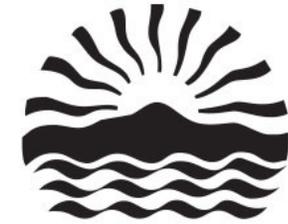




CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



OPPORTUNITY
HOUSING GROUP



**CITY OF
CHULA VISTA®**

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY **WORKFORCE HOUSING PROGRAM**

Opportunity to Immediately Convert 427 Market Rate Units at CasaLago Eastlake
Apartments to Low, Middle and Moderate Income Housing

Presentation to the City of Chula Vista

www.cscda.org

www.opportunityhousinggroup.com

The California Statewide Communities Development Authority (CSCDA) was created in 1988 by the League of California Cities and California State Association of Counties, under California’s Joint Exercise of Powers Act, to provide California’s local governments with an effective tool for the timely financing of community-based public benefit projects.

About CSCDA:

- 533 cities, counties and special districts are members to CSCDA.
- The City of Chula Vista has been a member since 1996 and has utilized a wide variety of CSCDA bond financing programs.
- CSCDA helps local governments build community infrastructure, provide affordable housing, create jobs, and make access available to quality healthcare.
- CSCDA has issued more than \$65 billion in bonds for local governments throughout California.

CSCDA Project Closings and Pipeline (since WFP program inception Dec 2020)

- **\$2 billion+ in projects closed in 2021 in cities throughout both Northern and Southern California.**
 - 150 units in the City of Carson (\$70 million) closed in December 2020.
 - 1,017 units (3 Projects) in the City of Anaheim (\$493 million) closed in December and February.
 - 216 units in the City of Long Beach (\$135 million) closed in March.
 - 261 units in the City of Monrovia (\$118 million) closed in April.
 - 507 units in the City of Glendale (\$339 million) closed in April.
 - 357 units in the City of Carson (\$216 million) closed in June.
 - 513 units in the City of Pasadena (\$386 million) closed in June.
 - 143 units in the City of Glendale (\$96 million) closed in June.
 - Additional projects approved in Dublin and Santa Rosa closing soon.

Opportunity Housing Group (Sponsor)



- **Opportunity Housing Group (OHG)** acts as the asset manager over the term of the workforce housing transaction, responsible for overseeing the property manager, setting capital budgets, ensuring proper management of the asset, compliance with the regulatory agreement and other terms of the bond offering.
- OHG is an owner-driven real estate investment and services company, founded by Brad Griggs, Brad Blake, and Lauren Seaver.
- The principals of OHG have a proven track record in all aspects of multifamily housing, including acquisitions, operations, entitlement and development. The principals have led the acquisition of over **\$1.3 billion in multifamily real estate over their careers, including over 6,150 multifamily units, and the development of over \$4.8 billion, including 7,750 multifamily units, extended stay hotels, retail and for sale homes throughout California and the western states.**
- The principals have experience with multiple public-private projects with several redevelopment agencies and have been fiduciary managers and partners with multiple large institutional investors.

Opportunity Housing Group- Leadership



Highly Experienced Leadership Team



Brad Griggs
Managing Partner



Brad Griggs
Managing Partner



Lauren Seaver
President



Geoff Jewett
VP Asset Management

Principal's Track Record

\$ 1.3 Billion + Acquired

6,500+ multifamily units
300,000 sf retail

\$ 4.8 Billion + Developed

7,750 multifamily units
45 extended stay hotels
1.7 million sf retail
2,000 for-sale homes

15,500+ Units

Multifamily units purchased, developed or entitled

www.cscda.org

www.opportunityhousinggroup.com

- **Greystar** (Property Manager)
 - Highly experienced manager of Class A multifamily assets with a long history in Chula Vista
 - First class operator with most residential units under management in CA.
 - Excellent procedures for maintenance, capital improvements and repairs.

- **Citigroup Global Markets** (Bond Underwriter)
 - Market leader in tax-exempt “high-yield” debt
 - Trading volume is typically ~\$2 billion/month
 - Largest tax-exempt sales and trading team on Wall Street



GREYSTAR®



citi

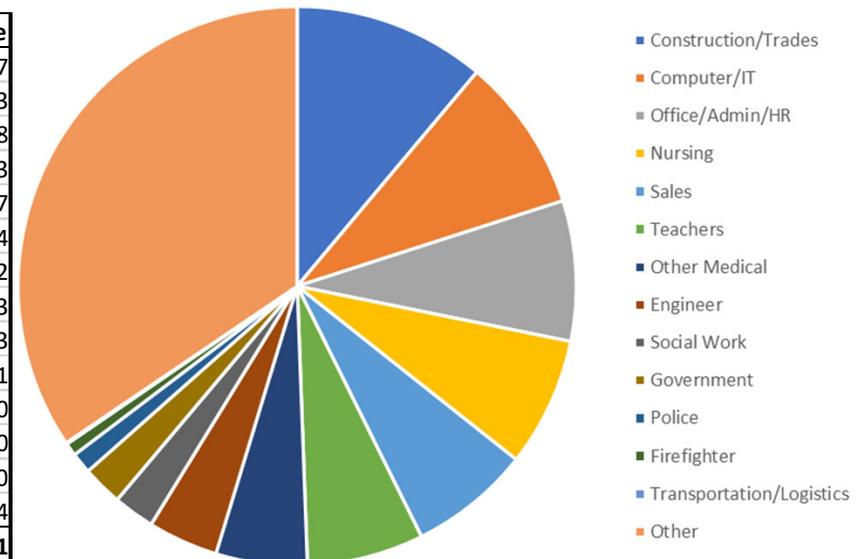
- CSCDA (via its affiliate joint powers authority) acquires new or existing multifamily housing properties and records a regulatory agreement restricting rents, rent increases, and occupancy for residents earning between 80% and 120% AMI.
- All properties are 100% financed with CSCDA issued tax-exempt governmental bonds (no equity or other public subsidies are required).
- The City enters into a Public Benefit Agreement whereby the City (along with the county and school district) receive all surplus revenue when a property is sold or refinanced.

Who is the Missing Middle?



- CSCDA's Workforce Housing Program serves the "missing middle" - individuals and families that earn too much to qualify for traditional affordable housing, but not enough to afford market rate rents in the communities where they work. (Missing Middle= **Low, Middle and Moderate Income levels**).
- 30.5% of the workforce in the San Diego-Carlsbad MSA is part of the Missing Middle.**
1,369,240 = Total employment in the San Diego-Carlsbad MSA
418,120 = Missing Middle employment

Top Jobs for the Missing Middle	# Employees	% of Total	Median Income
Construction/Trades	46,530	11.1%	\$74,757
Computer/IT	37,340	8.9%	\$89,143
Office/Admin/HR	33,910	8.1%	\$70,408
Nursing	31,240	7.5%	\$96,433
Sales	29,330	7.0%	\$77,767
Teachers	28,250	6.8%	\$83,484
Other Medical	22,130	5.3%	\$88,792
Engineer	17,020	4.1%	\$89,253
Social Work	10,000	2.4%	\$78,753
Government	9,740	2.3%	\$78,231
Police	5,060	1.2%	\$95,390
Firefighter	3,120	0.7%	\$72,250
Transportation/Logistics	320	0.1%	\$63,520
Other	144,130	34.5%	\$77,934
TOTAL	418,120	100.0%	\$81,151



Data from Bureau of Labor Statistics May 2020 for San Diego-Carlsbad MSA. Analysis by Opportunity Housing Group.

Proposed Project



OPPORTUNITY
HOUSING GROUP

CasaLago Eastlake Apartments

- **427 units**
- Completed 2013
- Amenities include: Two Resort Pools/Spas, Multiple Clubhouses, State of the Art Fitness Center, BBQ/Picnic Areas, Playground, Private Garages, Package Lockers, Lake Views



www.casalagoeastlake.com

www.cscda.org

www.opportunityhousinggroup.com

CasaLago Target Rents & Income Levels



OPPORTUNITY HOUSING GROUP

Rent levels will be lowered to 35% of 80% to 120% of AMI. These rents levels capped annually and will always stay within this range of incomes for the life of the bonds (typically 30 years). This provides stability and long-term attainability for residents.

RESIDENT RENT SAVINGS						
TOTAL			RENTS AFTER ACQUISITION			AFTER Acquisition
UNITS		CURRENT Market Rent/Unit	LOW <80% AMI 143 units Income <\$77,568	MIDDLE <100% AMI 142 units Income <\$96,960	MODERATE <120% AMI 142 units Income <\$116,352	Restricted Rent/Unit TOTAL
Unit Type	# Units					
One Bed	79	\$2,527	2,079	2,104	2,284	\$2,154
Two Bed	183	\$3,116	2,543	2,691	2,871	\$2,702
Three Bed	165	\$3,416	2,828	2,943	3,123	\$2,995
TOTAL	427	\$3,123	\$2,565	\$2,681	\$2,861	\$2,702
RESIDENT SAVINGS VS. CURRENT RENTS						
		Initial Rent Savings/Unit/Mo	-\$558	-\$442	-\$262	-\$421
		Total Rent Savings/Annual	-\$957,596	-\$753,027	-\$446,307	-\$2,156,930

Note: Income limit shown for a family of two (one-bed unit).

- Rent growth is limited under the Regulatory Agreement to Income Growth, **not to exceed 4% annually**. This locks in currently depressed rents due to COVID and preserves affordability as the market recovers.
- Current residents will **not be displaced** by the program. If tenants do not qualify for restricted rents, they may remain at their current market rent. Eventually, all renters will qualify for rent within the Low to Moderate income range.
- Residents tend to spend monthly rent savings, thus **benefiting local businesses**.
- The City of Chula Vista may **opt to give a priority** in the Regulatory Agreement to local healthcare workers, policemen, firemen, teachers, government employees, or local public-school graduates.
- This program does not involve a Section 8 or HUD Voucher subsidy.

Public Benefits to the City of Chula Vista



Under the Public Benefit Agreement, the City, at its sole discretion, may force a sale of the property between Year 15 and Year 30, and the City, along with other taxing agencies (including the County and School District) would receive the net sale proceeds.

FINANCIAL METRICS (ESTIMATED)				
Investment of Property Tax	Annual	-\$196,376	Total- 30 Yrs	-\$7,966,606
Projected Cash to City on Sale of Asset			TOTAL YR 30 (2051)	\$406,445,593
Return on Investment (Property tax investment vs. project cash to City)				51.x
Plus: Resident Rent Savings (vs. Current Rents)	Annual	\$2,156,930	Total- 30 Yrs	\$69,625,746

Sale in year 30 assumes regulatory agreement remains in place after sale with 3% rent growth and 4.0% exit cap rate.

- All properties are financed through the issuance of tax-exempt bonds and have no equity partners which means that after paying off the bond payments upon a sale, all excess sales proceeds go to the City.
- The City never has to own the property unless it wants to, and still receives all the financial benefits.
- The City incurs no fees, costs, liability, or administrative responsibilities in connection with the program or individual projects.
- All excess cash flow goes back into the property to maintain the asset in “Class A” condition over 30-years or to pay down the bond principal.

Summary of Program Benefits



- **Immediately create 427 units of Low, Middle and Moderate Income Housing** to benefit essential workers in Chula Vista over the next 30 years.
- Residents receive **initial rent savings of \$2.1 million** per year and **capped future rent increases**. It is highly likely that these rent savings are reinvested into the local economy.
- **Significant Financial Benefit to City:**
 - Investment of property tax at approx. \$196,000/yr (0.04% of 2021-22 general fund revenue).
 - City receives the full net sales proceeds from the asset under the Public Benefit Agreement, estimated to **return \$406 million to the City in Year 30 (50.0x ROI to the City not including resident rent savings)**.
- **No liability for City. Minimal time & effort** to approve program. No ongoing administration requirements.
- Significant budgeted reserves and best-in-class operator to maintain asset in Class A condition.

CasaLago Eastlake is ideally suited for this program and under contract to convert immediately following City approval.

- City Council Adopts One Single Resolution:
 - City Becomes Associate Member of CSCDA Community Improvement Authority (CSCDA's Affiliate JPA).
 - City Acknowledges CSCDA's Issuance of Bonds for Eligible Projects.
 - City Agrees to Receive Surplus Revenue.
- The City incurs no fees, costs, liability or administrative responsibilities in connection with the program or individual projects.

Thank You



CSCDA

Jon Penkower

415-939-8484 jpenkower@cscda.org

www.cscda.org/workforce-housing-program/

Opportunity Housing Group

Brad Griggs

415-235-7732 bgriggs@blakegriggs.com

Lauren Seaver

310-699-8404 lseaver@blakegriggs.com

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www.cscda.org

www.opportunityhousinggroup.com



August 31, 2021

VIA EMAIL

Ms. Stacey Kurz
Acting Housing Manager
City of Chula Vista
276 Fourth Ave.
Chula Vista, CA 91910

RE: CSCDA Workforce Housing Program and Application for CasaLago Eastlake Project

Dear Ms. Kurz,

We are pleased to submit the enclosed information on CSCDA's Workforce Housing Program ("WHP") as well as our application to immediately convert 427 market rate units at CasaLago Eastlake (2816 Cielo Circulo) to Low-, Middle- and Moderate-Income Housing (the "Project" or "CasaLago").

We appreciate staff's diligence in reviewing the WHP and the Project and the time and dedication spent to address the needs of middle-income residents of Chula Vista. Middle Income workers including construction workers, teachers, medical workers, nurses, government employees and others make up over 30% of the workforce in the San Diego-Carlsbad MSA and are increasingly priced out of the communities where they work. Providing quality housing at affordable, stable rents is the mission of CSCDA's Workforce Housing Program and we are pleased to have the opportunity to work with the City of Chula Vista on this initiative.

CSCDA is the largest bond-financing Joint Powers Authority in California, created in 1988 by the League of California Cities and the California State Association of Counties to provide California's local governments with an effective tool for the timely financing of community-based public benefit projects. CSCDA is a longtime partner to the City of Chula Vista, which has been a member since 1996 and has utilized a wide variety of CSCDA bond financing programs. CSCDA launched its Workforce Housing Program (the "WHP") in late 2020 as a tool for cities to easily and quickly create rent-restricted middle-income housing by converting existing market-rate multifamily projects. Since December 2020, CSCDA has closed over \$2 billion in projects across California totaling over 3,500 units.

CSCDA works with Opportunity Housing Group ("OHG") as its Project Administrator on the WHP. The principals of OHG have a proven track record in all aspects of multifamily housing, including acquisitions, operations, entitlement and development.

