment.

On May 13, 2011, the Housing Commission Board approved a settlement of the pending litigation for judicial foreclosure against J&J Properties A, LLC and authorized the Housing Commission to accept a Deed in Lieu of Foreclosure in accordance with the terms of the prior settlement approved by the City Council on November 20, 2007. Based upon this settlement in 2011, the Housing Commission accepted the Deed in Lieu of Foreclosure on August 16, 2011.

On February 17, 2012 (HCR 12-038) and on April 10, 2012, (HAR 12-02) "Hotel Churchill Development Plan" the Housing Commission and Housing Authority respectively approved a development plan to find an experienced developer/tax credit partner/contractor team to oversee all aspects of the Churchill rehabilitation. In April 2012, the Housing Commission issued an RFP to select a development team to rehabilitate the Churchill and operate it as an SRO hotel.

On September 14, 2012, (HCR 12-111) the Housing Commission Board rejected all proposals received in response to the RFP.

On May 10, 2013, this item's recommendations for the Hotel Churchill's development plan were approved unanimously 6-0 by the Housing Commission Board, with Commissioner Waring absent.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders for this project include the Housing Commission as property owner, HDP as the developer, the City of San Diego and low-income residents who would benefit from having these SRO units available for rent, nearby residents and businesses, and consultants and contractors who will have work opportunities as a result of the Churchill's rehabilitation. The property lease and rehabilitation is expected to have a positive impact on the community because it will cure blight, improve this housing and extend the period of affordability to 65 years.

ENVIRONMENTAL REVIEW

The proposed development activity in Items 1 through 4 of this Report is covered under the Final Environmental Impact Report for the San Diego Downtown Community Plan, Centre City Planned District Ordinance and 10th Amendment to the Redevelopment Plan for the Centre City Redevelopment Project, which was certified by the Redevelopment Agency by Resolution R-04001 and by the San Diego City Council by Resolution R-301265 on March 14, 2006, and the Addenda certified thereafter in 2007 and 2010. This project will be partially funded with federal HOME and MTW funds. A final reservation of HOME and MTW funds shall occur only upon satisfactory completion of environmental review under the National Environmental Protection Act (NEPA) and the City of San Diego's receipt of a release of funds from the U.S. Department of Housing and Urban Development. The release of funds is anticipated to be received on or about September, 2013. The Housing Authority and the developer agree that the provision of any HOME and MTW funds to the project is conditioned on the City of San Diego's determination to proceed with, modify, or cancel the project, based on the results of a subsequent environmental review under NEPA. The project will be required to treat the historic building consistent with the U.S. Secretary of the Interior's Standards and in compliance with the City of San Diego Land Development Code (Historical Resources Regulations). Additionally, requirements of the adopted Final Mitigation, Monitoring and Reporting Program (MMRP) for the Downtown EIR will be applied at the time of project review and permitting.

The predevelopment activities proposed in Items 5 and 6 of this Report do not fall within the definition of "project" under the California Environmental Quality Act (CEQA) Section 15378 since they involve predevelopment fiscal activities which, on their own accord will not cause a significant environmental impact and therefore, these activities are not subject to CEQA pursuant to State CEQA Guidelines section 15060(3). This determination is predicated on Section 15004 of the guidelines, which provides direction to lead agencies on the appropriate timing for environmental review. The Project for which this design contract is intended will require preparation of an environmental document in accordance with the State CEQA Guidelines. These activities are further exempt from NEPA because no federal funds are being used or committed pursuant to these predevelopment activities.

STATEMENT for PUBLIC DISCLOSURE

HDP's Statement for Public Disclosure is at Attachment 5.

CONFLICT DISCLOSURE STATEMENT:

Commissioners Gary Gramling, Roberta Spoon, and President & Chief Executive Officer (President & CEO) of the Housing Commission, Richard Gentry, are each directors and officers of Housing Development Partners, a California nonprofit public benefit corporation qualified as an Internal Revenue

Code Section 501(c) (3) corporation. Commissioner Gramling, Commissioner Spoon, and President & CEO Gentry receive no compensation for their service on the Housing Development Partners Board of Directors. Pursuant to the provisions of Government Code Sections 1091.5(a) (7) and 1091.5(a) (8), Commissioner Gramling, Commissioner Spoon, and President & CEO Gentry each have a “non-interest” as described in Government Code Section 1091.5. Furthermore, none of HDP’s board members has a financial interest in this development that would legally preclude their participation under the provisions of Government Code Sections 1090 and/or 87100, et.seq. [because a 501(c) (3) non-profit corporation is not a business entity for the purposes of state law and because HDP has been determined to be a public agency by the Ethics Commission for local conflict law purposes] and/or the Housing Commission’s Conflict of Interest Code. As members of the Board of Commissioners of the Housing Commission, Mr. Gramling and Ms. Spoon are legally entitled to vote and be counted for quorum purposes. This disclosure shall be and is hereby documented in the official records of the Housing Commission. Further, HDP may form an affiliated limited partnership or LLC and under such scenario, HDP will be the managing general partner or managing member for its affiliated to-be-formed limited partnership or LLC. The managing general partner or managing member is planned to have the same makeup as the HDP Board and Commissioners Gramling, Spoon and President & CEO Gentry will all have non interests with any affiliated limited partnership or LLC.

Respectfully submitted,



J.P. Correia
Real Estate Manager
Real Estate Department

Approved by,



Deborah N. Ruane
Senior Vice President
Real Estate Department

Concur,

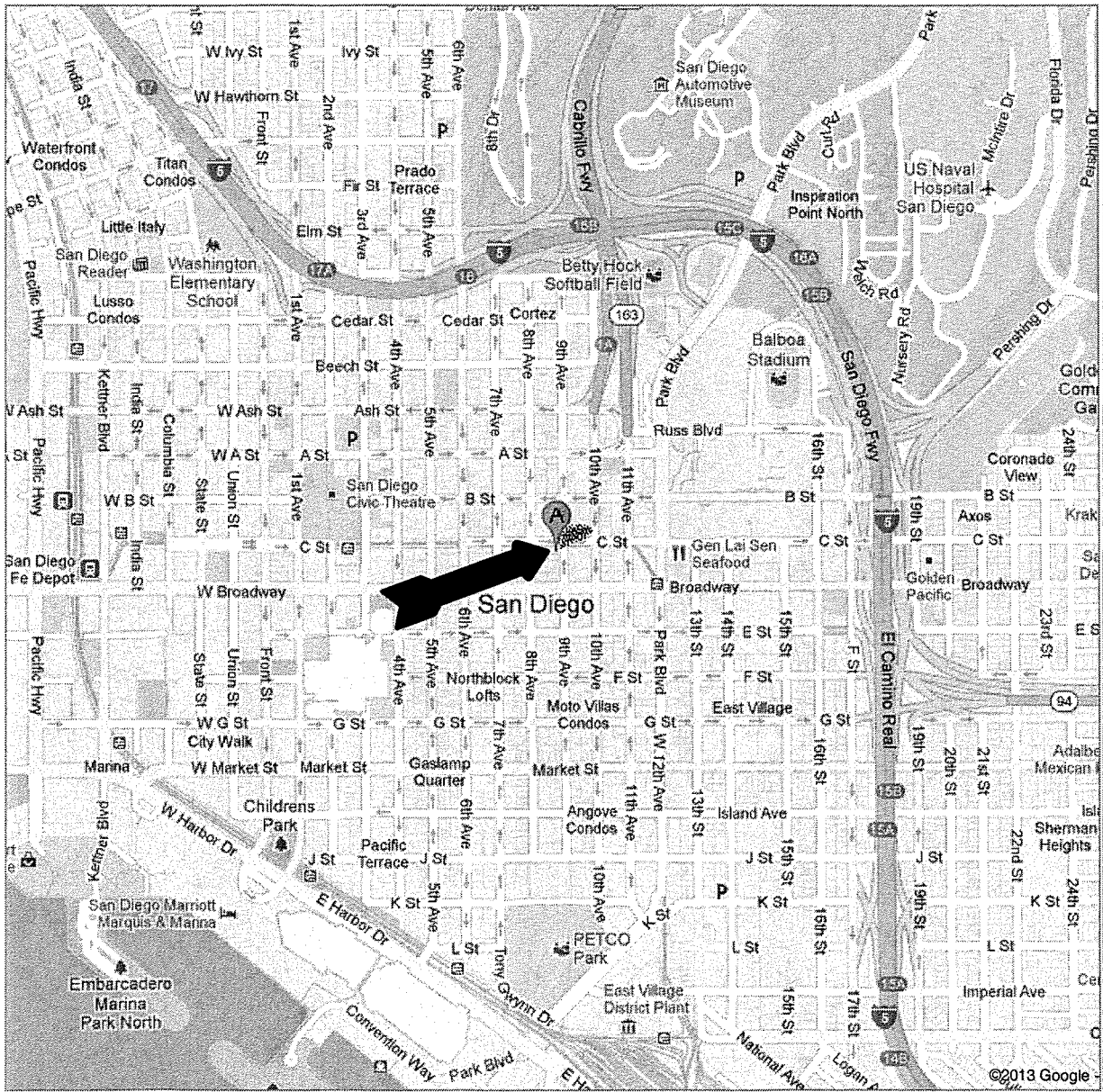


Jeff Davis
Interim Executive Vice
President & Chief
Operating Officer

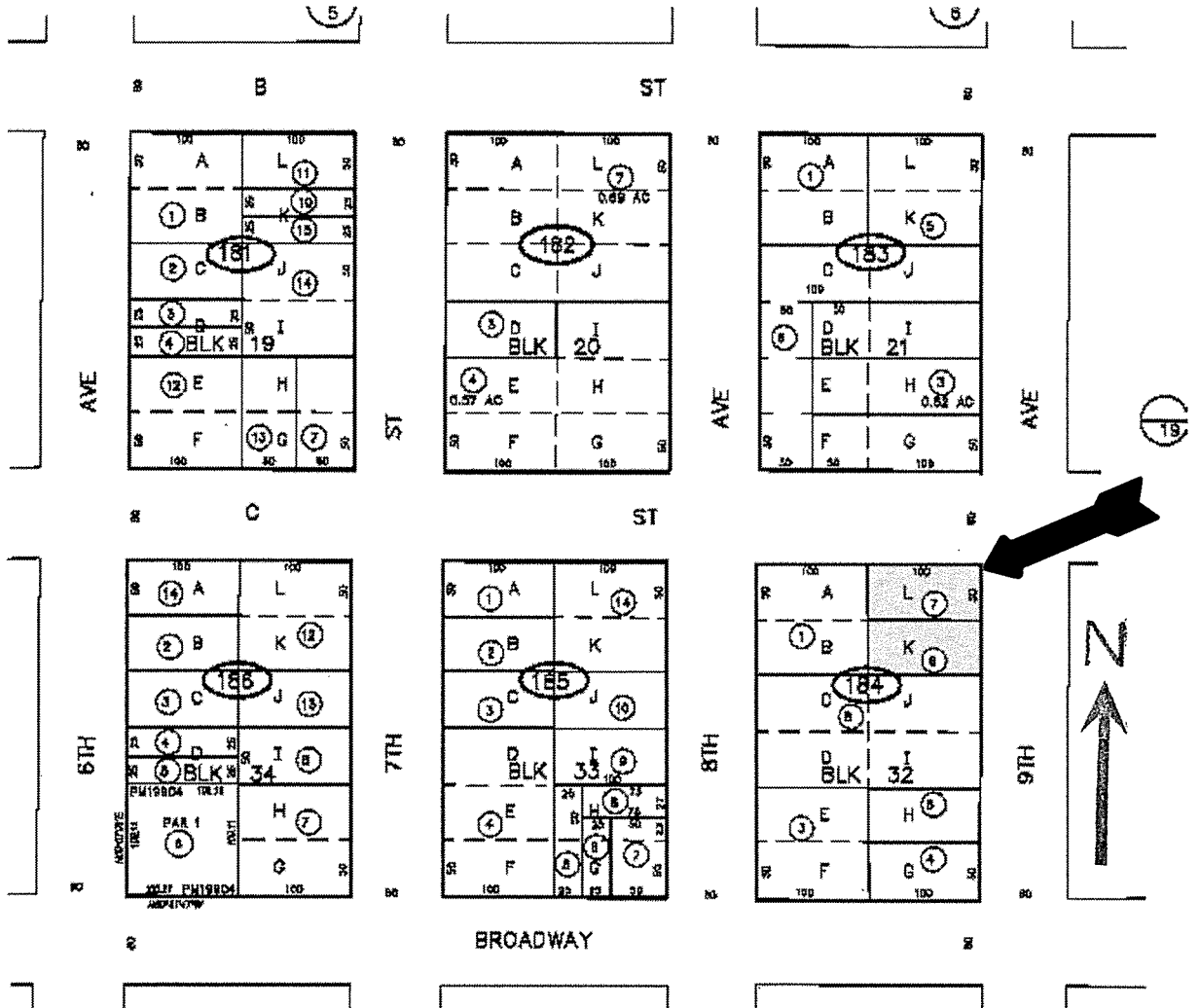
- Attachments: 1) Site Map
2) Letter of Intent
3) Memorandum of Agreement
4) HDP’s Proforma
5) Statement for Public Disclosure

Hard copies are available for review during business hours in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials on the San Diego Housing Commission website at www.sdhc.org.