CSCDA and OHG currently have secured the opportunity to purchase CasaLago from its current market-rate ownership for conversion to Low-, Middle- and Moderate-Income Housing under the WHP. If approved to proceed by the City, CSCDA would close on the Project within 4-6 weeks and immediately

implement its Regulatory Agreement with annual rent savings of \$2.4 million expected for residents as well as capped future rent increases. There is no resident displacement under the Program and it is estimated that 72% of current rent-burdened residents would immediately income-qualify for rent savings under the Program without relocating. CasaLago is ideally suited for the WHP because it is a high-quality, Class A asset with a full amenity package, completed in 2013 and is designed for families with a majority of townhouse-style two- and three-bedroom units and excellent rent savings.

While CSCDA's ownership of CasaLago would remove it from the property tax roll, the City of Chula Vista would benefit financially from a Public Benefit Agreement which allows the City to force a sale of the asset any time after the first 15 years and receive the net sales proceeds from the asset. **The projected value of this sale in Year 30 is projected to be upwards of \$400 million.**

The Following are the Key Benefits of Converting CasaLago to Middle Income Housing:

- **Immediately create 427 units of Low (143 units), Middle (142 units) and Moderate (142 units) Income Housing** to benefit essential workers in Chula Vista.
- Residents receive **initial rent savings of \$2.4 million** per year and **future rent increases capped at 4%**. Rent savings are typically reinvested into the local economy.
- **72% of current residents at CasaLago are rent-burdened** and will qualify for rent savings based on their incomes.
- **The City's investment by way of the property tax exemption will cost approximately \$196,000 per year (0.04% of 2021-22 General Fund Revenue). In exchange, the City receives the full net sales proceeds from the asset under the Public Benefit Agreement. This is projected to return \$432 million to the City on sale of the asset (54.3x ROI to the City not including resident rent savings).**
- No liability for City. Minimal time & effort to approve program. No ongoing administration requirements.
- Significant budgeted reserves and best-in-class operator to maintain asset in Class A condition.

The Workforce Housing Program is designed to create middle income housing benefits simply, effectively and with no liability for member Cities. The City is not a party to the bond issuance and therefore has no obligations and no impact to its balance sheet or credit. The action for consideration by the City in order to move forward with the program is simple:

1. Become a member of CSCDA's affiliate JPA ("CSCDA CIA") which is the issuer of the bonds. The City is already a member of CSCDA.
2. Review and approve the Public Benefit Agreement.

We have also enclosed a complete package of the relevant documents for the City's review as Attachment E.

This is an excellent opportunity to immediately create much-needed housing in Chula Vista. It is consistent with the Council's priorities to provide diverse types of affordable housing for Chula Vista residents at minimal cost and also provides a significant amount of long-term financial upside to support the City in the long-term.

We look forward to the opportunity to discuss the program and Project further with staff and to bringing the Program to Council for consideration in September as well as consideration of the Project shortly thereafter.

Sincerely,

DocuSigned by:
Jon Penkower
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Jon Penkower
Managing Director
CSCDA

DocuSigned by:
Brad Griggs
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Bradley Griggs
Managing Partner
Opportunity Housing Group

DocuSigned by:
Lauren Seaver
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Lauren Seaver
President
Opportunity Housing Group

Attachments:

- Attachment A – CasaLago Chula Vista Project Summary
- Attachment B – Responses to Questions from City of Chula Vista Dated August 27, 2021
- Attachment C – Affordable Housing Application
- Attachment D – Project Proforma
- Attachment E – [CSCDA Project Approval Document Package](#)
 - Draft Resolution
 - Draft Staff Report
 - Affiliate Joint Powers Authority Agreement (Chula Vista is already a member of CSCDA but the housing assets are owned by an affiliate JPA CSCDA Community Improvement Authority for tax purposes)
 - Form of Public Benefit Agreement
 - No Liability Letter from Orrick
 - Sample staff reports from other Southern California cities who have recently approved WHP Projects

Cc: Kelly Broughton, Deputy City Manager
Tiffany Allen, Director of Development Services
Simon Silva, Deputy City Attorney
Jose Dorado, Senior Management Analyst
Ben Haddad, Craig Benedetto- Cal Strategies

ATTACHMENT A

CASALAGO CHULA VISTA PROJECT SUMMARY

CasaLago Eastlake Apartments

427 Units

Completed 2013

Amenities Include:

- Two Resort Pools & Spa
- Multiple Clubhouses
- State of the Art Fitness Center
- BBQ/Picnic Areas
- Playground
- Private One and Two Car Garages
- Package Lockers
- Lake Views



ATTACHMENT B

RESPONSES TO QUESTIONS FROM CITY OF CHULA VISTA DATED AUGUST 27, 2021

City questions in **black text** with Applicant responses in **blue text**.

- **Sponsorship Team - Include sponsor, bond underwriter, and property manager.**

California Statewide Communities Development Authority (Bond Issuer)

The California Statewide Communities Development Authority (“CSCDA”) was created in 1988 by the League of California Cities and California State Association of Counties, under California’s Joint Exercise of Powers Act, to provide California’s local governments with an effective tool for the timely financing of community-based public benefit projects. Today, 533 cities, counties and special districts are members of CSCDA, including the City of Chula Vista, which has been a member since 1996 and has utilized a wide variety of CSCDA bond financing programs. CSCDA launched its Workforce Housing Program (the “WHP”) in late 2020 as a tool for cities to easily and quickly create rent-restricted middle-income housing by converting existing market-rate multifamily projects. Since December 2020, CSCDA has closed over \$2 billion in projects across California totaling over 3,500 units.

Opportunity Housing Group (Project Administrator)

CSCDA works with Opportunity Housing Group (“OHG”) as its Project Administrator. In this role, OHG acts as the asset manager over the term of the workforce housing transaction, responsible for overseeing the property manager, setting capital budgets, ensuring proper management of the asset, compliance with the regulatory agreement and other terms of the bond offering. The principals of OHG have a proven track record in all aspects of multifamily housing, including acquisitions, operations, entitlement and development. The principals have led the acquisition of over \$1.3 billion in multifamily real estate over their careers, including over 6,150 multifamily units, and the development of over \$4.8 billion, including 7,750 multifamily units, extended stay hotels, retail and for sale homes throughout California and the western states.

Greystar (Property Manager)

Greystar would act as the Property Manager of the asset following acquisition by CSCDA. Greystar is the largest apartment property manager in California with a long history in San Diego County. Greystar is also the Property Manager for the majority of CSCDA’s workforce housing portfolio. Greystar has excellent procedures for maintenance, capital improvements and tenant relations in all of its assets.

Citigroup Global Markets (Bond Underwriter)

Citigroup is the market leader in tax-exempt “high yield” (from BBB+ to non-investment grade) debt, both in the primary market underwriting as well as in secondary market sales and trading. Citi’s trading volume is typically in the \$2 billion / month range. Citi’s tax-exempt sales and trading team is the largest on Wall Street and has extensive experience distributing large complex high yield deals.

- **Current Tenancy & Property Profile – To the greatest extent possible, please provide information to identify the current tenancy and demographics of residents, as well as information on the property. Including, but not limited to the following:**

Please note that because this is a market rate transaction with a private seller, there are certain confidentiality requirements under our purchase and sale agreement, whereby the seller does not want certain information submitted to the City and made public record. If the transaction does

not proceed they will want to be able to move forward to sell to another market-rate buyer. However, we can specifically answer your questions below.

- **Current Rent Roll (including term of leases);** Majority of the leases are 12-month lease terms with a small percentage of shorter term leases (month-to-month)
- **Property vacancy and turnover rate;**
 - Current Vacancy: **3.3%**.
 - Turnover: The property turnover rate over the last 12 months was 30%. That being said, based on the income data we have for the current residents, we project that 72% of current renters will meet the income qualification criteria for rent savings under the WHP. These are rent-burdened households which will benefit significantly from the Program. Given this existing pool of renters, plus 30% turnover of the remaining units, we would expect the property to be most if not fully converted to income restricted tenants within 2-3 years.
- **Qualification criteria for new tenants; and**

Under the WHP, a Regulatory Agreement is recorded against the property at closing. A copy of this document is included with this submittal. The Regulatory Agreement requires that new tenants and, for existing tenants, at lease renewal, complete an income verification process to determine eligibility for Low, Middle or Moderate income rent pricing. For existing tenants, if they qualify they are offered the according discounted rent. If they do not qualify, they may remain at market rents. This avoids any issues with displacement of current residents. All new tenants must have qualified incomes in one of these categories.

The property is allocated such that 1/3 of units (143 units) are reserved for Low Income residents, 1/3 (142 units) are for Middle Income residents and 1/3 (142 units) for Moderate Income residents. Rents are set not to exceed 35% of annual income and rent growth is capped at the lower of (i) AMI growth and (ii) 4%.

See below for a table of income limits based on household size.

Household Size (persons)	Income Limits		
	Low Income	Middle Income	Moderate Income
	80%	100%	120%
1	\$ 67,872	\$ 84,840	\$ 101,808
2	\$ 77,568	\$ 96,960	\$ 116,352
3	\$ 87,264	\$ 109,080	\$ 130,896
4	\$ 96,960	\$ 121,200	\$ 145,440
5	\$ 104,717	\$ 130,896	\$ 157,075

- **Income of existing residents.**
 - As discussed above, based on the current data we have on the existing residents, 72% of current renters will income-qualify for the program.
- **Project Affordability – Please provide the proposed project level affordability and terms. Including, but not limited to the following:**
 - **CSCDA Bond Policy for Middle Income;** See above re Regulatory Agreement.
 - **Proposed Bond;** and See above.
 - **Proposed tenant rents and projected rent savings going forward (include description of rent increases going forward also and rent caps).** See below.

RESIDENT RENT SAVINGS						
TOTAL			RENTS AFTER ACQUISITION			AFTER Acquisition
UNITS		CURRENT	LOW	MIDDLE	MODERATE	Restricted
Unit Type	# Units	Market	<80% AMI	<100% AMI	<120% AMI	Rent/Unit
		Rent/Unit	143 units	142 units	142 units	TOTAL
			Income <\$77,568	Income <\$96,960	Income <\$116,352	
Studio	0		N/A	N/A	N/A	\$0
One Bed	79	\$2,535	2,093	2,108	2,118	\$2,106
Two Bed	183	\$3,126	2,543	2,729	2,726	\$2,666
Three Bed	165	\$3,427	2,823	2,976	2,999	\$2,992
TOTAL	427	\$3,133	\$2,571	\$2,703	\$2,722	\$2,665
RESIDENT SAVINGS VS. CURRENT RENTS						
		Initial Rent Savings/Unit/Mo	-\$562	-\$430	-\$411	-\$468
		Total Rent Savings/Annual	-\$964,431	-\$731,879	-\$700,054	-\$2,396,364

Note: Income limit shown for a family of two (one-bed unit).

- **Proposed Financial Structure – Please provide the proposed fee and debt schedule for the project. Including, but not limited to the following:**
 - **Full Pro Forma; See Attachment D- Project Proforma**
 - **Replacement and Operating reserves- provide amount(s) that is being set aside to ensure that the property has sufficient funds to maintain its existing class A condition; and See Attachment D- Project Proforma.** The project is funded with an initial capital reserve of \$2.4 million. Of this amount \$1.9 million is allocated for specific up-front improvements identified in the Property Condition Report (“PCR”). These include exterior painting for all buildings, resurfacing of pool decks and some sitework improvements. An additional \$500,000 is unallocated reserve which is available for any unforeseen items. Additionally, the ongoing budget includes \$800/unit/year in capital reserve deposits (\$341,600). This number was established based on the projection in the PCR to cover ongoing requirements to keep the asset in a Class A condition.
 - **Projected net sale proceeds to City at end of 15 year period.** Using the same assumptions (keeping regulatory agreement in place, 3% rent growth, 4% exit cap), the estimated net cash to the City in year 15 is \$71.1 million. This compares to \$432 million in year 30. The reason for the significant difference is that the majority of the bond balance gets paid down between years 15 and 30, so there is minimal remaining balance at the end of 30 years.
- **Full Taxing Impact – Please provide documentation to show the other taxing entities impacted by this proposal and current value of the property. Including, but not limited to the following:**
 - **Current appraisal of the property;** While tax counsel must confirm that the appraisal supports the purchase price, the seller does not otherwise want the appraisal made public until the transaction is confirmed to be moving forward, as alternatively the seller would then market the property to market rate buyers. OHG has confirmed, though, that the appraisal has been completed (Newmark Knight Frank) and supports the purchase price of the asset as is required.
 - **Assessment of other taxing impacts; and** The current assessed value of the asset is \$155,854,147. The 1% Ad Valorem total tax is \$1,558,541. Of this, the City of Chula Vista receives 12.6% (per City of Chula Vista 2021-22 Budget), which equates to \$196,376 (0.04% of 2021-22 General Fund Revenue). Escalating this amount at 2% over 30 years totals a total property tax investment for the City of Chula Vista of \$7.97 million.

- Other taxing entities may or may not be impacted by the removal of the property from the tax roll. OHG and CSCDA have checked with counsel (Meyers Nave) and confirmed that none of the school districts will be impacted because they are funded via the state’s Local Control Funding Formula (No impact to Chula Vista Elementary School District, Sweetwater Union High School District or Southwestern Community College District).

For other taxing entities that may be impacted, the City may expect to distribute the proceeds of the City’s sale proceeds under the Public Benefit Agreement to make them whole for lost property tax.

In exchange for the City’s loss of property tax, the City would enter into a Public Benefit Agreement. Under the Public Benefit Agreement, the City, at its sole discretion, may force a sale of the property between Year 15 and Year 30, and the City, along with other taxing agencies (including other impacted taxing entities) would receive the net sale proceeds.

Below summarizes the projected return to the City under the PBA. While it is of course difficult to project property values 15-30 years in the future, **in order for the exit value received by the City to be less than the City’s property tax investment of \$7.97 million, the asset would need to lose over 97% of its current market value.** Of course, historically multifamily assets in California have not lost value over time and in fact have appreciated substantially.

FINANCIAL METRICS (ESTIMATED)				
City's Investment of Property Tax	Annual	-\$196,376	Total- 30 Yrs	-\$7,966,606
Projected Cash to City on Sale of Asset			TOTAL YR 30 (2051)	\$432,310,726
Return on Investment (Property tax investment vs. project cash to City)				54.3x
Plus: Resident Rent Savings	Annual	\$2,396,364	Total- 30 Yrs	\$83,357,254
Sale in year 30 assumes 3% market rent growth and 4% exit cap rate.				

- **Property Sales Price.** See above.
- **Notification process – Please provide us with a description or documentation that outlines the notification process and documentation that would be provided to residents.**

Resident notification and qualification occurs for existing residents at lease renewal. Tenants will be asked to provide documentation of income and have rents adjusted accordingly as described above.

For new tenants, they will be income qualified up-front by property staff. If desired, we can coordinate with the City to advertise discounted rents via the Housing Authority or otherwise.

The City of Chula Vista may also opt to give a priority in the Regulatory Agreement to local healthcare workers, policemen, firemen, teachers, government employees, or local public-school graduates etc.



Development Services Department

Housing Division | Development Processing

AFFORDABLE HOUSING SUPPLEMENTAL APPLICATION | Instructions**I. APPLICABILITY**

The attached Application should be completed and submitted to the Development Services Department, Housing Division for all affordable housing projects defined as having 20 percent of the units to be restricted for lower income households or 100 percent for moderate income households and emergency shelters.

All affordable housing development projects will be reviewed by the City's Housing Advisory Commission (HAC). HAC actions are advisory to the City Council and/or Housing Authority. The City Council and/or Housing Authority are the ultimate decision authority.

The Housing Advisory Commission will review and comment on three (3) major aspects of the project:

1. A project's ability to effectively serve the City's housing needs and priorities as expressed in the Housing Element and the Consolidated Plan for Housing and Community Development.
2. A project's consistency with the City's affordable housing policies as expressed in the Housing Element, General Plan, other related documents and other applicable State/Federal laws and programs; and
3. A project's feasibility, with emphasis on prospective sources of subsidy, including any proposed City financial assistance and/or incentives.

II. PROCESS

An applicant shall complete the attached Application, provide all required attachments, and submit the completed package to the Development Services Department, Housing Division. Please note that the applicant must submit an 8½ x 11 copy of the site development plan, elevations, and photographs of site and adjacent properties at least seven (7) days prior to the date the project is scheduled for review by the HAC. This Application may be considered as part of the Development Application, if necessary for other discretionary actions.

When the Application is deemed to be complete by the Housing Division staff and any outstanding issues have been resolved, the Affordable Housing Project will be scheduled for review by the HAC. A staff report and recommendation will be presented to the HAC with the basic project information submitted within the attached Application. Depending on the readiness of the project, the initial action of the HAC may not include a recommendation to support the project with specific types of financial assistance or incentives.

Housing Advisory Commission meetings are scheduled on a **quarterly basis (July, October, January, April) on the 4th Wednesday of the month at 4 p.m., City Hall, 276 4th Ave., Bldg. 100.**

III. COMMENTS OR QUESTIONS

If you have any comments or questions regarding the process or the Application, please contact the Housing Division at (619) 691-5047.



APPLICATION SPECIFICATIONS

- All pages 8.5 x 11 inches
- One signed original and one electronic copy

REQUIREMENTS

All ✓ items are REQUIRED. ◇ Additional information as may be appropriate.

1. Proposal Submittal:

- ✓ Application (NOFA General and/or Affordable Housing)
- ✓ Project Proforma
- ✓ Evidence of Site Control – copy of fully executed purchase option or sales contract
- ◇ Tenant Rent Rolls (current rent roll and rent roll at time of buyer/seller agreement)

 The Proposal and the above listed items have been reviewed for completeness. Please note that complete applications can be processed and reviewed more efficiently. Failure to submit all required information may result in your application not being accepted and/or may extend the length of time needed for review.

Acknowledgement

The undersigned has read and reviewed the “Instructions” and “Checklist” under this Affordable Housing Application.

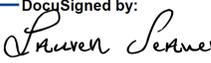
DocuSigned by:

 21A4582895A74EE...
 Authorized Signature

Jon Penkower
 Print Name

Managing Director, CSCDA
 Title

9/1/21
 Date

DocuSigned by:

 112BFE03A85045E...
 Authorized Signature

Lauren Seaver
 Print Name

President, Opportunity Housing Group
 Title

9/1/21
 Date



Development Services Department
Housing Division | Development Processing

AFFORDABLE HOUSING APPLICATION | Checklist

Return one original, one signed and an electronic copy of this Application to:

City of Chula Vista
DSD Housing Division
ATTN: Affordable Housing Application
276 Fourth Avenue
Chula Vista, CA 91910



2. Before Proceeding to the Housing Advisory Commission

- ✓ Preliminary Title Report
- ✓ Developer's Board Resolution authorizing submittal of proposal and identifying persons authorized to execute documents
- ✓ Developer's Disclosure Statement (see Affordable Housing Application)
- ✓ Appraisal by a California-licensed MAI appraiser (no older than three months). For new construction projects, must determine the land-only value. An "as-built" appraisal will be required prior to funding. For rehabilitation projects, must determine both the "as-is" and "after-rehab" values without rent restrictions.
- ◇ Physical Needs Assessment (PNA) to correct health and safety issues and repair or replacement of major building systems to extend the service life of the property improvements for a minimum of 15 years. PNA must include replacement reserve analysis.
- ◇ Rehabilitation Scope of Work and Cost Estimate.
- ◇ Evidence of Compliance with Previous City Loans
- ◇ Summary Statement of Previous Residual Receipts Payments on Previous City Loans
- ◇ Tenant Characteristics Form if development is currently occupied
- ✓ Narrative Describing Operating Reserves and Replacement Reserves

3. Before Proceeding to Housing Authority

- ✓ Affirmative Fair Housing Marketing Plan
- ✓ Environmental Review Completed (CEQA and NEPA)
- ✓ HOME Program Basics – if HOME funds are used
- ◇ Relocation Plan and Relocation Noticing to Tenants
- ✓ Evidence of Compliance with Zoning – Letters from the City of Chula Vista DSD.
- ✓ Audited Financial Statements within the last 12 months.
- ◇ Service Delivery Plan (If providing units for the homeless or Special Purpose Housing Applicants)
- ✓ Market Study



4. Before Proceeding to City Loan Funding

- ✓ ALTA Title Report
- ✓ Borrower Attorney's Opinion Letter
- ✓ Certified Escrow Instructions
- ✓ Evidence of Funding Commitments – Letters to identify funder contact information
- ✓ Certificates of Insurance for Property Insurance and Liability Insurance
- ✓ Management Plan
- ✓ Partnership Agreement, Articles of Incorporation, and By-Laws
- ✓ Copies of Other Lenders' Loan Documents
- ✓ City Attorney Approval and Loan Documents Execution



Development Services Department

Housing Division | Development Processing

AFFORDABLE HOUSING APPLICATION | Part I**Development Team Information**

Sponsor/Owner: **Issuer- CSCDA Community Improvement Authority (affiliate JPA of CSCDA)**
Sponsor – Opportunity Housing Group

Address: **CSCDA: 1700 N. Broadway Suite 405, Walnut Creek CA 94596**
OHG: 550 Hartz Ave. Suite 200, Danville CA 94526

Contact Person: **CSCDA: Jon Penkower 415-939-8484 jpenkower@cscda.org**
OHG: Lauren Seaver 310-699-8404 lseaver@blakegriggs.com

Telephone No.:

Fax No.:

E-Mail:

Legal Status of Applicant: For Profit Corporation Nonprofit Corporation CHDO
 Limited Partnership Limited Liability Corp Sole Proprietorship
 Other (Please Describe):
CSCDA is a Joint Powers Authority. OHG is a corporation.

Federal Tax Identification No. (Sponsor):

CSCDA Community Improvement Authority: 85-3437273**OHG: 85-3191601**Managing Partner: **See above.**

Address:

Telephone No.:

Fax No.:

Identify Development Team (if applicable; i.e., developer, contractor, management company, etc.): **See above and also Attachment B of applicant letter.**

Developer (if different):

General Contractor: **N/A**Management Company: **Greystar**Tax Credit Syndicator: **N/A**Credit Enhancer: **N/A**Attorney: **Orrick, Herrington & Sutcliffe**

Other (Please Describe):

General Project InformationOwnership Name: **CSCDA Community Improvement Authority**



Development Services Department
Housing Division | Development Processing

AFFORDABLE HOUSING APPLICATION | Part I

General Project Information

Project Name: **CasaLago Eastlake Apartments**

Project Address/
Site Location: **CasaLago Eastlake Apartments – 2816 Cielo Circulo**

Master Plan Community:
(If applicable) **N/A** Fax No.: _____

Assessor Parcel No(s): **643-780-06-00, 643-780-05-00, 643-780-04-00, 643-780-02-00**

Please attach a street map that identifies the project and neighborhood boundaries.

Project Type:

New Construction Acquisition & Rehab

Homeownership Rehabilitation Only

Other (Please Describe): **Acquisition & Conversion to Workforce Housing**

Rental Ownership

Unimproved Site Acquisition & Rehab

Project Condition:

Existing Structure Age (years): **Built 2013**

Commercial Ownership

Other (Please Describe): _____

Existing Uses of Property: **Existing 427-unit market rate apartment project.**

Status of Entitlements
and Environmental
Review. **N/A**

Site Control:

Deed Executed Purchase Contract

Date of Expiration: **Mid-September, but can likely be extended through October** Clause to Extend

Executed Option Yes No

Acreage of Site: **30.2 acres** Census Tract #: _____

Zone Designation: _____ SPA Land Use District: _____

Total # of Units: **427** # of Affordable Units: **143 Low Income
142 Middle Income
143 Moderate Income**

Type of Construction:

Row house/Townhouse Garden Apartments

Slab on Grade Frame Podium

Other (Please Describe): _____

Multi Story # of Elevators? **None**



Development Services Department

Housing Division | Development Processing

AFFORDABLE HOUSING APPLICATION | Part I

General Project Information

Type of Units:

Single Story

Other (Please Describe):

Target Population:

Family

Elderly/Senior

Disabled

%

Homeless

%

Other (Please Describe):

Type of Units:

Rail station, rapid transit, bus stop with service at least every 30 mins from 7-9 am

Within Mile

Full scale grocery store/supermarket

Within 2.7 Mile

Convenience market

Within Mile

Medical clinic or hospital

Within 2.7 Mile

Public elementary, middle or high school

Within 3 Mile

Public park

Within 0.2 Mile

Public library

Within 2.6 Mile

Other:

Within Mile

For Senior or Special Needs:

Other:

Within Mile

Acquisition & Rehabilitation Projects

No. of Households potentially subject to tenant relocation **0**

No. of vacant units **14**

Please attach the following: [See Attachment B to Applicant Letter.](#)

Copy of current tenant rent rolls and income levels

Relocation plan



Development Services Department

Housing Division | Development Processing

AFFORDABLE HOUSING APPLICATION | Part I

General Project Information

RESIDENT RENT SAVINGS						
TOTAL			RENTS AFTER ACQUISITION			AFTER Acquisition
UNITS		CURRENT Market Rent/Unit	LOW <80% AMI 143 units Income <\$77,568	MIDDLE <100% AMI 142 units Income <\$96,960	MODERATE <120% AMI 142 units Income <\$116,352	Restricted Rent/Unit
Unit Type	# Units					TOTAL
Studio	0		N/A	N/A	N/A	\$0
One Bed	79	\$2,535	2,093	2,108	2,118	\$2,106
Two Bed	183	\$3,126	2,543	2,729	2,726	\$2,666
Three Bed	165	\$3,427	2,823	2,976	2,999	\$2,992
TOTAL	427	\$3,133	\$2,571	\$2,703	\$2,722	\$2,665
RESIDENT SAVINGS VS. CURRENT RENTS						
Initial Rent Savings/Unit/Mo			-\$562	-\$430	-\$411	-\$468
Total Rent Savings/Annual			-\$964,431	-\$731,879	-\$700,054	-\$2,396,364

Note: Income limit shown for a family of two (one-bed unit).

Description	Bedroom Mix						Total Units
	0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms	
Total DUs							0
Affordable DUs							0

Describe any special features, amenities, services, programming or commercial facilities to be included within the project (e.g. Internet service, afterschool programs, educational classes, pool, etc):

Project is designed for families with majority 2 and 3-bedroom units with attached garages. Project includes robust amenity package with two resort pool/spas. Multiple newly-remodeled clubhouses, state-of-the-art fitness center, BBQ/picnic areas, playground, package lockers and views of Lower Otay Lake.

Please attach an 8½ x 11 copy of the site development plan, elevations, and photographs of site and adjacent properties.



Project Timeline

Housing Advisory Commission Date:

City Council Housing/ Authority Date:

CTCAC Application Date:

CTCAC Allocation Date:

CDLAC Application Date:

CDLAC Allocation Date:

Estimated Acquisition Date:

Estimated Permanent Loan Closing Date:

Estimated Date to Start Construction/Rehab:

Estimated Full Occupancy Date:



Development Services Department

Housing Division | Development Processing

AFFORDABLE HOUSING APPLICATION | Part II**Financial Assistance and Other Incentives**

Listed below are the primary documents and information needed to complete the application to provide for the financial analysis of the proposed project. It is recognized that all documentation and information may not be available at the time of application. Information must be submitted prior to the Housing Division's underwriting evaluation and recommendation of approval of any requested financing.

Requested Assistance/Incentives: Bonds - Tax Exempt/Taxable City/Hsg Authority Financing 4% Tax Credits 9% Tax Credits Affordable Housing Incentives (aka Density Bonus); *Please complete the [Supplemental Application](#) for Density Bonus & Incentives*

Identify any other project conditions which may be relevant to project feasibility:

N/A. City will not issue bonds for the program. CSCDA CIA issues bonds which the City is not a party to. See Applicant Letter and proforma for details.

BOND FINANCING (If applicable)

Use of Bond Proceeds:

Construction Describe status and timing to construction financing.