ATTACHMENT 1 - SITE MAP



ATTACHMENT 1B - SITE MAP





Real Estate Department

LETTER OF INTENT
Hotel Churchill

The San Diego Housing Commission (“Housing Commission”) is pleased to submit this letter of intent. The purpose of this letter of intent is to set forth the terms and conditions under which the Housing Commission is interested in entering into a transaction with Housing Development Partners of San Diego or an entity controlled by Housing Development Partners of San Diego (“Borrower”) with respect to the Hotel Churchill (“Property”). In the event of a conflict between any term or provision (or absence of any term or provision) of this letter of intent 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. Provided the Housing Commission Funding is approved by the Housing Authority of the City of San Diego, the following terms shall apply to the Housing Commission Funding. In addition, Exhibit A details other Housing Commission requirements.

1. **Ground Lease.** The Housing Commission will ground lease the Property to the Borrower for a term of 65 years. The Borrower will pay the Commission annual ground rent payments of four and one half percent (4.5%) of gross income actually collected from all residential and non-residential components of the Property, and any other income derived from the Property, to the extent available from project cash flow.
2. **Funding.** The Housing Commission will provide funding to the Borrower in an amount not to exceed \$12,096,409 (“Housing Commission Funding”). A portion of the Housing Commission Funding will be in the form of a loan (“Housing Commission Loan”). The Housing Commission Loan shall accrue simple interest at the rate of three percent (3%) per annum. Twenty-five (25%) percent of the Project’s residual receipts may be retained by the Borrower. The remaining seventy-five percent (75%) of residual receipts shall be paid by the Borrower to the Housing Commission and the other soft lenders on the project in proportion to the original principal balances of their respective loans. The Housing Commission Loan will be due and payable in full in 55 years.
3. **Closing.** The parties anticipate entering into the ground lease and Housing Commission Funding documents as soon as reasonably practicable after the project is approved by the Housing Authority of the City of San Diego. The parties anticipate beginning disbursement of the Housing Commission Funding as soon as reasonably practicable after the project receives a NEPA clearance. After that date, the Borrower may, upon submittal and approval of eligible costs, draw on the Housing Commission Funding in order to pay for predevelopment costs of the project. Closing on all other construction funding sources must occur within twelve (12) months of Housing Authority of the City of San Diego approval of the Housing Commission Funding, unless an extension is granted by the President & CEO of the Housing Commission in his sole discretion.



4. **Funding Sources.** The Housing Commission presently intends for the Housing Commission Funding to be comprised of up to \$8,296,409 of HUD Move to Work program funds and up to \$3,800,000 with a combination of HUD HOME Investment Partnership Program funds, Inclusionary In Lieu funds and/or SRO funds. However, the Housing Commission reserves the right to allocate available program funds in the best interest of the Housing Commission. Borrower should be familiar with the HOME program rules and regulations, Federal Davis-Bacon law and Section 3.
5. **Recourse.** The Housing Commission Loan will be recourse until the timely completion of the construction, after which it will become non-recourse.
6. **Other Loans; Deeds of Trust.** The Housing Commission shall have right to approve all construction and permanent loan documentation. All deeds of trust will be recorded against the leasehold only and not against fee title to the Property. The Housing Commission Funding will be secured by a deed of trust which will be subordinate to the deed of trust and security instruments securing the Borrower's construction and permanent financing loan from a lender and in an amount acceptable to the Commission. The deed of trust securing the Housing Commission Funding shall be senior to the deeds of trust securing the Civic San Diego loan and the loan from the California Housing Finance Agency on behalf of the California Department of Health Care Services.
7. **Affordability.** As of the date hereof, the Borrower projects that 67 residential units will be constructed as part of rehabilitation of the property. It is anticipated that there will be one manager's unit and the remaining 66 residential units will all be SRO units, with 5 units affordable at fifty percent (50%), 17 units affordable at sixty percent (60%) and 45 units affordable at eighty percent (80%) of area median income, provided, however that the Borrower intends to obtain project based Section 8 vouchers which will bring the actual amount received by the Borrower up to market. At closing the Borrower and Housing Commission shall cause a Declaration of Covenants, Conditions, and Restrictions restricting the rent and occupancy of the actual number of affordable units for 65 years to be recorded against the leasehold. Such Declaration of Covenants, Conditions, and Restrictions shall be in a form and format acceptable to the Commission and its General Counsel in their sole discretions.
8. **Increased Sources.** If improved debt pricing is achieved, the Borrower shall apply the excess sources of funds to pay for cost overruns for which no other sources of funds are available, and then to reduce the Housing Commission Funding and the soft lender loans on the project in proportion to the amount of the Housing Commission Funding and the original principal balances of the respective soft lender loans.
9. **Cost Savings.** If cost savings are achieved, savings will be shared twenty-five percent (25%) to the Borrower and the other seventy-five percent (75%) will be paid by the Borrower to the Housing Commission and the soft lenders on the project in proportion to the amount of the



Housing Commission Funding and the original principal balances of the respective soft lender loans.

10. **Financing Gap.** The Borrower will cover any financing gap 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 and will not be unreasonably withheld.
11. **Construction Contract.** The guaranteed maximum “not-to-exceed” contract for the construction work shall not be entered into without Housing Commission President & CEO approval. The work on the construction contract shall be competitively bid to at least three qualified subcontractors for rehabilitation of the Project.
12. **Prevailing Wages.** Construction of the project will be subject to the Federal Davis Bacon requirements as well as State of California prevailing wages. Borrower shall retain a third-party consultant to monitor the payment of prevailing wages.
13. **Contingency.** 10% of the Housing Commission Loan amount will be withheld as contingency and will be paid upon final cost certification and conversion to permanent loan. This contingency amount will be reduced by any project cost savings.
14. **Fees.** The partnership management fee shall not exceed \$10,000 per year.
15. **Property Management Fee.** Not to exceed 6% of the Project’s gross income.
16. **Replacement Reserve.** \$23,450 per year beginning in the year the project is completed, increasing by 3.5% annually.
17. **Operating Reserve.** Three months estimated operating expenses and debt service.
18. **Disbursement Schedule.** It is currently anticipated that upon submittal and approval of eligible costs, the portion of the Housing Commission Funding that is not disbursed to fund predevelopment costs of the project as described in Section 3, above, will be disbursed as follows: up to thirty percent (30%) at escrow closing, up to thirty percent (30%) at fifty percent (50%) rehabilitation completion, up to thirty percent (30%) upon receipt of certificate of occupancy, and ten percent (10%) upon conversion to permanent financing. Borrower shall provide all unconditional lien releases to the Housing Commission. The Housing Commission President and Chief Executive Officer is authorized to modify the Housing Commission Funding disbursement schedule in his sole reasonable discretion.
19. **Developer Fee.** The Developer Fee shall be up to \$1,400,000. The Developer Fee will be disbursed as follows: up to thirty percent (30%) at escrow closing, up to thirty percent (30%) at fifty percent (50%) rehabilitation completion, up to thirty percent (30%) upon receipt of certificate of occupancy, and ten percent (10%) upon conversion to permanent financing.