Permanent Financing Has construction financing been obtained?
 Yes No

Name of Construction Lender:

Bond Amount \$

Unrated Bond Amount \$

Taxable Bond Amount \$

Initial Interest Rate

Fixed Variable

Term

months

Estimated Annual Debt Service



Development Services Department

Housing Division | Development Processing

AFFORDABLE HOUSING APPLICATION | Part II

Rating Agency

Rating

Type of Credit Enhancement

Credit Enhancement Provider:

Contact Person:

Address:

Telephone No.:

Fax No.:

Preferred Investment Banking Firm:

Contact Person:

Address:

Telephone No.:

Fax No.:

Estimated Date of Closing

TAX CREDIT FINANCING *(If applicable)*

Tax Credit Amount anticipated:

\$

Expected Date of Commitment Letter:

Partnership Agreement Executed: Yes No

Date:

Expected Internal Rate of Return for Tax Credit Syndicator: %

Price per Dollar:

Type of Tax Credit Offering:

Type of Investors:

- Public Private
- Individuals Corporations
- Funds/Trusts FNMA

Type of Credit Enhancement:



Development Services Department
 Housing Division | Development Processing
AFFORDABLE HOUSING APPLICATION | Part II

CONSTRUCTION FINANCING

<i>Name of Lender/Source</i>	<i>Term in Months</i>	<i>Interest Rate</i>	<i>Amount of Funds</i>
1.		%	\$
2.		%	\$
3.		%	\$
4.		%	\$
Total Funds for Construction			\$ 0

1. Name of Lender/Source _____

Address: _____

Contact Person: _____

Telephone No.: _____ E-Mail: _____

Type of Financing: _____ Committed
 Not Committed

2. Name of Lender/Source _____

Address: _____

Contact Person: _____

Telephone No.: _____ E-Mail: _____

Type of Financing: _____ Committed
 Not Committed

3. Name of Lender/Source _____

Address: _____

Contact Person: _____

Telephone No.: _____ E-Mail: _____

Type of Financing: _____ Committed
 Not Committed

4. Name of Lender/Source _____

Address: _____

Contact Person: _____

Telephone No.: _____ E-Mail: _____

Type of Financing: _____ Committed



Development Services Department

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AFFORDABLE HOUSING APPLICATION | Part II

Not Committed

PERMANENT FINANCING

<i>Name of Lender/Source</i>	<i>Term in Months</i>	<i>Interest Rate</i>	<i>Amount of Funds</i>
1.		%	\$
2.		%	\$
3.		%	\$
4.		%	\$
Total Permanent Financing			\$ 0
Total Tax Credit Equity			\$
Total Sources of Project Funds			\$

1. Name of Lender/Source

Address:

Contact Person:

Telephone No.:

E-Mail:

Type of Financing:

Committed

Not Committed

2. Name of Lender/Source

Address:

Contact Person:

Telephone No.:

E-Mail:

Type of Financing:

Committed

Not Committed

3. Name of Lender/Source

Address:

Contact Person:

Telephone No.:

E-Mail:

Type of Financing:

Committed

Not Committed

4. Name of Lender/Source

Address:



Development Services Department
Housing Division | Development Processing

AFFORDABLE HOUSING APPLICATION | Part II

Contact Person: _____

Telephone No.: _____

E-Mail: _____

Type of Financing: _____

Committed

Not Committed



Development Services Department
Housing Division | Development Processing
AFFORDABLE HOUSING APPLICATION | Part III

See Attachments for Part III. Applicants may substitute project proformas, inclusive of sources and uses, waterfall, operating expenses etc. in lieu of Part III of this Application.

See attachments B & D of Applicant Letter.

Unit Type	No. of Units	Bedrooms Per Unit	Bathrooms Per Unit	Sq Ft Per Unit	Current Rent	Monthly Net Rent Per Unit	Monthly Utility Allowance	Monthly Gross Rent Per Unit (g+h)	Percent Median Income	Yearly Gross Rent All Units (i x b)
A					\$	\$	\$	\$ 0	%	\$ 0
B					\$	\$	\$	\$ 0	%	\$ 0
C					\$	\$	\$	\$ 0	%	\$ 0
D					\$	\$	\$	\$ 0	%	\$ 0
E					\$	\$	\$	\$ 0	%	\$ 0
F					\$	\$	\$	\$ 0	%	\$ 0
G					\$	\$	\$	\$ 0	%	\$ 0
H					\$	\$	\$	\$ 0	%	\$ 0
Manager's DU					\$	\$	\$	\$ 0	%	\$ 0
Market Rate										
I					\$	\$	\$	\$ 0	%	\$ 0
J					\$	\$	\$	\$ 0	%	\$ 0
K					\$	\$	\$	\$ 0	%	\$ 0
L					\$	\$	\$	\$ 0	%	\$ 0

Total Rent (Year) \$ 0
 Other Income (Describe) \$
 Total Annual Income \$
 Total Units
 Total Square Feet



AFFORDABLE HOUSING APPLICATION | Part III

See Attachments for Part III. Applicants may substitute project proformas, inclusive of sources and uses, waterfall, operating expenses etc. in lieu of Part III of this Application.

See attachments B & D of Applicant Letter.

Unit Type	No. of Units	Bedrooms Per Unit	Bathrooms Per Unit	Sq Ft Per Unit	Current Rent	Monthly Net Rent Per Unit	Monthly Utility Allowance	Monthly Gross Rent Per Unit (g+h)	Percent Median Income	Yearly Gross Rent All Units (i x b)
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Term of Affordability (i.e., 30 yrs, Life of Project):



Development Services Department

Housing Division | Development Processing

AFFORDABLE HOUSING APPLICATION | Part III**Development – Operating Expense**

See attachments B & D of Applicant Letter

OPERATING EXPENSE ITEM	ANNUAL COST	COST PER UNIT
General Administrative		
Advertising & Marketing	\$	\$
Legal/Partnership Expenses	\$	\$
Accounting/Audits	\$	\$
Security	\$	\$
Property Tax	\$	\$
Subtotal:	\$	\$
Management – Fees		
Utilities		
Gas & Electric	\$	\$
Water & Sewer	\$	\$
Trash Removal	\$	\$
Operating		
Payroll Taxes & Overhead	\$	\$
Telephone	\$	\$
Insurance	\$	\$
Office Expenses	\$	\$
All other operating	\$	\$
Subtotal:	\$	\$
Maintenance		
Maintenance – Labor	\$	\$
Maintenance – Supplies	\$	\$
Repairs – Labor	\$	\$
Repairs – Supplies	\$	\$
Landscape & Grounds – Labor	\$	\$
Landscape & Grounds – Supplies	\$	\$
Pest Control	\$	\$
Replacement Reserve	\$	\$
Subtotal:	\$	\$
ANNUAL OPERATING COST	\$	\$



Development Costs- N/A

DEVELOPMENT COST ITEM	PERCENT	AMOUNT	COST PER UNIT	COST PER SQ FT	ELIGIBLE BASIS (Tax Credit Projects)
AQUISITION					
Land		\$	\$	\$	\$
Buildings		\$	\$	\$	\$
Subtotal	%	\$	\$	\$	\$
SITE IMPROVEMENTS					
Site Improvements		\$	\$	\$	\$
Land		\$	\$	\$	\$
Buildings		\$	\$	\$	\$
Subtotal	%	\$	\$	\$	\$
STRUCTURES					
Main Buildings		\$	\$	\$	\$
Accessory Buildings		\$	\$	\$	\$
Garages		\$	\$	\$	\$
Subtotal	%	\$	\$	\$	\$
CONSTRUCTION CONTINGENCY					
Overhead & Fees		\$	\$	\$	\$
General Requirements		\$	\$	\$	\$
Builders Overhead		\$	\$	\$	\$
Builders Profit		\$	\$	\$	\$
Bond Premium		\$	\$	\$	\$
Other Fees		\$	\$	\$	\$
Architect – Design		\$	\$	\$	\$
Architect- Supervision		\$	\$	\$	\$
Subtotal	%	\$	\$	\$	\$
CHARGES & INTEREST					
Construction Interest Cost		\$	\$	\$	\$
Real Estate Taxes		\$	\$	\$	\$



DEVELOPMENT COST ITEM	PERCENT	AMOUNT	COST PER UNIT	COST PER SQ FT	ELIGIBLE BASIS (Tax Credit Projects)
Insurance		\$	\$	\$	\$
Mortgage Ins. Premium		\$	\$	\$	\$
Mortgage Exam Fee		\$	\$	\$	\$
Mortgage Inspection Fee		\$	\$	\$	\$
Loan Orig. Fee –Construction		\$	\$	\$	\$
Loan Orig. Fee – Permanent		\$	\$	\$	\$
Title & Recording		\$	\$	\$	\$
Other Charges		\$	\$	\$	\$
Subtotal	%	\$	\$	\$	\$
LEGAL ORGANIZATION & AUDIT					
Legal		\$	\$	\$	\$
Organization		\$	\$	\$	\$
Audit		\$	\$	\$	\$
Subtotal	%	\$	\$	\$	\$
OTHER COSTS					
Developer’s Fee		\$	\$	\$	\$
Consultant Fee		\$	\$	\$	\$
Operating Reserve		\$	\$	\$	\$
Contingency		\$	\$	\$	\$
Relocation Cost		\$	\$	\$	\$
Marketing & Rent-Up		\$	\$	\$	\$
Surveys & Soil Borings		\$	\$	\$	\$
Appraisal Costs		\$	\$	\$	\$
Market Study		\$	\$	\$	\$
Environmental Study		\$	\$	\$	\$
Permits		\$	\$	\$	\$
Tcac Fees		\$	\$	\$	\$
Setup & Loan Monitoring Fees		\$	\$	\$	\$



AFFORDABLE HOUSING APPLICATION | Part III

DEVELOPMENT COST ITEM	PERCENT	AMOUNT	COST PER UNIT	COST PER SQ FT	ELIGIBLE BASIS (Tax Credit Projects)
Other: _____		\$	\$	\$	\$
Other: _____		\$	\$	\$	\$
Other: _____		\$	\$	\$	\$
Other: _____		\$	\$	\$	\$
Subtotal	%	\$	\$	\$	\$
TOTAL DEVELOPMENT COST	100%	\$	\$	\$	\$



Development – Pro Forma

DESCRIPTION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8
Rental Income	\$	\$	\$	\$	\$	\$	\$	\$
Other Income	\$	\$	\$	\$	\$	\$	\$	\$
Gross Income	\$	\$	\$	\$	\$	\$	\$	\$
Vacancy	\$	\$	\$	\$	\$	\$	\$	\$
Effective Gross Income	\$	\$	\$	\$	\$	\$	\$	\$
Operating Expense	\$	\$	\$	\$	\$	\$	\$	\$
Net Operating Income	\$	\$	\$	\$	\$	\$	\$	\$
Debt Service	\$	\$	\$	\$	\$	\$	\$	\$
Residual Cash	\$	\$	\$	\$	\$	\$	\$	\$
Replacement Reserve	\$	\$	\$	\$	\$	\$	\$	\$
Operating Reserve	\$	\$	\$	\$	\$	\$	\$	\$
Debt Service Coverage	\$	\$	\$	\$	\$	\$	\$	\$
Cumulative Residual	\$	\$	\$	\$	\$	\$	\$	\$



DESCRIPTION	YEAR 10	YEAR 9	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Rental Income	\$	\$	\$	\$	\$	\$	\$
Other Income	\$	\$	\$	\$	\$	\$	\$
Gross Income	\$	\$	\$	\$	\$	\$	\$
Vacancy	\$	\$	\$	\$	\$	\$	\$
Effective Gross Income	\$	\$	\$	\$	\$	\$	\$
Operating Expense	\$	\$	\$	\$	\$	\$	\$
Net Operating Income	\$	\$	\$	\$	\$	\$	\$
Debt Service	\$	\$	\$	\$	\$	\$	\$
Residual Cash	\$	\$	\$	\$	\$	\$	\$
Replacement Reserve	\$	\$	\$	\$	\$	\$	\$
Operating Reserve	\$	\$	\$	\$	\$	\$	\$
Debt Service Coverage	\$	\$	\$	\$	\$	\$	\$
Cumulative Residual	\$	\$	\$	\$	\$	\$	\$

YEARLY INCOME & EXPENSES

ASSUMED ANNUAL INCREASES

Rental Income: \$	Rental & Other Income: %	Mortgage Amount: \$
Other Income: \$	Operating Expenses: %	Mortgage Rate: %
Operating Expenses: \$	Vacancy Losses: %	Mortgage Term (Years):
Rental Income: \$		Number of Units:



Development Services Department

Housing Division | Development Processing

AFFORDABLE HOUSING APPLICATION | Part IV**Required Attachments**

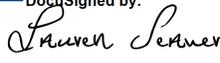
The following items must be attached to this request:

- Completed Disclosure Statement of Ownership Interests within the project (Appendix A).
- Street map that identifies the project and neighborhood boundaries.
- Site development plan for affordable housing units; and
- Complete description of financial assistance or incentives including specific terms that are, or will be requested from the City of Chula Vista for the project, if applicable.

Certification/Authorization

Lauren Seaver, an authorized representative of the developer, certifies that the information contained in this application is true and correct. Authorization is provided to the City of Chula Vista and its Housing Authority to verify information provided in this application, including but not limited to the developer's credit rating, status and payment history of real estate loans and performance on contracts with third parties. The City/Authority is further authorized to use photocopies of this authorization to obtain third party contractual and credit references and status of the developer's obligations. The confidentiality of the information you have furnished will be preserved except where disclosure of this information is required by applicable law.

Signature.:

DocuSigned by:

 112BFE93A85945F...

Date: 8/31/2021**Printed Name:** Opportunity Housing Group, Inc. by Lauren Seaver**Title:** President**Address:** 550 Hartz Ave. Suite 200 Danville, CA 94526**Telephone No.:**

310-699-8404

E-Mail: lseaver@blakegriggs.com**FOR DEPARTMENT USE ONLY**

Date Request Received:

Staff Recommendation:

Date of Housing Advisory Commission Review:

Action on Request by Housing Advisory Commission:

Other Comments:



Disclosure Statement

Pursuant to City Council Policy 101-01, prior to any action on a matter that requires discretionary action by the City Council, Planning Commission or other official legislative body of the City, a statement of disclosure of certain ownerships, financial interests, payments, and campaign contributions must be filed. The following information must be disclosed:

- List the names of all persons* having a financial interest in the project that is the subject of the application, project or contract (e.g., owner, applicant, contractor, subcontractor, material supplier).

**Opportunity Housing Group- Brad Griggs,
Brad Blake & Lauren Seaver**

CSCDA- N/A Governmental Entity

Seller- John Hancock Life Insurance Co.

- If any person* identified in section 1. is a corporation or partnership, list the names of all individuals with an investment of \$2000 or more in the entity.

**Opportunity Housing Group- Brad Griggs,
Brad Blake & Lauren Seaver**

- If any person* identified in section 1. is a non-profit organization or trust, list the names of any person who is the director of the non-profit organization or the names of the trustee, beneficiary and trustor of the trust.

- Please identify every person,* including any agents, employees, consultants, or independent contractors, whom you have authorized to represent you before the City in this matter.

**Opportunity Housing Group- Brad Griggs,
Brad Blake & Lauren Seaver**

CSCDA- Jon Penkower

**Ben Haddad & Craig Benedetto-
California Strategies**



D e v e l o p m e n t S e r v i c e s D e p a r t m e n t

Housing Division | Development Processing

AFFORDABLE HOUSING APPLICATION | Part V



Disclosure Statement — Page 27

5. Has any person* identified in 1., 2., 3., or 4., above, or otherwise associated with this contract, project or application, had any financial dealings with an official** of the City of Chula Vista as it relates to this contract, project or application within the past 12 months?

Yes No

If yes, briefly describe the nature of the financial interest the official** may have in this contract.

6. Has any person* anyone identified in 1., 2., 3., or 4., above, or otherwise associated with this contract, project or application, made a campaign contribution of more than \$250 within the past twelve (12) months to an official of the City of Chula Vista?

Yes No

If Yes, briefly describe the nature of the financial interest the official** may have in this contract.

7. Has any person* identified in 1., 2., 3., or 4., above, or otherwise associated with this contract, project or application, provided more than \$440 (or an item of equivalent value) to an official** of the City of Chula Vista in the past twelve (12) months? (This includes any payment that confers a personal benefit on the recipient, a rebate or discount in the price of anything of value, money to retire a legal debt, gift, loan, etc.)

Yes No

If Yes, which official** and what was the nature of item provided?

8. Has any person* identified in 1., 2., 3., or 4., above, or otherwise associated with this contract, project or application, been a source of income of \$500 or more to an official** of the City of Chula Vista in the past twelve (12) months?

Yes No

If yes, which official** and the nature of the item provided?



Disclosure Statement — Page 28

September 1, 2021

Date

DocuSigned by:
Lauren Seaver
112BFF93A85945E

Signature of Contractor/Applicant

Lauren Seaver – Opportunity Housing Group

September 1, 2021

Date

DocuSigned by:
Jon Penkower
21A4582895A74EE...

Signature of Contractor/Applicant

Jon Penkower- CSCDA

- * Person is identified as: any individual, firm, co-partnership, joint venture, association, social club, fraternal organization, corporation, estate, trust, receiver, syndicate, any other county, city, municipality, district, or other political subdivision, or any other group or combination acting as a unit.
- ** Official includes, but is not limited to: Mayor, Council member, Planning Commissioner, Member of a board, commission, or committee of the City, and City employees or staff members.
- *** This Disclosure Statement must be completed at the time the project application, or contract, is submitted to City staff for processing, and updated within one week prior to consideration by the legislative body.

ATTACHMENT D

Opportunity Housing Group, LLC

Asset Underwriting

**Casalago Eastlake
2816 Cielo Circulo, Chula Vista, CA**



OPPORTUNITY
HOUSING GROUP



August 31, 2021

All Information contained herein is based on best estimates and is not to be construed as a guaranty. Cashflow, taxable income, appreciation and all other investment factors may all vary significantly.

Opportunity Housing Group Acquisition Proforma



DEAL HIGHLIGHTS

Casalago Eastlake

Date Prepared

8/31/2021

PROJECT SUMMARY

Project Name	Casalago Eastlake	Product Type	2-story garden/TH
Address	2816 Cielo Circulo	Total Units	427
City	Chula Vista		
State	CA		
County	San Diego		

RENTS

Unit Type	Total Units	%	Avg SF	CURRENT MARKET Rent/Unit	CSCDA Rents Post-Closing			AFTER ACQUISITION RESTRICTED RENT
					LOW <80% AMI 143 units Income <\$77,568	MIDDLE <100% AMI 142 units Income <\$96,960	MODERATE <120% AMI 142 units Income <\$116,352	
Studio	0	0.0%	0	\$0	N/A	N/A	N/A	\$0
1-Bed	79	18.5%	808	\$2,535	\$2,093	\$2,108	\$2,118	\$2,106
2-Bed	183	42.9%	1161	\$3,126	\$2,543	\$2,729	\$2,726	\$2,666
3-Bed	165	38.6%	1311	\$3,427	\$2,823	\$2,976	\$2,999	\$2,992
4-Bed	0	0.0%	0		N/A	N/A	N/A	\$0
TOTAL	427	100.0%	1154	\$3,133	\$2,571	\$2,703	\$2,722	\$2,665
Initial Resident Rent Savings/Mo. Vs. In Place					-\$562	-\$430	-\$411	-\$468
% Savings					-17.9%	-13.7%	-13.1%	-14.9%
Initial Resident Rent Savings/Year					-\$964,431	-\$731,879	-\$700,054	-\$2,396,364

OPERATING EXPENSES

	Per Unit	Total
Payroll	(\$1,655)	(\$706,775)
Administrative	(\$356)	(\$151,872)
Advertising & Promotion	(\$194)	(\$82,780)
Repairs & Maintenance	(\$407)	(\$173,760)
Contract Services	(\$1,015)	(\$433,467)
Utilities	(\$895)	(\$382,353)
Turnover	(\$306)	(\$130,800)
SUBTOTAL CONTROLLABLE	(\$4,829)	(\$2,061,807)
Insurance	(\$1,059)	(\$452,048)
Property Management	(\$541)	(\$231,026)
Bond Admin Expenses (Trustee Fee, Audit & Admin Expenses)	(\$105)	\$45,000
Capital Reserve Deposit	(\$800)	(\$341,600)
Direct Assessments & Charges on Tax Bill	(\$93)	(\$39,683)
SUBTOTAL NON-CONTROLLABLE	(\$2,598)	(\$1,019,357)
TOTAL	23.34%	(\$7,427)

BONDS

Series A Face Value	\$294,100,000	Capital Reserve	\$ 2,400,000
Coupon	3.50%	Debt Service Reserves	\$14,925,575
Yield to Call	2.875%	Extraordinary Reserves	\$500,000
Reserve Used	0.00%	Other Operating Reserves	\$3,254,067
Reserve Used	0.00%	Total Reserves	\$21,079,642
Series B Face Value	\$6,500,000		

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Casalago Eastlake**Disposition Analysis for Sale- Year 30**

NOI- Year 30 Trailing 12 Mo.		\$25,289,260	Assumes 3% restricted rent growth & new regulatory agreement at sale for permanent middle-income affordability.
Adjust NOI for Buyer Prop 13 Taxes		(\$5,572,000)	
Adjusted Buyer NOI		\$19,717,260	
	Cap Rate		
Gross Sale Price	4.00%	\$492,931,504	
Less: Sales Cost	1.00%	(\$4,929,315)	
Less: Pay down of remaining bond balance		(\$55,691,463)	
Net Sale Proceeds to City		\$432,310,726	

Opportunity Housing Group Acquisition Proforma



Annual Operating Cash Flow

Casalago Eastlake

Proforma Date 8/31/2021

Calendar Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Operating Months	3	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
INCOME																
Gross Potential Residential Rent	\$3,479,992	\$13,990,754	\$14,265,991	\$14,640,592	\$15,072,370	\$15,524,541	\$15,990,277	\$16,469,985	\$16,964,085	\$17,473,007	\$17,997,198	\$18,537,114	\$19,093,227	\$19,666,024	\$20,256,004	\$20,863,685
Physical Vacancy- Residential	(\$174,000)	(\$699,538)	(\$713,300)	(\$732,030)	(\$753,618)	(\$776,227)	(\$799,514)	(\$823,499)	(\$848,204)	(\$873,650)	(\$899,860)	(\$926,856)	(\$954,661)	(\$983,301)	(\$1,012,800)	(\$1,043,184)
Concessions	(\$17,400)	(\$69,954)	(\$71,330)	(\$73,203)	(\$75,362)	(\$77,623)	(\$79,951)	(\$82,350)	(\$84,820)	(\$87,365)	(\$89,986)	(\$92,686)	(\$95,466)	(\$98,330)	(\$101,280)	(\$104,318)
Rent Loss/Bad Debt	(\$104,400)	(\$366,926)	(\$178,017)	(\$73,203)	(\$75,362)	(\$77,623)	(\$79,951)	(\$82,350)	(\$84,820)	(\$87,365)	(\$89,986)	(\$92,686)	(\$95,466)	(\$98,330)	(\$101,280)	(\$104,318)
Net Rental Income	\$3,184,193	\$12,854,337	\$13,303,344	\$13,762,156	\$14,168,027	\$14,593,068	\$15,030,860	\$15,481,786	\$15,946,240	\$16,424,627	\$16,917,366	\$17,424,887	\$17,947,633	\$18,486,062	\$19,040,644	\$19,611,864
Other Income	\$177,171	\$721,924	\$743,582	\$765,889	\$788,866	\$812,532	\$836,908	\$862,015	\$887,875	\$914,512	\$941,947	\$970,205	\$999,312	\$1,029,291	\$1,060,170	\$1,091,975
EFFECTIVE GROSS INCOME	\$3,361,364	\$13,576,262	\$14,046,927	\$14,528,047	\$14,956,895	\$15,405,601	\$15,867,770	\$16,343,803	\$16,834,117	\$17,339,140	\$17,859,314	\$18,395,094	\$18,946,947	\$19,515,355	\$20,100,816	\$20,703,840
EXPENSES																
Payroll	(\$177,567)	(\$723,535)	(\$745,241)	(\$767,599)	(\$790,626)	(\$814,345)	(\$838,776)	(\$863,939)	(\$889,857)	(\$916,553)	(\$944,049)	(\$972,371)	(\$1,001,542)	(\$1,031,588)	(\$1,062,536)	(\$1,094,412)
Administrative	(\$38,156)	(\$155,473)	(\$160,138)	(\$164,942)	(\$169,890)	(\$174,987)	(\$180,236)	(\$185,643)	(\$191,213)	(\$196,949)	(\$202,858)	(\$208,943)	(\$215,212)	(\$221,668)	(\$228,318)	(\$235,168)
Advertising & Promotion	(\$20,797)	(\$84,743)	(\$87,285)	(\$89,904)	(\$92,601)	(\$95,379)	(\$98,240)	(\$101,188)	(\$104,223)	(\$107,350)	(\$110,570)	(\$113,888)	(\$117,304)	(\$120,823)	(\$124,448)	(\$128,181)
Repairs & Maintenance	(\$43,655)	(\$177,880)	(\$183,217)	(\$188,713)	(\$194,375)	(\$200,206)	(\$206,212)	(\$212,399)	(\$218,771)	(\$225,334)	(\$232,094)	(\$239,057)	(\$246,228)	(\$253,615)	(\$261,223)	(\$269,060)
Contract Services	(\$108,902)	(\$443,746)	(\$457,058)	(\$470,770)	(\$484,893)	(\$499,440)	(\$514,423)	(\$529,856)	(\$545,752)	(\$562,124)	(\$578,988)	(\$596,358)	(\$614,248)	(\$632,676)	(\$651,656)	(\$671,206)
Utilities	(\$96,061)	(\$391,420)	(\$403,163)	(\$415,257)	(\$427,715)	(\$440,547)	(\$453,763)	(\$467,376)	(\$481,397)	(\$495,839)	(\$510,714)	(\$526,036)	(\$541,817)	(\$558,071)	(\$574,813)	(\$592,058)
Turnover	(\$32,862)	(\$133,902)	(\$137,919)	(\$142,056)	(\$146,318)	(\$150,708)	(\$155,229)	(\$159,886)	(\$164,682)	(\$169,623)	(\$174,711)	(\$179,953)	(\$185,351)	(\$190,912)	(\$196,639)	(\$202,538)
Insurance	(\$113,570)	(\$462,768)	(\$476,651)	(\$490,950)	(\$505,679)	(\$520,849)	(\$536,474)	(\$552,569)	(\$569,146)	(\$586,220)	(\$603,807)	(\$621,921)	(\$640,578)	(\$659,796)	(\$679,590)	(\$699,977)
Property Management	(\$58,824)	(\$237,585)	(\$245,821)	(\$254,241)	(\$262,746)	(\$269,598)	(\$277,686)	(\$286,017)	(\$294,597)	(\$303,435)	(\$312,538)	(\$321,914)	(\$331,572)	(\$341,519)	(\$351,764)	(\$362,317)
Bond Admin Expenses (Trustee Fee, Audit & Admin Expenses)	(\$11,250)	(\$45,900)	(\$46,818)	(\$47,754)	(\$48,709)	(\$49,684)	(\$50,677)	(\$51,691)	(\$52,725)	(\$53,779)	(\$54,855)	(\$55,952)	(\$57,071)	(\$58,212)	(\$59,377)	(\$60,564)
Capital Reserve Deposit	(\$85,400)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)
Direct Assessments & Charges on Tax Bill	(\$9,954)	(\$40,311)	(\$41,117)	(\$41,939)	(\$42,778)	(\$43,634)	(\$44,506)	(\$45,396)	(\$46,304)	(\$47,230)	(\$48,175)	(\$49,138)	(\$50,121)	(\$51,124)	(\$52,146)	(\$53,189)
TOTAL EXPENSES	(\$796,996)	(\$3,238,863)	(\$3,326,028)	(\$3,415,726)	(\$3,506,931)	(\$3,600,976)	(\$3,697,824)	(\$3,797,559)	(\$3,900,266)	(\$4,006,036)	(\$4,114,959)	(\$4,227,130)	(\$4,342,645)	(\$4,461,604)	(\$4,584,111)	(\$4,710,271)
Expense Ratio	24%	24%	24%	24%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%
Expenses Per Unit	(\$7,466)	(\$7,585)	(\$7,789)	(\$7,999)	(\$8,213)	(\$8,433)	(\$8,660)	(\$8,894)	(\$9,134)	(\$9,382)	(\$9,637)	(\$9,900)	(\$10,170)	(\$10,449)	(\$10,736)	(\$11,031)
NET OPERATING INCOME	\$2,564,368	\$10,337,399	\$10,720,899	\$11,112,321	\$11,449,964	\$11,804,626	\$12,169,946	\$12,546,244	\$12,933,850	\$13,333,104	\$13,744,355	\$14,167,964	\$14,604,302	\$15,053,751	\$15,516,705	\$15,993,569
Yield Before Debt & Reserves	3.31%	3.34%	3.46%	3.59%	3.70%	3.81%	3.93%	4.05%	4.17%	4.30%	4.44%	4.57%	4.71%	4.86%	5.01%	5.16%
Investment Income	\$48,519	\$194,077	\$194,077	\$194,077	\$194,077	\$194,077	\$194,077	\$160,108	\$143,124	\$143,124	\$143,124	\$143,124	\$143,124	\$143,124	\$143,124	\$143,124
Series A Bond Interest																
Series A Bond Interest	(\$2,573,375)	(\$10,293,500)	(\$10,293,500)	(\$10,293,500)	(\$10,291,034)	(\$10,277,872)	(\$10,247,033)	(\$10,045,630)	(\$9,931,148)	(\$9,854,589)	(\$9,761,206)	(\$9,649,976)	(\$9,519,830)	(\$9,369,644)	(\$9,198,242)	(\$9,004,393)
Capitalized Interest (\$2573375)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,573,375	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Coverage Reserve (\$2058700)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,058,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Series A Bond DSCR (incl. Investment Income)	Month 1	1.02	1.02	1.06	1.10	1.13	1.17	1.21	1.26	1.32	1.37	1.42	1.48	1.55	1.62	1.70
Payment of Subordinated Fees																
Asset Management Fee (Project Administrator- OHG)	(\$53,375)	(\$219,905)	(\$226,502)	(\$233,297)	(\$240,296)	(\$247,505)	(\$254,930)	(\$262,578)	(\$270,455)	(\$278,569)	(\$286,926)	(\$295,534)	(\$304,400)	(\$313,532)	(\$322,938)	(\$332,626)
Agency Fee (JPA)	(\$62,500)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)
Administration & Authority Reserve Fund	\$76,363	\$231,929	\$0	\$0	\$0	\$0	\$1,605,010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Series B Bond Interest																
Series B Bond Interest	\$0	\$0	(\$144,973)	(\$527,077)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)
Series A & B Bond DSCR (incl. Investment Income)	Month 38	0.91	0.92	0.95	0.99	1.02	1.05	1.09	1.14	1.19	1.23	1.28	1.34	1.40	1.46	1.53
Cash Flow After Bond Interest Payments																
Operating Reserve	\$0	\$0	\$0	\$2,523	\$212,710	\$573,326	\$2,567,069	\$6,130,219	\$1,975,371	\$2,443,070	\$2,939,347	\$3,465,578	\$4,023,196	\$4,613,699	\$5,238,649	\$5,899,674
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EXCESS NOI	\$0	\$0	\$0	\$2,523	\$212,710	\$573,326	\$2,567,069	\$6,130,219	\$1,975,371	\$2,443,070	\$2,939,347	\$3,465,578	\$4,023,196	\$4,613,699	\$5,238,649	\$5,899,674
Series A Bond Principal Repayment																
Beginning Balance	\$294,100,000															
Principal Payments- From Operating CF	\$0	\$0	\$0	(\$2,523)	(\$212,710)	(\$573,326)	(\$2,567,069)	(\$6,130,219)	(\$1,975,371)	(\$2,443,070)	(\$2,939,347)	(\$3,465,578)	(\$4,023,196)	(\$4,613,699)	(\$5,238,649)	(\$5,899,674)
Principal Payments- From Release of Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Payments- At Disposition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Outstanding	\$294,100,000	\$294,100,000	\$294,100,000	\$294,097,477	\$293,884,766	\$293,311,440	\$290,744,372	\$284,614,153	\$282,638,782	\$280,195,712	\$277,256,365	\$273,790,787	\$269,767,591	\$265,153,892	\$259,915,244	\$254,015,570
Series B Bond Principal & Deferred Interest Repayment																
Beginning Balance	\$6,500,000															
Plus: Deferred Interest	\$162,500	\$650,000	\$505,027	\$122,923	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal & Deferred Interest Payment- From Operating CF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal & Deferred Interest Payment- At Disposition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Outstanding	\$6,662,500	\$7,312,500	\$7,817,527	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449
Excess Cash Flow & Residual Value (to City)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Opportunity Housing Group Acquisition Proforma