- 20. Deferred Developer Fee.** It is projected that \$47,926 of the developer fee will be deferred. Deferral of any additional developer fee shall be subject to the approval of the Housing Commission.
- 21. SDHC Monitoring and Servicing Fees.** Borrower will pay a fee for monitoring setup and annual servicing and monitoring fees in accordance with the then-existing Housing Commission fee schedules, provided, however, no fees will be charged on HOME units.
- 22. SDHC Legal Costs.** At closing, the Borrower shall pay Housing Commission's legal costs in an amount equal \$20,000.
- 23. Origination Fee.** At closing, the Borrower shall pay the Housing Commission an origination fee equal to 1% of the Housing Commission Funding which is funded with local funds.
- 24. Closing Costs.** The Borrower shall pay all escrow, title and closing costs, including, without limitation, paying for an ALTA lenders policies for the Housing Commission Funding, with endorsements acceptable to the Housing Commission, insuring the Housing Commission Funding lien priority as referenced in this letter of intent.
- 25. Additional Conditions.** 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 of intent.

If you are willing to proceed on the terms and conditions referenced herein, please execute this letter of intent and return it to the undersigned on or before May 7, 2013, so that this letter of intent may be attached to the Housing Commission Board Report.

Sincerely,

Ann Kern

Agreed to and accepted this ____ day of May, 2013:
Housing Development Partners of San Diego

Marco Vakili, Executive Director



Exhibit A

1. **Pursue Maximum Financing from Other Sources.** The Borrower shall pursue maximum available financing from other sources. If awarded, those other sources' funds shall be used first to pay Housing Commission approved cost overruns and/or reductions in estimated funding. The remaining additional proceeds would reduce the Housing Commission Funding.
2. **Insurance.** The Borrower shall at all times during the term of the Housing Commission Loan maintain General Liability and Property Insurance in a form and in 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 an additional insured for General Liability Insurance and Property Insurance.
3. **Cure Rights.** The Housing Commission shall have the right, but not the obligation, to cure defaults under 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.
4. **Management Plan.** The Management Plan shall be subject to periodic approval by the Housing Commission, in its reasonable discretion.
5. **Approval of Management.** The Housing Commission reserves the right to declare Borrower in default of the Housing Commission Funding after an uncured ninety (90) day written notice of malfeasance and/or misfeasance in management of the Project.
6. **Environmental Requirements.** Notwithstanding any provision of this letter of intent, the parties agree and acknowledge that this letter of intent 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). Should MTW or HOME funds constitute a portion of the funding for the project, a final reservation of MTW or 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 MTW or HOME funds to the project is conditioned on the City of San Diego's determination to proceed with, modify or cancel the project based on the results of subsequent environmental review under NEPA. By execution of this letter of intent, you acknowledge no legal claim to any amount of MTW or 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 Housing Commission Funding for the project.

**MEMORANDUM OF AGREEMENT
(Hotel Churchill)**

This Memorandum of Agreement (“Agreement”) is dated as of the ___ day of May, 2013, by and between the San Diego Housing Commission, (“Commission”) and Housing Development Partners of San Diego, a California nonprofit public benefit corporation (“HDP”).

RECITALS

A. The Commission and HDP desire for HDP to rehabilitate and operate the Hotel Churchill (“Property”). The Property is owned by the Commission and the Commission is seeking the approval of the Housing Authority of the City of San Diego, inter alia, to ground lease the Property to HDP and make a loan (“Housing Commission Loan”) of up to \$12,096,409.00 to HDP to fund a portion of rehabilitation of the Property.

B. It is anticipated that a portion of the Housing Commission Loan will be funded with HUD Move to Work program funds. Utilization of HUD Move to Work program funds requires a NEPA clearance. Any rehabilitation of the Property will also require compliance with the Secretary of the Interior’s Standards for Rehabilitation of historical structures applicable to the Property.

C. The Commission and HDP desire to jointly perform the predevelopment tasks and are entering into this Agreement in order to memorialize their obligations with respect to the performance of and payment for those tasks.

D. The Commission also desires for HDP to perform predevelopment and development services for the project under the terms of agreements to be signed between the Housing Commission and HDP in furtherance of this Agreement. It is the intent of the parties that the compensation to be paid to HDP under the terms of the agreements shall be in accordance with the provisions of Section 9.4 of the San Diego Housing Commission’s procurement code and in accordance with the proformas prepared by HDP and submitted to and approved by the San Diego Housing Commission.

NOW, THEREFORE, in consideration of the Recitals stated above and the mutual covenants set forth below, the Commission and HDP agree, promise and declare as follows:

1. Predevelopment Tasks. The predevelopment budget attached hereto as Exhibit A, estimates that the predevelopment tasks will cost \$2,524,992.00. It is anticipated that up to \$249,700.00 of those predevelopment costs will be incurred prior to obtaining the NEPA clearance and the Housing Commission Loan closing. As soon as is reasonably practicable after this Agreement is executed, the Housing Commission shall begin performing the predevelopment tasks set forth in the predevelopment budget attached hereto as Exhibit A. After the Housing Commission has expended \$250,000.00 on predevelopment costs, then HDP shall begin performing the remaining predevelopment tasks set forth in the predevelopment budget attached hereto as Exhibit A, provided, however, that HDP shall have no obligation to perform any such tasks unless and until the NEPA clearance is obtained. Any predevelopment expenses incurred by HDP shall be project costs which may be reimbursed to HDP from the proceeds of

the Housing Commission Loan and/or any other sources of construction and permanent financing for the Property. In the event that the Housing Commission and HDP do not close on the ground lease and Housing Commission Loan, any work product generated as a result of the predevelopment tasks described herein shall be the property of the Commission.

2. No Partnership or Joint Venture. The relationship between the Commission and HDP created by this Agreement shall not be one of partnership or joint venture, but rather shall be solely as set forth in this Agreement. The Commission and HDP are separate and distinct legal entities and shall operate separately and distinctly except as set forth in this Agreement.

3. Indemnity. HDP agrees shall protect, defend, indemnify, and hold harmless the Commission, the City of San Diego, the Housing Authority of the City of San Diego, and their respective officers, agents, employees, or representatives, from any and all liabilities, losses, damages, costs or claims in any way arising from the activities described in this Agreement.

4. Termination. This Agreement shall terminate upon the earlier of October 1, 2013, or upon HDP and the Housing Commission closing on the ground lease and Housing Commission Loan.

5. General Provisions.

(a) Counterparts. This Agreement may be executed in any number of counterparts and, as so executed, the counterparts shall be one and the same agreement. The parties agree that each such counterpart is an original and shall be binding upon all the parties, even though all of the parties are not signatories to the same counterpart.

(b) Incorporation of Exhibits and Recitals. All exhibits referred to in this Agreement are hereby incorporated in this Agreement by this reference, regardless of whether or not the exhibits are actually attached to this Agreement. The Recitals to this Agreement are hereby incorporated in this Agreement by this reference.

(c) Severability. If any provision of this Agreement is deemed to be invalid or unenforceable by a court of competent jurisdiction, that provision shall be severed from the rest of this Agreement and the remaining provisions shall continue in full force and effect.