Casalago Eastlake

Calendar Year	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Year #	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Operating Months	12	12	12	12	12	12	12	12	12	12	12	12	12	12	9

INCOME															
Gross Potential Residential Rent	\$21,489,595	\$22,134,283	\$22,798,311	\$23,482,261	\$24,186,729	\$24,912,331	\$25,659,700	\$26,429,491	\$27,222,376	\$28,039,047	\$28,880,219	\$29,746,625	\$30,639,024	\$31,558,195	\$24,288,409
Physical Vacancy- Residential	(\$1,074,480)	(\$1,106,714)	(\$1,139,916)	(\$1,174,113)	(\$1,209,336)	(\$1,245,617)	(\$1,282,985)	(\$1,321,475)	(\$1,361,119)	(\$1,401,952)	(\$1,444,011)	(\$1,487,331)	(\$1,531,951)	(\$1,577,910)	(\$1,214,420)
Concessions	(\$107,448)	(\$110,671)	(\$113,992)	(\$117,411)	(\$120,934)	(\$124,562)	(\$128,299)	(\$132,147)	(\$136,112)	(\$140,195)	(\$144,401)	(\$148,733)	(\$153,195)	(\$157,791)	(\$121,442)
Rent Loss/Bad Debt	(\$107,448)	(\$110,671)	(\$113,992)	(\$117,411)	(\$120,934)	(\$124,562)	(\$128,299)	(\$132,147)	(\$136,112)	(\$140,195)	(\$144,401)	(\$148,733)	(\$153,195)	(\$157,791)	(\$121,442)
Net Rental Income	\$20,200,219	\$20,806,226	\$21,430,413	\$22,073,325	\$22,735,525	\$23,417,591	\$24,120,118	\$24,843,722	\$25,589,034	\$26,356,705	\$27,147,406	\$27,961,828	\$28,800,683	\$29,664,703	\$22,831,105
Other Income	\$1,124,734	\$1,158,476	\$1,193,230	\$1,229,027	\$1,265,898	\$1,303,875	\$1,342,991	\$1,383,281	\$1,424,779	\$1,467,523	\$1,511,548	\$1,556,895	\$1,603,602	\$1,651,710	\$1,271,220
EFFECTIVE GROSS INCOME	\$21,324,955	\$21,964,704	\$22,623,645	\$23,302,354	\$24,001,425	\$24,721,468	\$25,463,112	\$26,227,005	\$27,013,815	\$27,824,229	\$28,658,956	\$29,518,725	\$30,404,287	\$31,316,415	\$24,102,326

EXPENSES															
Payroll	(\$1,127,244)	(\$1,161,062)	(\$1,195,893)	(\$1,231,770)	(\$1,268,723)	(\$1,306,785)	(\$1,345,989)	(\$1,386,368)	(\$1,427,959)	(\$1,470,798)	(\$1,514,922)	(\$1,560,370)	(\$1,607,181)	(\$1,655,396)	(\$1,274,057)
Administrative	(\$242,223)	(\$249,489)	(\$256,974)	(\$264,683)	(\$272,624)	(\$280,802)	(\$289,226)	(\$297,903)	(\$306,840)	(\$316,045)	(\$325,527)	(\$335,293)	(\$345,351)	(\$355,712)	(\$273,770)
Advertising & Promotion	(\$132,027)	(\$135,988)	(\$140,067)	(\$144,269)	(\$148,597)	(\$153,055)	(\$157,647)	(\$162,376)	(\$167,248)	(\$172,265)	(\$177,433)	(\$182,756)	(\$188,239)	(\$193,886)	(\$149,222)
Repairs & Maintenance	(\$277,132)	(\$285,446)	(\$294,009)	(\$302,830)	(\$311,915)	(\$321,272)	(\$330,910)	(\$340,837)	(\$351,063)	(\$361,594)	(\$372,442)	(\$383,616)	(\$395,124)	(\$406,978)	(\$313,226)
Contract Services	(\$691,342)	(\$712,082)	(\$733,445)	(\$755,448)	(\$778,111)	(\$801,455)	(\$825,498)	(\$850,263)	(\$875,771)	(\$902,044)	(\$929,106)	(\$956,979)	(\$985,688)	(\$1,015,259)	(\$781,383)
Utilities	(\$609,820)	(\$628,114)	(\$646,958)	(\$666,366)	(\$686,357)	(\$706,948)	(\$728,156)	(\$750,001)	(\$772,501)	(\$795,676)	(\$819,547)	(\$844,133)	(\$869,457)	(\$895,541)	(\$689,243)
Turnover	(\$208,615)	(\$214,873)	(\$221,319)	(\$227,959)	(\$234,798)	(\$241,841)	(\$249,097)	(\$256,570)	(\$264,267)	(\$272,195)	(\$280,361)	(\$288,771)	(\$297,434)	(\$306,358)	(\$235,785)
Insurance	(\$720,977)	(\$742,606)	(\$764,884)	(\$787,831)	(\$811,466)	(\$835,810)	(\$860,884)	(\$886,710)	(\$913,312)	(\$940,711)	(\$968,932)	(\$998,000)	(\$1,027,940)	(\$1,058,779)	(\$814,877)
Property Management	(\$373,187)	(\$384,382)	(\$395,914)	(\$407,791)	(\$420,025)	(\$432,626)	(\$445,604)	(\$458,973)	(\$472,742)	(\$486,924)	(\$501,532)	(\$516,578)	(\$532,075)	(\$548,037)	(\$421,791)
Bond Admin Expenses (Trustee Fee, Audit & Admin Expenses)	(\$61,775)	(\$63,011)	(\$64,271)	(\$65,557)	(\$66,868)	(\$68,205)	(\$69,569)	(\$70,960)	(\$72,380)	(\$73,827)	(\$75,304)	(\$76,810)	(\$78,346)	(\$79,913)	(\$61,133)
Capital Reserve Deposit	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$256,200)
Direct Assessments & Charges on Tax Bill	(\$54,253)	(\$55,338)	(\$56,445)	(\$57,574)	(\$58,725)	(\$59,900)	(\$61,098)	(\$62,319)	(\$63,566)	(\$64,837)	(\$66,134)	(\$67,457)	(\$68,806)	(\$70,182)	(\$53,556)
TOTAL EXPENSES	(\$4,840,194)	(\$4,973,991)	(\$5,111,779)	(\$5,253,678)	(\$5,399,809)	(\$5,550,299)	(\$5,705,279)	(\$5,864,882)	(\$6,029,248)	(\$6,198,518)	(\$6,372,839)	(\$6,552,362)	(\$6,737,242)	(\$6,927,640)	(\$5,324,242)
Expense Ratio	23%	23%	23%	23%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%
Expenses Per Unit	(\$11,335)	(\$11,649)	(\$11,971)	(\$12,304)	(\$12,646)	(\$12,998)	(\$13,361)	(\$13,735)	(\$14,120)	(\$14,516)	(\$14,925)	(\$15,345)	(\$15,778)	(\$16,224)	(\$16,625)

NET OPERATING INCOME	\$16,484,762	\$16,990,713	\$17,511,866	\$18,048,677	\$18,601,616	\$19,171,169	\$19,757,833	\$20,362,122	\$20,984,567	\$21,625,711	\$22,286,117	\$22,966,363	\$23,667,045	\$24,388,776	\$18,778,084
Yield Before Debt & Reserves	5.32%	5.48%	5.65%	5.83%	6.00%	6.19%	6.38%	6.57%	6.77%	6.98%	7.19%	7.41%	7.64%	7.87%	8.08%
Investment Income	\$143,124	\$143,124	\$143,124	\$143,124	\$143,124	\$143,124	\$143,124	\$143,124	\$143,124	\$143,124	\$143,124	\$143,124	\$143,124	\$143,124	\$107,343

Series A Bond Interest															
Series A Bond Interest	(\$8,786,808)	(\$8,544,135)	(\$8,274,962)	(\$7,977,808)	(\$7,651,126)	(\$7,293,296)	(\$6,902,624)	(\$6,477,335)	(\$6,015,578)	(\$5,515,414)	(\$4,974,816)	(\$4,391,666)	(\$3,763,749)	(\$3,088,752)	(\$1,843,917)
Capitalized Interest (\$2573375)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Coverage Reserve (\$2058700)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Series A Bond DSCR (incl. Investment Income)	Month 1	1.89	2.01	2.13	2.28	2.45	2.65	2.88	3.17	3.51	3.95	4.51	5.26	6.33	7.94

Payment of Subordinated Fees															
Asset Management Fee (Project Administrator- OHG)	(\$342,605)	(\$352,883)	(\$363,469)	(\$374,374)	(\$385,605)	(\$397,173)	(\$409,088)	(\$421,361)	(\$434,002)	(\$447,022)	(\$460,432)	(\$474,245)	(\$488,473)	(\$503,127)	(\$388,665)
Agency Fee (JPA)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$187,500)
Administration & Authority Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Series B Bond Interest															
Series B Bond Interest	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$487,500)
Series A & B Bond DSCR (incl. Investment Income)	Month 38	1.70	1.80	1.91	2.04	2.18	2.35	2.55	2.78	3.07	3.42	3.86	4.44	5.23	7.85

Cash Flow After Bond Interest Payments	\$6,598,473	\$7,336,819	\$8,116,559	\$8,939,619	\$9,808,009	\$10,723,823	\$11,689,245	\$12,706,550	\$13,778,111	\$14,906,399	\$16,093,993	\$17,343,576	\$18,657,947	\$20,040,021	\$15,977,845
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

EXCESS NOI	\$6,598,473	\$7,336,819	\$8,116,559	\$8,939,619	\$9,808,009	\$10,723,823	\$11,689,245	\$12,706,550	\$13,778,111	\$14,906,399	\$16,093,993	\$17,343,576	\$18,657,947	\$20,040,021	\$15,977,845
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Series A Bond Principal Repayment															
Beginning Balance															
Principal Payments- From Operating CF	(\$6,598,473)	(\$7,336,819)	(\$8,116,559)	(\$8,939,619)	(\$9,808,009)	(\$10,723,823)	(\$11,689,245)	(\$12,706,550)	(\$13,778,111)	(\$14,906,399)	(\$16,093,993)	(\$17,343,576)	(\$18,657,947)	(\$20,040,021)	(\$14,160,752)
Principal Payments- From Release of Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Payments- At Disposition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$63,115,674)
Balance Outstanding	\$247,417,097	\$240,080,278	\$231,963,720	\$223,024,101	\$213,216,092	\$202,492,268	\$190,803,023	\$178,096,473	\$164,318,362	\$149,411,963	\$133,317,970	\$115,974,394	\$97,316,447	\$77,276,426	\$0

Series B Bond Principal & Deferred Interest Repayment															
Beginning Balance															
Plus: Deferred Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal & Deferred Interest Payment- From Operating CF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal & Deferred Interest Payment- At Disposition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,940,449)
Balance Outstanding	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$7,940,449	\$0

Excess Cash Flow & Residual Value (to City)	\$0	\$432,310,726													
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Opportunity Housing Group, LLC

Asset Underwriting

**Casalago Eastlake
2816 Cielo Circulo, Chula Vista, CA**



OPPORTUNITY
HOUSING GROUP



September 27, 2021

All Information contained herein is based on best estimates and is not to be construed as a guaranty. Cashflow, taxable income, appreciation and all other investment factors may all vary significantly.

Opportunity Housing Group Acquisition Proforma



DEAL HIGHLIGHTS

Casalago Eastlake

Date Prepared

9/27/2021

PROJECT SUMMARY

Project Name	Casalago Eastlake	Product Type	2-story garden/TH
Address	2816 Cielo Circulo	Total Units	427
City	Chula Vista		
State	CA		
County	San Diego		

RENTS

Unit Type	Total Units	%	Avg SF	CURRENT MARKET Rent/Unit	CSCDA Rents Post-Closing			AFTER ACQUISITION RESTRICTED RENT
					LOW <80% AMI 143 units Income <\$77,568	MIDDLE <100% AMI 142 units Income <\$96,960	MODERATE <120% AMI 142 units Income <\$116,352	
Studio	0	0.0%	0	\$0	N/A	N/A	N/A	\$0
1-Bed	79	18.5%	808	\$2,535	\$2,093	\$2,108	\$2,118	\$2,106
2-Bed	183	42.9%	1161	\$3,126	\$2,543	\$2,729	\$2,726	\$2,666
3-Bed	165	38.6%	1311	\$3,427	\$2,823	\$2,976	\$2,999	\$2,992
4-Bed	0	0.0%	0		N/A	N/A	N/A	\$0
TOTAL	427	100.0%	1154	\$3,133	\$2,571	\$2,703	\$2,722	\$2,665
Initial Resident Rent Savings/Mo. Vs. In Place					-\$562	-\$430	-\$411	-\$468
% Savings					-17.9%	-13.7%	-13.1%	-14.9%
Initial Resident Rent Savings/Year					-\$964,431	-\$731,879	-\$700,054	-\$2,396,364

OPERATING EXPENSES

	Per Unit	Total
Payroll	(\$1,655)	(\$706,775)
Administrative	(\$356)	(\$151,872)
Advertising & Promotion	(\$194)	(\$82,780)
Repairs & Maintenance	(\$407)	(\$173,760)
Contract Services	(\$1,015)	(\$433,467)
Utilities	(\$895)	(\$382,353)
Turnover	(\$306)	(\$130,800)
SUBTOTAL CONTROLLABLE	(\$4,829)	(\$2,061,807)
Insurance	(\$1,059)	(\$452,048)
Property Management	(\$541)	(\$231,026)
Host City Charge	(\$468)	(\$200,000)
Bond Admin Expenses (Trustee Fee, Audit & Admin Expenses)	(\$105)	\$45,000
Capital Reserve Deposit	(\$800)	(\$341,600)
Direct Assessments & Charges on Tax Bill	(\$93)	(\$39,683)
SUBTOTAL NON-CONTROLLABLE	(\$3,066)	(\$1,219,357)
TOTAL	24.85%	(\$7,895)

BONDS

Series A Face Value	\$294,100,000	Capital Reserve	\$ 2,400,000
Coupon	3.50%	Debt Service Reserves	\$14,925,575
Yield to Call	2.875%	Extraordinary Reserves	\$500,000
Cap-I Reserve Used	0.21%	Other Operating Reserves	\$3,803,060
Coverage Reserve Used	0.00%	Total Reserves	\$21,628,635
Series B Face Value	\$6,500,000		

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Casalago Eastlake



Disposition Analysis for Sale- Year 30

Assumes 3% restricted rent growth & new regulatory agreement at sale for permanent middle-income affordability.

NOI- Year 30 Trailing 12 Mo.	\$24,926,988
Adjust NOI for Buyer Prop 13 Taxes	(\$5,480,000)

Adjusted Buyer NOI **\$19,446,988**

	Cap Rate	
Gross Sale Price	4.00%	\$486,174,697
Less: Sales Cost	1.00%	(\$4,861,747)
Less: Pay down of remaining bond balance		(\$67,144,278)

Net Sale Proceeds to City **\$414,168,671**

Opportunity Housing Group Acquisition Proforma



Annual Operating Cash Flow

Casalago Eastlake

Proforma Date 9/27/2021

Calendar Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Operating Months	2	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
INCOME																
Gross Potential Residential Rent	\$2,320,219	\$13,975,251	\$14,239,434	\$14,606,389	\$15,035,289	\$15,486,347	\$15,950,938	\$16,429,466	\$16,922,350	\$17,430,020	\$17,952,921	\$18,491,508	\$19,046,254	\$19,617,641	\$20,206,171	\$20,812,356
Physical Vacancy- Residential	(\$116,011)	(\$698,763)	(\$711,972)	(\$730,319)	(\$751,764)	(\$774,317)	(\$797,547)	(\$821,473)	(\$846,117)	(\$871,501)	(\$897,646)	(\$924,575)	(\$952,313)	(\$980,882)	(\$1,010,309)	(\$1,040,618)
Concessions	(\$11,601)	(\$69,876)	(\$71,197)	(\$73,032)	(\$75,176)	(\$77,432)	(\$79,755)	(\$82,147)	(\$84,612)	(\$87,150)	(\$89,765)	(\$92,458)	(\$95,231)	(\$98,088)	(\$101,031)	(\$104,062)
Rent Loss/Bad Debt	(\$69,607)	(\$384,090)	(\$189,637)	(\$73,032)	(\$75,176)	(\$77,432)	(\$79,755)	(\$82,147)	(\$84,612)	(\$87,150)	(\$89,765)	(\$92,458)	(\$95,231)	(\$98,088)	(\$101,031)	(\$104,062)
Net Rental Income	\$2,123,000	\$12,822,522	\$13,266,627	\$13,730,006	\$14,133,171	\$14,557,166	\$14,993,881	\$15,443,698	\$15,907,009	\$16,384,219	\$16,875,746	\$17,382,018	\$17,903,479	\$18,440,583	\$18,993,800	\$19,563,614
Other Income	\$117,969	\$720,148	\$741,752	\$764,005	\$786,925	\$810,533	\$834,849	\$859,894	\$885,691	\$912,262	\$939,630	\$967,818	\$996,853	\$1,026,759	\$1,057,561	\$1,089,288
EFFECTIVE GROSS INCOME	\$2,240,969	\$13,542,672	\$14,008,381	\$14,494,012	\$14,920,098	\$15,367,701	\$15,828,732	\$16,303,594	\$16,792,701	\$17,296,482	\$17,815,377	\$18,349,838	\$18,900,333	\$19,467,343	\$20,051,363	\$20,652,904
EXPENSES																
Payroll	(\$118,232)	(\$721,755)	(\$743,408)	(\$765,710)	(\$788,681)	(\$812,342)	(\$836,712)	(\$861,813)	(\$887,668)	(\$914,298)	(\$941,727)	(\$969,979)	(\$999,078)	(\$1,029,050)	(\$1,059,922)	(\$1,091,719)
Administrative	(\$25,406)	(\$155,091)	(\$159,744)	(\$164,536)	(\$169,472)	(\$174,556)	(\$179,793)	(\$185,187)	(\$190,742)	(\$196,465)	(\$202,359)	(\$208,429)	(\$214,682)	(\$221,123)	(\$227,756)	(\$234,589)
Advertising & Promotion	(\$13,848)	(\$84,535)	(\$87,071)	(\$89,683)	(\$92,373)	(\$95,144)	(\$97,999)	(\$100,939)	(\$103,967)	(\$107,086)	(\$110,298)	(\$113,607)	(\$117,016)	(\$120,526)	(\$124,142)	(\$127,866)
Repairs & Maintenance	(\$29,067)	(\$177,443)	(\$182,766)	(\$188,249)	(\$193,897)	(\$199,714)	(\$205,705)	(\$211,876)	(\$218,232)	(\$224,779)	(\$231,523)	(\$238,468)	(\$245,622)	(\$252,991)	(\$260,581)	(\$268,398)
Contract Services	(\$72,512)	(\$442,654)	(\$455,934)	(\$469,612)	(\$483,700)	(\$498,211)	(\$513,158)	(\$528,552)	(\$544,409)	(\$560,741)	(\$577,564)	(\$594,890)	(\$612,737)	(\$631,119)	(\$650,053)	(\$669,554)
Utilities	(\$63,961)	(\$390,457)	(\$402,171)	(\$414,236)	(\$426,663)	(\$439,463)	(\$452,647)	(\$466,226)	(\$480,213)	(\$494,619)	(\$509,458)	(\$524,742)	(\$540,484)	(\$556,698)	(\$573,399)	(\$590,601)
Turnover	(\$21,881)	(\$133,572)	(\$137,579)	(\$141,707)	(\$145,958)	(\$150,337)	(\$154,847)	(\$159,492)	(\$164,277)	(\$169,205)	(\$174,282)	(\$179,510)	(\$184,895)	(\$190,442)	(\$196,155)	(\$202,040)
Insurance	(\$75,620)	(\$461,629)	(\$475,478)	(\$489,742)	(\$504,435)	(\$519,568)	(\$535,155)	(\$551,209)	(\$567,745)	(\$584,778)	(\$602,321)	(\$620,391)	(\$639,003)	(\$658,173)	(\$677,918)	(\$698,255)
Property Management	(\$39,217)	(\$236,997)	(\$245,147)	(\$253,645)	(\$261,102)	(\$268,935)	(\$277,003)	(\$285,313)	(\$293,872)	(\$302,688)	(\$311,769)	(\$321,122)	(\$330,756)	(\$340,679)	(\$350,899)	(\$361,426)
Host City Charge	(\$33,333)	(\$204,000)	(\$208,080)	(\$212,242)	(\$216,486)	(\$220,816)	(\$225,232)	(\$229,737)	(\$234,332)	(\$239,019)	(\$243,799)	(\$248,675)	(\$253,648)	(\$258,721)	(\$263,896)	(\$269,174)
Bond Admin Expenses (Trustee Fee, Audit & Admin Expenses)	(\$7,500)	(\$45,900)	(\$46,818)	(\$47,754)	(\$48,709)	(\$49,684)	(\$50,677)	(\$51,691)	(\$52,725)	(\$53,779)	(\$54,855)	(\$55,952)	(\$57,071)	(\$58,212)	(\$59,377)	(\$60,564)
Capital Reserve Deposit	(\$56,933)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)
Direct Assessments & Charges on Tax Bill	(\$6,630)	(\$40,244)	(\$41,049)	(\$41,870)	(\$42,707)	(\$43,562)	(\$44,433)	(\$45,322)	(\$46,228)	(\$47,152)	(\$48,096)	(\$49,057)	(\$50,039)	(\$51,039)	(\$52,060)	(\$53,101)
TOTAL EXPENSES	(\$564,141)	(\$3,435,877)	(\$3,526,844)	(\$3,620,586)	(\$3,715,784)	(\$3,813,931)	(\$3,914,960)	(\$4,018,957)	(\$4,126,011)	(\$4,236,210)	(\$4,349,649)	(\$4,466,423)	(\$4,586,631)	(\$4,710,374)	(\$4,837,758)	(\$4,968,889)
Expense Ratio	25%	25%	25%	25%	25%	25%	25%	25%	25%	24%	24%	24%	24%	24%	24%	24%
Expenses Per Unit	(\$7,927)	(\$8,047)	(\$8,260)	(\$8,479)	(\$8,702)	(\$8,932)	(\$9,169)	(\$9,412)	(\$9,663)	(\$9,921)	(\$10,187)	(\$10,460)	(\$10,742)	(\$11,031)	(\$11,330)	(\$11,637)
NET OPERATING INCOME	\$1,676,828	\$10,106,794	\$10,481,537	\$10,873,426	\$11,204,313	\$11,553,770	\$11,913,772	\$12,284,636	\$12,666,691	\$13,060,272	\$13,465,728	\$13,883,415	\$14,313,703	\$14,756,969	\$15,213,606	\$15,684,015
Yield Before Debt & Reserves	3.24%	3.26%	3.38%	3.50%	3.61%	3.72%	3.84%	3.96%	4.08%	4.21%	4.34%	4.47%	4.61%	4.75%	4.90%	5.05%
Investment Income	\$33,288	\$199,472	\$199,363	\$199,363	\$199,363	\$199,363	\$199,363	\$199,363	\$148,790	\$148,790	\$148,790	\$148,790	\$148,790	\$148,790	\$148,790	\$148,790
Series A Bond Interest																
Series A Bond Interest	(\$1,715,583)	(\$10,293,500)	(\$10,293,500)	(\$10,293,500)	(\$10,293,396)	(\$10,288,433)	(\$10,271,471)	(\$10,215,348)	(\$9,970,455)	(\$9,904,686)	(\$9,822,681)	(\$9,723,442)	(\$9,605,926)	(\$9,469,036)	(\$9,311,626)	(\$9,132,493)
Capitalized Interest (\$2573375)	\$5,467	\$29,032	\$0	\$0	\$0	\$0	\$0	\$2,538,876	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Coverage Reserve (\$2058700)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,058,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Series A Bond DSCR (incl. Investment Income)	1.00	1.00	1.04	1.08	1.11	1.14	1.18	1.22	1.29	1.33	1.39	1.44	1.51	1.57	1.65	1.73
Payment of Subordinated Fees																
Asset Management Fee (Project Administrator- OHG)	(\$35,583)	(\$219,905)	(\$226,502)	(\$233,297)	(\$240,296)	(\$247,505)	(\$254,930)	(\$262,578)	(\$270,455)	(\$278,569)	(\$286,926)	(\$295,534)	(\$304,400)	(\$313,532)	(\$322,938)	(\$332,626)
Agency Fee (IPA)	(\$41,667)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)
Administration & Authority Reserve Fund	\$77,250	\$428,107	\$110,120	\$0	\$0	\$0	\$0	\$1,762,064	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Series B Bond Interest																
Series B Bond Interest	\$0	\$0	(\$21,018)	(\$295,992)	(\$589,917)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)
Series A & B Bond DSCR (incl. Investment Income)	0.90	0.90	0.93	0.97	1.00	1.03	1.06	1.10	1.16	1.20	1.25	1.30	1.36	1.42	1.48	1.56
Cash Flow After Bond Interest Payments	(\$0)	\$0	(\$0)	(\$0)	\$30,067	\$317,195	\$686,733	\$7,465,713	\$1,674,570	\$2,125,807	\$2,604,911	\$3,113,229	\$3,652,167	\$4,223,191	\$4,827,832	\$5,467,686
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EXCESS NOI	(\$0)	\$0	(\$0)	(\$0)	\$30,067	\$317,195	\$686,733	\$7,465,713	\$1,674,570	\$2,125,807	\$2,604,911	\$3,113,229	\$3,652,167	\$4,223,191	\$4,827,832	\$5,467,686
Series A Bond Principal Repayment																
Beginning Balance	\$294,100,000															
Principal Payments- From Operating CF	\$0	\$0	\$0	\$0	(\$30,067)	(\$317,195)	(\$686,733)	(\$7,465,713)	(\$1,674,570)	(\$2,125,807)	(\$2,604,911)	(\$3,113,229)	(\$3,652,167)	(\$4,223,191)	(\$4,827,832)	(\$5,467,686)
Principal Payments- From Release of Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Payments- At Disposition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Outstanding	\$294,100,000	\$294,100,000	\$294,100,000	\$294,100,000	\$294,069,933	\$293,752,738	\$293,066,005	\$285,600,292	\$283,925,721	\$281,799,914	\$279,195,003	\$276,081,774	\$272,429,608	\$268,206,417	\$263,378,584	\$257,910,898
Series B Bond Principal & Deferred Interest Repayment																
Beginning Balance	\$6,500,000															
Plus: Deferred Interest	\$108,333	\$650,000	\$628,982	\$354,008	\$60,083	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal & Deferred Interest Payment- From Operating CF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal & Deferred Interest Payment- At Disposition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Outstanding	\$6,608,333	\$7,258,333	\$7,887,315	\$8,241,323	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406
Excess Cash Flow & Residual Value (to City)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Opportunity Housing Group Acquisition Proforma