(d) Signature Authority. All individuals signing this Agreement for a party which is a corporation, partnership, limited liability company or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, covenant to the other parties hereto that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

(e) Compliance with Section 9.4 of Housing Commission's Procurement Code. The parties agree that this Agreement shall be governed by and shall be interpreted to comply with the applicable terms and conditions of Section 9.4 of the Housing Commission's Procurement Code, concerning the compensation to be paid to HDP during the term of the performance of the services for the Commission, which shall include, but shall not be limited to the performance of predevelopment and development services by HDP, as referenced in the agreements to be

executed by HDP and the Housing Commission, in furtherance of the terms of this Agreement, and as is generally referenced in Exhibit "B" attached hereto.

IN WITNESS WHEREOF, the Commission and HDP have executed this Agreement on the date first set forth above.

HDP:

Housing Development Partners of San Diego, a California nonprofit public benefit corporation

By: _____
Marco Vakili, Executive Director

COMMISSION:

San Diego Housing Commission

By: _____
Jeff Davis, Interim Executive Vice President/Chief Operating Officer

Approved as to form:
Christensen & Spath LLP

By: _____
Charles B. Christensen, General Counsel
San Diego Housing Commission

EXHIBIT A
PREDEVELOPMENT BUDGET

See Attached

Exhibit “B”
General Scope of Services

- 1. Due diligence regarding the feasibility of demolishing and rebuilding the building**
- 2. Due diligence regarding the seismic code requirements for the renovation of historical buildings**
- 3. Produce a preliminary financing plan**
- 4. Produce a predevelopment budget**
- 5. Produce a project schedule**
- 6. Project a project proforma**
- 7. Work with SDHC as required on obtaining NEPA / CEQA**
- 8. Identify target populations for the building**
- 9. Hire and manage the Architect and design team**
- 10. Hire and manager other consultants including civil, environmental**
- 11. Assemble preconstruction team**
- 12. Obtain stakeholder input**
- 13. Secure required permits and city approvals**
- 14. Secure other funding commitments**
- 15. Close on financing including soft lenders**
- 16. Identify and hire property manager**
- 17. Renovate the building in compliance with the Secretary of the Interior’s Standards for Rehabilitation of historical structures applicable to the Property.**
- 18. Operate the building**

Hotel Churchill

Draft Date: 05/06/2013 - 8:47 AM

Primary Data

PROJECT SUMMARY		Residential	Rehab
Project Name	Hotel Churchill	Residential Rental SF	- sf
Project Address	827 C Street, San Diego, CA 92109	Residential Non-Rentable SF	- sf
Year Built		Subtotal Residential SF	- sf
Number of Units	67	Commercial / Retail / Office Rentable SF	- sf
Site Acreage	0.00	Commercial / Retail / Office Non-Rentable SF	- sf
Density / Acre		Subtotal Residential SF	- sf
Prospected Owner Entity	San Diego Housing Commission	Total SF	39,590 sf

Income and Unit Mix Assumptions

INCOME ASSUMPTIONS													
UNIT MIX & RENTAL INCOME													
Unit Type	Quantity of Beds/Baths	Quantity of Bedrooms	Quantity of Units	Percentage of Total	Net Area (SF)	Total Area (SF)	Gross 80% Rent	Current Rents	Market Rents	per SF	Utility Allowance	Net Rent	Monthly Income
Studio	66	66	66	98.5%	350	23,100	\$0	\$959	\$959	\$2.74	\$23	\$936	\$61,776
1/1	0	0	0	0.0%	0	-	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
2/2	0	0	0	0.0%	0	-	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
3/2	0	0	0	0.0%	0	-	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
3/2	0	0	0	0.0%	0	-	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
4/2	0	0	0	0.0%	0	-	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
MGR (Non Rev)	1	1	1	1.5%	0	-	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
Total	67	67	67			23,100							\$61,776

Other Income			
Item	Per Unit Per Month	Per Unit Per Year	Total Annual
Late Fees	\$0	\$0	\$0
Laundry Income	\$6	\$72	\$4,824
Commercial Income	\$0	\$0	\$0
Total other income/month			\$4,824

Income Summary	
Annual Gross Income	\$741,312
Other Income	\$4,824
Gross Income	\$746,136
Vacancy 7.0%	\$52,230
Effective Gross Income	\$693,906

Occupancy Assumptions	
Construction Period Occupancy	95.0%
Stabilized occupancy	95.0%
Monthly Ramp Up	100.0%
Annual Turnover Ratio	100%

Escalator for Income:	2.5%
Escalator for Expenses	3.5%

Expense Assumptions

EXPENSE ASSUMPTIONS			
Category	Per Unit Per Year	Per Unit Per Month	Total Annual
Administrative	\$1,343	\$112	\$90,000
Repairs / Maintenance	\$1,343	\$112	\$90,000
Taxes & Insurance	\$1,343	\$112	\$90,000
Utilities	\$1,343	\$112	\$90,000
Security	\$1,343	\$112	\$90,000
Replacement Reserves	\$350	\$29	\$23,450
TOTAL OPERATING EXPENSES	\$7,066	\$589	\$473,450

*** Pre Due Diligence Estimates. Need to be confirmed by third party.

Capital Transaction and Timing Assumptions

CAPITAL TRANSACTION ASSUMPTIONS			
Transaction & Building Costs	Total	Per Unit	USE COST PAGE?
Hard Costs	\$ 14,285,878	\$213,222	
Permit/Fees	\$ 500,000	\$7,463	
Architecture & Engineering	\$ 1,671,447	\$24,947	
Due Diligence	\$ 253,000	\$3,776	
Financing Costs	\$ 491,770	\$7,340	
Other Soft Costs	\$ 277,200	\$4,137	
Reserves	\$ 222,105	\$3,315	
Developer Fee	\$ 1,400,000	\$20,896	
Total Costs	19,101,400	\$285,096	

PROPERTY VALUATION	
Appraisal	
NOI	220,456
Cap Rate	6.00%
Value	\$ 3,674,275
Date of Valuation	2015
Value/Door	

REVERSION ASSUMPTION	
Reversion Year	
Reversion NOI	
Assumed Cap Rate	
Total Value	
Value/Door	

Input Financing Assumptions

FINANCING ASSUMPTIONS	
PERM LOAN	
DSCR	1.50
Amort (Years)	30
All-in Rate	5.5%
Annual PMT	146,971
Perm Loan Amt	\$2,157,066
SDHC Funds	
Principal	\$3,800,000
Interest (Simple)	3.00%
Term	55
Annual Payment	Residual Rec.
CIVIC SAN DIEGO LOAN	
Principal	\$3,000,000
Interest (Simple)	3.00%
Term	55
Annual Payment	Residual Rec.
MHSA LOAN	
Principal	\$1,800,000
Interest (Simple)	3.00%
Term	55
Annual Payment	Residual Rec.
MTW Funds	
Principal	\$8,296,409
Interest (Simple)	3.00%
Term	55
Annual Payment	Residual
CONSTRUCTION LOAN	
Principal	\$2,157,066
Term	24
Interest	5.5%
LTV	59%
Total Interest	\$ 177,958

Review Summary

QUICK LOOK SUMMARY			
Operating Summary			
	TOTAL	PER UNIT	
Effective Gross	\$693,906	\$10,357	
Expenses	(\$473,450)	(\$7,066)	
NOI	\$220,456	\$3,290	
Debt Service	146,971	\$2,194	
Net Cash Flow	\$73,485	\$1,097	
Key Investment Indices			
IRR		0.00%	
Leveraged IRR		0	
\$/Door			
\$/Bedroom			
Sources			
Sources:	TOTAL	PER UNIT	
MTW Funds	\$ 8,296,409	\$ 123,827	
SDHC Funds	\$ 3,800,000	\$ 56,716	
Civic San Diego	\$ 3,000,000	\$ 44,776	
MHSA	\$ 1,800,000	\$ 26,866	
Private Debt	\$ 2,157,066	\$ 32,195	
Other	\$ -	\$ -	
Deferred dev Fee	\$ 47,925	\$ 715	
Total Sources	\$19,101,400	\$ 285,096	
Uses:			
Hard Costs	\$ 14,285,878	\$ 213,222	
Permit/Fees	\$ 500,000	\$ 7,463	
A&E	\$ 1,671,447	\$ 24,947	
Due Diligence	\$ 253,000	\$ 3,776	
Financing Costs	\$ 491,770	\$ 7,340	
Other Soft Costs	\$ 277,200	\$ 4,137	
Reserves	\$ 222,105	\$ 3,315	
Developer Fee	\$ 1,400,000	\$ 20,896	
Total Uses	\$ 19,101,400	\$ 285,096	

CONSTRUCTION RELATED COSTS

			Total
ACQUISITION & CLOSING COSTS			
BUILDING/LAND	-	Fixed	-
OTHER CLOSING FEES	-	Fixed	-
TOTAL ACQUISITION & CLOSING COSTS			-
HARD COSTS (includes Prevailing Wage)			
DEMOLITION	28.00	Per Sq Ft	1,108,520
STRUCTURES	230.00	Per Sq Ft	9,105,700
TENANT IMPROVEMENTS	300,000	Fixed	300,000
FF&E	3,000	Per Unit	201,000
BONDING & INSURANCE	1%	% of Hard Costs	107,152
GC OVERHEAD & PROFIT	8%	% of Hard Costs	857,218
GENERAL CONDITIONS	6%	% of Hard Costs	642,913
CONSTRUCTION MANAGEMENT	100,000	Fixed	100,000
HARD COST CONTINGENCY	15%	% of Hard Costs	1,863,375
HARD COSTS			14,285,878
PERMIT & FEES			
PERMITS	500,000	Fixed	500,000
TOTAL PERMITS & FEES			500,000
ARCHITECTURE & ENGINEERING			
ARCHITECT/ENGINEERING	11%	% of Directs	1,571,447
CONSULTING/ENTITLEMENTS/APPROVALS	100,000	Fixed	100,000
OTHER	-	Fixed	-
TOTAL ARCHITECTURE & ENGINEERING			1,671,447
DUE DILIGENCE COSTS			
ESCROW DEPOSIT	-	Fixed	-
MARKET STUDY	6,000	Fixed	6,000
APPRAISAL	10,000	Fixed	10,000
PHASE 1 & PHASE 2	20,000	Fixed	20,000
CAPITAL NEEDS ASSESSMENT	-	Fixed	-
PRELIMINARY TITLE	1,000	Fixed	1,000
ALTA SURVEY	13,000	Fixed	13,000
LEGAL	30,000	Fixed	30,000
HISTORICAL CONSULTANT	30,000	Fixed	30,000
OTHER CONSULTANTS - (ENVIRONMENTAL, etc)	100,000	Fixed	100,000
NEPA CONSULTANT	20,000	Fixed	20,000
DUE DILIGENCE CONTINGENCY	10%	% of Total	23,000
TOTAL DILIGENCE COSTS			253,000
FINANCING COSTS			
HOUSING COMMISSION LOAN FEE	1%	of Loan Amount	120,964
CONSTRUCTION LOAN FEE	1%	of Loan Amount	21,571
PERM LOAN ORIGINATION FEE	1%	of Loan Amount	21,571
LENDER CONSULTANTS	30,000	Fixed	30,000
LENDER LEGAL	50,000	Fixed	50,000
LENDER INSPECTION FEES	15,000	Fixed	15,000
UNDERWRITING FEE	10,000	Fixed	10,000
INTEREST DURING CONSTRUCTION	177,958	Fixed	177,958
FINANCING CONTINGENCY	10%	Fixed	44,706
TOTAL FINANCING COSTS			491,770

			Total
OTHER SOFT COSTS			
LEGAL - PARTNERSHIP	70,000	Fixed	70,000
LEGAL - LAND USE	15,000	Fixed	15,000
ACCOUNTING/COST CERT	30,000	Fixed	30,000
MARKETING/LEASE UP	1,000	Per Unit	67,000
TITLE/ESCROW/RECORDING	30,000	Fixed	30,000
INSURANCE	30,000	Fixed	30,000
PROPERTY TAXES & ASSESSMENTS	10,000	Fixed	10,000
OTHER	-	Fixed	-
SOFT COST CONTINGENCY	10%	Fixed	25,200
TOTAL OTHER SOFT COSTS			277,200
RESERVES			
OPERATING RESERVES (OPEX & DEBT SERVICE)	3	Months OPEX	155,105
REPLACEMENT RESERVES	1,000	Per Unit	67,000
TOTAL RESERVES			222,105
DEVELOPER FEE			
DEVELOPER FEE	1,400,000	Fixed	1,400,000
TOTAL DEVELOPER FEE			1,400,000
GRAND TOTAL COSTS			19,101,400