Casalago Eastlake

Calendar Year	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Year #	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Operating Months	12	12	12	12	12	12	12	12	12	12	12	12	12	12	10
INCOME															
Gross Potential Residential Rent	\$21,436,726	\$22,079,828	\$22,742,223	\$23,424,490	\$24,127,224	\$24,851,041	\$25,596,572	\$26,364,470	\$27,155,404	\$27,970,066	\$28,809,168	\$29,673,443	\$30,563,646	\$31,480,555	\$26,954,034
Physical Vacancy- Residential	(\$1,071,836)	(\$1,103,991)	(\$1,137,111)	(\$1,171,224)	(\$1,206,361)	(\$1,242,552)	(\$1,279,829)	(\$1,318,223)	(\$1,357,770)	(\$1,398,503)	(\$1,440,458)	(\$1,483,672)	(\$1,528,182)	(\$1,574,028)	(\$1,347,702)
Concessions	(\$107,184)	(\$110,399)	(\$113,711)	(\$117,122)	(\$120,636)	(\$124,255)	(\$127,983)	(\$131,822)	(\$135,777)	(\$139,850)	(\$144,046)	(\$148,367)	(\$152,818)	(\$157,403)	(\$134,770)
Rent Loss/Bad Debt	(\$107,184)	(\$110,399)	(\$113,711)	(\$117,122)	(\$120,636)	(\$124,255)	(\$127,983)	(\$131,822)	(\$135,777)	(\$139,850)	(\$144,046)	(\$148,367)	(\$152,818)	(\$157,403)	(\$134,770)
Net Rental Income	\$20,150,523	\$20,755,038	\$21,377,690	\$22,019,020	\$22,679,591	\$23,359,979	\$24,060,778	\$24,782,601	\$25,526,079	\$26,291,862	\$27,080,618	\$27,893,036	\$28,729,827	\$29,591,722	\$25,336,792
Other Income	\$1,121,967	\$1,155,626	\$1,190,295	\$1,226,003	\$1,262,784	\$1,300,667	\$1,339,687	\$1,379,878	\$1,421,274	\$1,463,912	\$1,507,830	\$1,553,065	\$1,599,656	\$1,647,646	\$1,410,735
EFFECTIVE GROSS INCOME	\$21,272,491	\$21,910,666	\$22,567,986	\$23,245,026	\$23,942,376	\$24,660,648	\$25,400,467	\$26,162,481	\$26,947,356	\$27,755,776	\$28,588,449	\$29,446,103	\$30,329,486	\$31,239,371	\$26,747,528
EXPENSES															
Payroll	(\$1,124,471)	(\$1,158,205)	(\$1,192,951)	(\$1,228,740)	(\$1,265,602)	(\$1,303,570)	(\$1,342,677)	(\$1,382,958)	(\$1,424,446)	(\$1,467,180)	(\$1,511,195)	(\$1,556,531)	(\$1,603,227)	(\$1,651,324)	(\$1,413,883)
Administrative	(\$241,627)	(\$248,875)	(\$256,342)	(\$264,032)	(\$271,953)	(\$280,112)	(\$288,515)	(\$297,170)	(\$306,085)	(\$315,268)	(\$324,726)	(\$334,468)	(\$344,502)	(\$354,837)	(\$303,816)
Advertising & Promotion	(\$131,702)	(\$135,653)	(\$139,723)	(\$143,914)	(\$148,232)	(\$152,679)	(\$157,259)	(\$161,977)	(\$166,836)	(\$171,841)	(\$176,997)	(\$182,306)	(\$187,776)	(\$193,409)	(\$165,599)
Repairs & Maintenance	(\$276,450)	(\$284,744)	(\$293,286)	(\$302,085)	(\$311,147)	(\$320,482)	(\$330,096)	(\$339,999)	(\$350,199)	(\$360,705)	(\$371,526)	(\$382,672)	(\$394,152)	(\$405,976)	(\$347,602)
Contract Services	(\$689,641)	(\$710,330)	(\$731,640)	(\$753,589)	(\$776,197)	(\$799,483)	(\$823,468)	(\$848,172)	(\$873,617)	(\$899,825)	(\$926,820)	(\$954,625)	(\$983,263)	(\$1,012,761)	(\$867,138)
Utilities	(\$608,319)	(\$626,569)	(\$645,366)	(\$664,727)	(\$684,669)	(\$705,209)	(\$726,365)	(\$748,156)	(\$770,601)	(\$793,719)	(\$817,530)	(\$842,056)	(\$867,318)	(\$893,337)	(\$764,886)
Turnover	(\$208,101)	(\$214,344)	(\$220,775)	(\$227,398)	(\$234,220)	(\$241,246)	(\$248,484)	(\$255,938)	(\$263,617)	(\$271,525)	(\$279,671)	(\$288,061)	(\$296,703)	(\$305,604)	(\$261,662)
Insurance	(\$719,203)	(\$740,779)	(\$763,002)	(\$785,893)	(\$809,469)	(\$833,753)	(\$858,766)	(\$884,529)	(\$911,065)	(\$938,397)	(\$966,549)	(\$995,545)	(\$1,025,411)	(\$1,056,174)	(\$904,309)
Property Management	(\$372,269)	(\$383,437)	(\$394,940)	(\$406,788)	(\$418,992)	(\$431,561)	(\$444,508)	(\$457,843)	(\$471,579)	(\$485,726)	(\$500,298)	(\$515,307)	(\$530,766)	(\$546,689)	(\$468,082)
Host City Charge	(\$274,557)	(\$280,048)	(\$285,649)	(\$291,362)	(\$297,189)	(\$303,133)	(\$309,196)	(\$315,380)	(\$321,687)	(\$328,121)	(\$334,684)	(\$341,377)	(\$348,205)	(\$355,169)	(\$301,894)
Bond Admin Expenses (Trustee Fee, Audit & Admin Expenses)	(\$61,775)	(\$63,011)	(\$64,271)	(\$65,557)	(\$66,868)	(\$68,205)	(\$69,569)	(\$70,960)	(\$72,380)	(\$73,827)	(\$75,304)	(\$76,810)	(\$78,346)	(\$79,913)	(\$67,926)
Capital Reserve Deposit	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$341,600)	(\$284,667)
Direct Assessments & Charges on Tax Bill	(\$54,163)	(\$55,247)	(\$56,352)	(\$57,479)	(\$58,628)	(\$59,801)	(\$60,997)	(\$62,217)	(\$63,461)	(\$64,730)	(\$66,025)	(\$67,345)	(\$68,692)	(\$70,066)	(\$59,458)
TOTAL EXPENSES	(\$5,103,879)	(\$5,242,843)	(\$5,385,897)	(\$5,533,163)	(\$5,684,766)	(\$5,840,834)	(\$6,001,500)	(\$6,166,899)	(\$6,337,172)	(\$6,512,464)	(\$6,692,924)	(\$6,878,703)	(\$7,069,961)	(\$7,266,859)	(\$6,210,921)
Expense Ratio	24%	24%	24%	24%	24%	24%	24%	24%	24%	23%	23%	23%	23%	23%	23%
Expenses Per Unit	(\$11,953)	(\$12,278)	(\$12,613)	(\$12,958)	(\$13,313)	(\$13,679)	(\$14,055)	(\$14,442)	(\$14,841)	(\$15,252)	(\$15,674)	(\$16,109)	(\$16,557)	(\$17,018)	(\$17,455)
NET OPERATING INCOME	\$16,168,612	\$16,667,824	\$17,182,089	\$17,711,863	\$18,257,611	\$18,819,814	\$19,398,967	\$19,995,582	\$20,610,183	\$21,243,312	\$21,895,526	\$22,567,400	\$23,259,525	\$23,972,511	\$20,536,607
Yield Before Debt & Reserves	5.21%	5.37%	5.54%	5.71%	5.88%	6.06%	6.25%	6.44%	6.64%	6.84%	7.05%	7.27%	7.49%	7.72%	7.94%
Investment Income	\$148,790	\$148,790	\$148,790	\$148,790	\$148,790	\$148,790	\$148,790	\$148,790	\$148,790	\$148,790	\$148,790	\$148,790	\$148,790	\$148,790	\$123,992
Series A Bond Interest															
Series A Bond Interest	(\$8,930,378)	(\$8,703,964)	(\$8,451,869)	(\$8,172,649)	(\$7,864,792)	(\$7,526,714)	(\$7,156,760)	(\$6,753,197)	(\$6,314,214)	(\$5,837,915)	(\$5,322,319)	(\$4,765,354)	(\$4,164,855)	(\$3,518,558)	(\$2,403,763)
Capitalized Interest (\$2573375)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Coverage Reserve (\$2058700)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Series A Bond DSCR (incl. Investment Income)	1.83	1.93	2.05	2.19	2.34	2.52	2.73	2.98	3.29	3.66	4.14	4.77	5.62	6.86	8.60
Payment of Subordinated Fees															
Asset Management Fee (Project Administrator- OHG)	(\$342,605)	(\$352,883)	(\$363,469)	(\$374,374)	(\$385,605)	(\$397,173)	(\$409,088)	(\$421,361)	(\$434,002)	(\$447,022)	(\$460,432)	(\$474,245)	(\$488,473)	(\$503,127)	(\$431,850)
Agency Fee (IPA)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$208,333)
Administration & Authority Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Series B Bond Interest															
Series B Bond Interest	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)	(\$541,667)
Series A & B Bond DSCR (incl. Investment Income)	1.64	1.73	1.84	1.95	2.09	2.24	2.42	2.63	2.88	3.19	3.57	4.06	4.71	5.61	6.80
Cash Flow After Bond Interest Payments	\$6,144,419	\$6,859,766	\$7,615,540	\$8,413,630	\$9,256,004	\$10,144,717	\$11,081,909	\$12,069,814	\$13,110,758	\$14,207,165	\$15,361,565	\$16,576,590	\$17,854,987	\$19,199,616	\$17,074,985
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EXCESS NOI	\$6,144,419	\$6,859,766	\$7,615,540	\$8,413,630	\$9,256,004	\$10,144,717	\$11,081,909	\$12,069,814	\$13,110,758	\$14,207,165	\$15,361,565	\$16,576,590	\$17,854,987	\$19,199,616	\$17,074,985
Series A Bond Principal Repayment															
Beginning Balance															
Principal Payments- From Operating CF	(\$6,144,419)	(\$6,859,766)	(\$7,615,540)	(\$8,413,630)	(\$9,256,004)	(\$10,144,717)	(\$11,081,909)	(\$12,069,814)	(\$13,110,758)	(\$14,207,165)	(\$15,361,565)	(\$16,576,590)	(\$17,854,987)	(\$19,199,616)	(\$15,321,377)
Principal Payments- From Release of Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Payments- At Disposition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$74,693,041)
Balance Outstanding	\$251,766,479	\$244,906,712	\$237,291,172	\$228,877,543	\$219,621,539	\$209,476,822	\$198,394,913	\$186,325,099	\$173,214,341	\$159,007,176	\$143,645,611	\$127,069,021	\$109,214,033	\$90,014,417	\$0
Series B Bond Principal & Deferred Interest Repayment															
Beginning Balance															
Plus: Deferred Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal & Deferred Interest Payment- From Operating CF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal & Deferred Interest Payment- At Disposition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$8,301,406)
Balance Outstanding	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	\$8,301,406	(\$0)
Excess Cash Flow & Residual Value (to City)	\$0	\$414,168,671													



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October 15, 2020

CSCDA Community Improvement Authority
1100 K Street
Sacramento, CA 95814

Re: CSCDA Community Improvement Authority

The CSCDA Community Improvement Authority (“CSCDA CIA”) has been formed pursuant to a Joint Exercise of Powers Agreement, dated as of October 15, 2020 (the “Agreement”), between two original members, Yolo County and the City of Woodland (the “Charter Members”). In accordance with Section 12 of the Agreement, additional cities, counties and other local government entities may join CSCDA CIA (each a Non-Charter Member or “Additional Member” and, together with the Charter Members, the “Members”). You have asked whether an Additional Member is exposed to liability by virtue of its decision to become a Member of CSCDA CIA and/or its approval of bonds proposed to be issued by CSCDA CIA.

CSCDA CIA is a political subdivision of the State of California created under the California Joint Powers Act (California Government Code Section 6500 and following) (the “Act”) and the Agreement. Pursuant to the Act (Section 6503.5), a joint powers agreement may, and the Agreement in Section 3A does, create an entity, CSCDA CIA, that is separate from the parties to the agreement.

CSCDA CIA has adopted a policy to not issue bonds or other forms of indebtedness for certain types of projects, including workforce housing, unless a public entity in which the proposed Project (“the Project”) is located is a Member and the governing body of such Additional Member (or Charter Member, as the case may be) approves the issuance of bonds for the Project.

The Act (Section 6508.1) provides that a joint powers agreement may, and the Agreement in Section 3A does, specify that the bonds and other debts, liabilities or obligations of CSCDA CIA do not constitute debts, liabilities or obligations of any Members.



October 15, 2020

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Pursuant to applicable state law, CSCDA CIA policies, and the documents providing for the issuance of bonds, the bonds will be issued as limited obligations of CSCDA CIA, not of any Charter Member or Additional Member, and payable solely out of the revenues derived from the Project being financed. Specifically, Section 8 of the Agreement provides that “[t]he Bonds, together with the interest and premium, if any, thereon, shall *not* be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members...Neither the Members nor...shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto...” (emphasis added).

Accordingly, bonds issued for a Project located in the jurisdiction of a public entity that is or becomes a Member and approves issuance of the bonds by CSCDA CIA will not be a debt, liability or obligation of the Member but solely indebtedness of CSCDA CIA, limited to revenues from that Project which are pledged and available therefore.

Please do not hesitate to contact me if you have further questions with respect to this matter.

Sincerely yours,


Roger L. Davis