Hotel Churchill

Annual Cash Flow
San Diego Housing Commission

Draft Date: 05/06/2013 - 8:47 AM

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
GROSS ANNUAL RENTAL INCOME	741,312	759,845	778,841	798,312	818,270	838,726	859,695	881,187	903,217	925,797
Other Income	4,824	4,945	5,068	5,195	5,325	5,458	5,594	5,734	5,878	6,025
TOTAL GROSS INCOME	746,136	764,789	783,909	803,507	823,595	844,184	865,289	886,921	909,094	931,822
Less: Loss to Lease										
Less: Vacancy	52,230	53,535	54,874	56,245	57,652	59,093	60,570	62,084	63,637	65,228
EFFECTIVE GROSS INCOME	693,906	711,254	729,035	747,261	765,943	785,091	804,719	824,837	845,458	866,594
Administrative	90,000	93,150	96,410	99,785	103,277	106,892	110,633	114,505	118,513	122,661
Taxes & Insurance	90,000	93,150	96,410	99,785	103,277	106,892	110,633	114,505	118,513	122,661
Utilities	90,000	93,150	96,410	99,785	103,277	106,892	110,633	114,505	118,513	122,661
Repairs / Maintenance	90,000	93,150	96,410	99,785	103,277	106,892	110,633	114,505	118,513	122,661
Security	90,000	93,150	96,410	99,785	103,277	106,892	110,633	114,505	118,513	122,661
Replacement Reserves	23,450	24,271	25,120	25,999	26,909	27,851	28,826	29,835	30,879	31,960
	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	473,450	490,021	507,171	524,922	543,295	562,310	581,991	602,361	623,443	645,264
NET OPERATING INCOME	220,456	221,233	221,864	222,339	222,648	222,781	222,728	222,476	222,014	221,330
HARD DEBT SERVICE	146,971	146,971	146,971	146,971	146,971	146,971	146,971	146,971	146,971	146,971
Net Cash	73,485	74,262	74,893	75,368	75,677	75,810	75,757	75,505	75,043	74,359
OTHER FEES										
HDP Partnership Mgt Fee	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
SDHC Ground LEASE PMT	4.5% 31,226	32,006	32,807	33,627	34,467	35,329	36,212	37,118	38,046	38,997
Net Cash	32,260	32,256	32,086	31,741	31,210	30,481	29,545	28,387	26,998	25,363
Residual Cash Flow Split										
HDP Cash Flow	25% 8,065	8,064	8,022	7,935	7,802	7,620	7,386	7,097	6,749	6,341
Soft Lenders Cash Flow	75% 24,195	24,192	24,065	23,806	23,407	22,861	22,158	21,291	20,248	19,022
Net Cash	0	0	0	0	0	0	0	0	0	0

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
GROSS ANNUAL RENTAL INCOME	948,942	972,666	996,982	1,021,907	1,047,454	1,073,641	1,100,482	1,127,994	1,156,194	1,185,099
	6,175	6,330	6,488	6,650	6,816	6,987	7,161	7,340	7,524	7,712
TOTAL GROSS INCOME	955,117	978,995	1,003,470	1,028,557	1,054,271	1,080,627	1,107,643	1,135,334	1,163,718	1,192,810
Less: Loss to Lease										
Less: Vacancy	66,858	68,530	70,243	71,999	73,799	75,644	77,535	79,473	81,460	83,497
EFFECTIVE GROSS INCOME	888,259	910,465	933,227	956,558	980,472	1,004,983	1,030,108	1,055,861	1,082,257	1,109,314
Administrative	126,954	131,397	135,996	140,756	145,683	150,781	156,059	161,521	167,174	173,025
Taxes & Insurance	126,954	131,397	135,996	140,756	145,683	150,781	156,059	161,521	167,174	173,025
Utilities	126,954	131,397	135,996	140,756	145,683	150,781	156,059	161,521	167,174	173,025
Repairs / Maintenance	126,954	131,397	135,996	140,756	145,683	150,781	156,059	161,521	167,174	173,025
Security	126,954	131,397	135,996	140,756	145,683	150,781	156,059	161,521	167,174	173,025
Replacement Reserves	33,079	34,236	35,435	36,675	37,958	39,287	40,662	42,085	43,558	45,083
	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	667,848	691,223	715,415	740,455	766,371	793,194	820,956	849,689	879,428	910,208
NET OPERATING INCOME	220,411	219,243	217,812	216,103	214,101	211,790	209,152	206,172	202,829	199,105
HARD DEBT SERVICE	146,971	146,971	146,971	146,971	146,971	146,971	146,971	146,971	146,971	146,971
Net Cash	73,440	72,272	70,841	69,132	67,130	64,819	62,181	59,201	55,858	52,134
HDP Partnership Mgt Fee	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
SDHC Ground LEASE PMT	39,972	40,971	41,995	43,045	44,121	45,224	46,355	47,514	48,702	49,919
Net Cash Available for Distribution	23,468	21,301	18,845	16,087	13,009	9,594	5,827	1,687	(2,844)	(7,785)
HDP Cash Flow	5,867	5,325	4,711	4,022	3,252	2,399	1,457	422	(711)	(1,946)
Soft Lenders Cash Flow	17,601	15,976	14,134	12,065	9,756	7,196	4,370	1,265	(2,133)	(5,838)
	0	0	0	0	0	0	0	0	0	0

	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
GROSS ANNUAL RENTAL INCOME	1,214,726	1,245,094	1,276,222	1,308,127	1,340,830	1,374,351	1,408,710	1,443,928	1,480,026	1,517,026
	7,905	8,102	8,305	8,512	8,725	8,943	9,167	9,396	9,631	9,872
TOTAL GROSS INCOME	1,222,631	1,253,196	1,284,526	1,316,640	1,349,556	1,383,294	1,417,877	1,453,324	1,489,657	1,526,898
Less:	85,584	87,724	89,917	92,165	94,469	96,831	99,251	101,733	104,276	106,883
EFFECTIVE GROSS INCOME	1,137,047	1,165,473	1,194,610	1,224,475	1,255,087	1,286,464	1,318,625	1,351,591	1,385,381	1,420,015
Administrative	179,081	185,349	191,836	198,550	205,500	212,692	220,136	227,841	235,815	244,069
Taxes & Insurance	179,081	185,349	191,836	198,550	205,500	212,692	220,136	227,841	235,815	244,069
Utilities	179,081	185,349	191,836	198,550	205,500	212,692	220,136	227,841	235,815	244,069
Repairs / Maintenance	179,081	185,349	191,836	198,550	205,500	212,692	220,136	227,841	235,815	244,069
Security	179,081	185,349	191,836	198,550	205,500	212,692	220,136	227,841	235,815	244,069
Replacement Reserves	46,661	48,294	49,984	51,733	53,544	55,418	57,358	59,365	61,443	63,594
	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	942,066	975,038	1,009,164	1,044,485	1,081,042	1,118,878	1,158,039	1,198,570	1,240,520	1,283,939
NET OPERATING INCOME	194,981	190,435	185,445	179,990	174,045	167,585	160,586	153,021	144,860	136,077
HARD DEBT SERVICE	146,971	146,971	146,971	146,971	146,971	146,971	146,971	146,971	146,971	146,971
Net Cash	48,010	43,464	38,474	33,019	27,074	20,614	13,615	6,050	(2,111)	(10,894)
HDP Partnership Mgt Fee	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
SDHC Ground LEASE PMT	51,167	52,446	53,757	55,101	56,479	57,891	59,338	60,822	62,342	63,901
Net Cash Available for Distribution	(13,157)	(18,982)	(25,283)	(32,082)	(39,405)	(47,276)	(55,723)	(64,772)	(74,453)	(84,795)
HDP Cash Flow	(3,289)	(4,746)	(6,321)	(8,021)	(9,851)	(11,819)	(13,931)	(16,193)	(18,613)	(21,199)
Soft Lenders Cash Flow	(9,868)	(14,237)	(18,962)	(24,062)	(29,554)	(35,457)	(41,792)	(48,579)	(55,840)	(63,596)
	0	0	0	0	0	0	0	0	0	0

ATTACHMENT 5

DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/
ENTITY SEEKING GRANT/BORROWERS
(Collectively referred to as "CONTRACTOR" herein)
STATEMENT FOR PUBLIC DISCLOSURE

1. Name of CONTRACTOR: Housing Development Partners

2. Address and Zip Code: 1335 5th Avenue, San Diego, CA 92101

3. Telephone Number: (619) 670-7050

4. Name of Principal Contact for CONTRACTOR: Mike Pavco

5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0427639

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

A corporation (Attach Articles of Incorporation)

A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status).

A partnership known as: _____
(Name)

Check one

() General Partnership (Attach statement of General Partnership)

() Limited Partnership (Attach Certificate of Limited Partnership)

A business association or a joint venture known as: _____
(Attach joint venture or business association agreement)

A Federal, State or local government or instrumentality thereof.

Other (explain)

7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
June 3rd, 1990

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:
- If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
 - 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.
 - 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.
 - 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.
 - 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, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name:	Rick Gentry, President
Address:	Bobbie Spoon, CFO
	Robert Henderson, Secretary
Name:	Gary Gramling, Board Member
Address:	Sal Salas, Board Member
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.

The following changes were made: 1) Rick Gentry replaced Robert Henderson as President; 2) Robert Henderson replaced Charles Davis as Secretary; 3) Charles Davis stepped down as a board member; 4) HDP modified its bylaws to change from a 7 member board to 5.

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.

No

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, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: N/A HDP is a Public Benefit Corporation	
Address:	
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, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name:	Robert Henderson
Address:	Sal Salas
	Roberta Spoon
Name:	Rick Gentry
Address:	Gary Gramling
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, Address and Zip Code	Relationship to CONTRACTOR
Name: San Diego Housing Commission	Affiliated through shared board members: Rick Gentry,
Address: 1122 Broadway Street	Bobbie Spoon, and Gary Gramling.
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

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:
4% Low Income Housing Tax Credits, Tax Exempt Bonds, FHA Mortgage

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

a. In banks/savings and loans:

Name, Address & Zip Code of Bank/Savings & Loan:

US Bank, 600 West Broadway, Suite 100

Balance as of 8/31/2011 - Total of three accounts at US Bank

Amount: \$ 1,299,495

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

Name, Address & Zip Code of Bank/Savings & Loan:

N/A

Amount: \$ _____

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

Description	Market Value (\$)	Mortgages or Liens (\$)
N/A		

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

Name, Address and Zip Code	Contact Name
Name: US Bank	Graham Duck
Address: 600 West Broadway; Suite 100	(619) 232-6213
San Diego, CA 92101	
Name: Chase	
Address: 707 Broadway, Suite 100	Carmen Perez
San Diego, CA 92101	(619) 702-7641
Name: Centerline Capital Group	Kevin Day
Address: 625 Madison Avenue New York, NY 10022	212-521-6355
Name:	
Address:	

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

Yes No

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

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

Yes No

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

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

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
Payment & Performance	Knox Glen Apartments	05/08/2013	\$2,077,750	Performance

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, Address and Zip Code	Affiliation
Name: N/A	
Address:	
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:

N/A

c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: \$0

General description of such work:

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

Project Name	N/A - Have not yet selected general contractor.	
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	N/A	
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:

Indentification of Contract or Development	Location	Amount	Date to be Completed
N/A			

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

Awarding Agency	Amount	Date Opened
N/A		

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:

~~Housing Development Partners is uniquely qualified to complete this project. The team has deep experience in the development aspects required for this project including a thorough due diligence effort, budgeting, scheduling, assembling and managing a consultant which will include an owners representative and third party contractor and managing the design and rehab effort. The team also has deep experience with the required financing steps.~~

~~The Mason Hotel - The Mason is a 17-unit redevelopment project in downtown San Diego for low income persons with mental disabilities who are facing homelessness. The project, which has completed construction, is a recent example Housing Development Partner's ability to execute on affordable housing finance of historic structures and manage complex real estate development projects. The Mason is a 100 year old building and is similar to the age and style of the Hotel Churchill.~~

23. Does any member of the governing body of the San Diego Housing Commission ("COMMISSION"), 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 COMMISSION, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor?

Yes No

If yes, explain.

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

See attached General Insurance Policy for HDP

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

Yes No

If yes, explain:

26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverages: 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 COMMISSION setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the COMMISSION, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the COMMISSION, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the COMMISSION, 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 Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

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

Government Entity Making Complaing	Date	Resolution
None		

31. Has the CONTRACTOR ever been disqualified, removed from or otherwise prevented from bidding on or completing a federal, state, or local government project because of a violation of law or a safety regulation. If so, please explain the circumstances in detail. If none, please state:

None

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)
None					

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 COMMISSION.

None

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

N/A

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

Date	Entity Involved (i.e. City Commission, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
10/21/2010	San Diego Housing Commission	Current	\$1,697,233 (Mason)
11/25/2008	San Diego Housing Commission	Current	\$6,144,980 (Courtyard)
12/21/2011	San Diego Housing Commission	Current	\$2,675,667 (Knox Glen)

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

Yes No

If yes, explain:

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

Yes No

If yes, explain:

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

1. Name: David Whitehead, Allgire Construction
Address: 3278 Grey Hawk Court | Carlsbad, CA 92010 +
Phone: 760.477.8455 +
Project Name and Description: Mason Hotel General Contractor

2. Name: Michelle Pruitt, Hyder Property Management
Address: 1649 Capalina Rd # 500 San Marcos, CA 92069 +
Phone: 858-395-7536 Cell +
Project Name and Description: Knox Glen Property Management Company

3. Name: Cherri Hoffman, Chelsea Investment Corp

Address: 5993 Avenida Encinas, Suite 101 Carlsbad, CA 92008

Phone: (760) 456-6000, ext. 106

Project Name and Description: Courtyard Terraces Management Company

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

~~Housing Development Partners is uniquely qualified to complete this project. The team has deep experience in the development of Affordable Housing which will be required for this project. The team also has deep experience with the required financing steps which will include both public and private debt.~~

~~The Mason Hotel - The Mason is a 17-unit redevelopment project in downtown San Diego for low income persons with mental disabilities who are facing homelessness. The project, which has completed construction, is a recent example Housing Development Partner's ability to execute on affordable housing finance of historic structures and manage complex real estate development projects. The Mason is a 100-year old building and is similar to the age and style of the Hotel Churchill.~~

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

Name	Experience
Not yet selected.	

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

CONTRACTOR represents and warrants to the COMMISSION, 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 7 day of May, 20 13, at San Diego, California.

CONTRACTOR

By: 
Signature
EXECUTIVE DIRECTOR
Title

CERTIFICATION

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

By: [Signature] By: _____
Title: EXECUTIVE DIR Title: _____
Dated: May 7, 2013 Dated: _____

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

JURAT

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 7th day of May, 2013

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



[Signature]
Signature of Notary

SEAL