

# COUNTRY CLUB GARDENS

META HOUSING CORPORATION

RESPONSE TO THE CITY OF NEWPORT BEACH

Request for Proposal No. 15-55

Affordable Housing Development



Meta Housing Corporation



Submitted: **June 30, 2015**

# COUNTRY CLUB GARDENS

*Request for Proposal No. 15-55: Affordable Housing Development*

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January 30, 2015

City of Newport Beach  
C/O Mr. Anthony Nguyen, Purchasing Agent  
100 Civic Center Drive  
Newport Beach, CA 92660



**Meta Housing Corporation**

**RE: RFP No. 15-55 Affordable Housing Development**

Dear Mr. Nguyen,

Meta Housing Corporation ("Meta") is pleased to present the enclosed proposal for the creation and addition of twenty-four (24) affordable, family housing units serving residents earning 50% and 60% of area median income. The units will be delivered through the acquisition, rehabilitation and conversion of an existing market-rate property within the City of Newport Beach.

By way of introduction, Meta is proud to be one of Southern California's most experienced and trusted developers of affordable and mixed-income apartment communities. Since 1996, our team has built one of the industry's most successful track records, developing more than 6,000 residential units. Our bottom-line business acumen, strong sense of social advocacy, and interest in innovation enable us to sustain strong relationships with public and private partners and to develop award-winning projects.

Meta has the ability to carry out all aspects of multi-family affordable housing development. Meta has a superior track record of accessing and leveraging public housing funds, and managing financially complex developments. Due to our solid track-record, our projects garner premium financing terms, allowing us to better leverage limited public resources. Our teams include experienced professionals who are proficient and proactive at every level of the intricate development process ensuring projects are well built and maintained, and compliant with all funder requirements.

Having already developed award-winning communities in Lake Forest, San Clemente, Fountain Valley and Tustin we look forward to our next being in Newport Beach. We are confident in our ability to make this opportunity a success. Please feel free to contact me at any time to discuss in greater detail the contents of the enclosed proposal. I can be reached by phone: (310) 575-3543 x107 or email: [kburke@metahousing.com](mailto:kburke@metahousing.com)

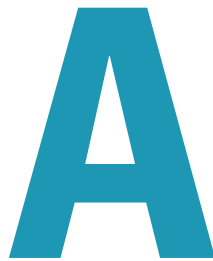
In submitting this proposal, I declare Meta Housing Corporation is interested in the proposal as principals and the proposal is made without collusion with any other person, persons, company, or parties submitting a proposal; that it is in all respects fair and in good faith without collusion or fraud, and that the signer has full authority to bind the proposer.

Sincerely,

Kasey M. Burke  
President

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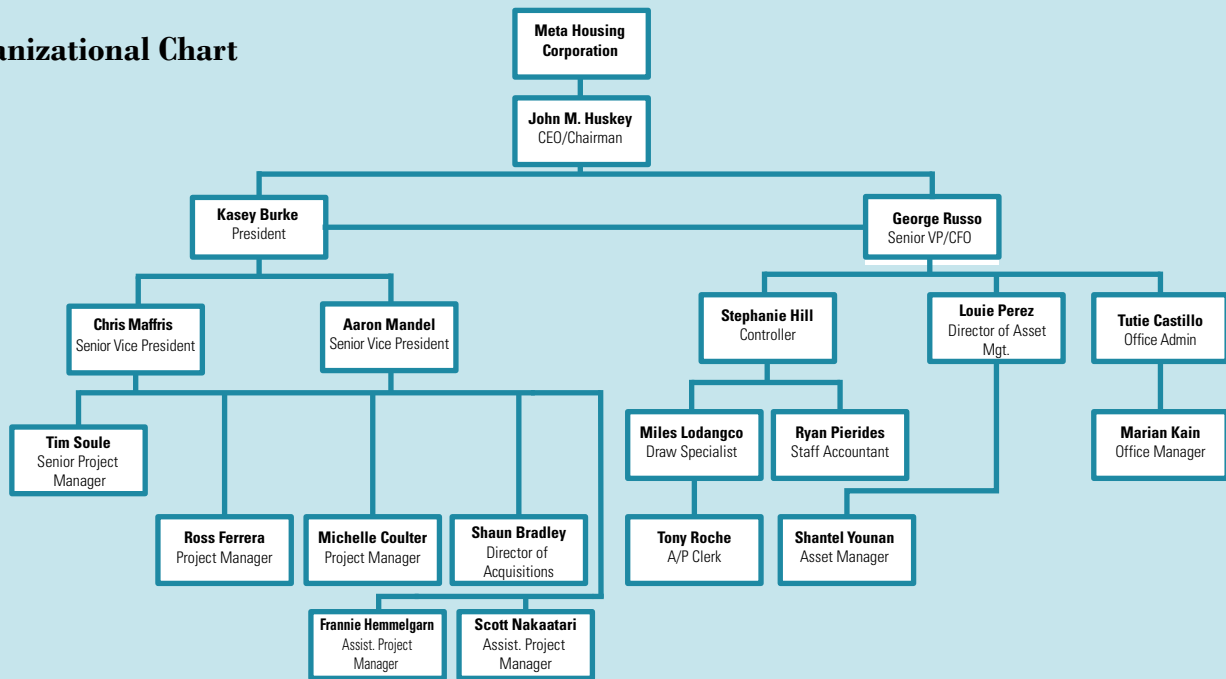
# STATEMENT OF QUALIFICATIONS



## **Developer or Service Provider Team**

An organizational chart showing lines of responsibility, as well as a list of team members and their duties as part of the team.

## i. Organizational Chart



## ii. Directors & Officers

The following individuals from Meta Housing Corporation have the authority to make legally binding commitments for the development entity:

- » **John M. Huskey**, CEO, 100% ownership & directorship
- » **George Russo**, Chief Financial Officer
- » **Kasey Burke**, President
- » **Christopher Maffris**, Senior Vice President
- » **Aaron Mandel**, Senior Vice President

## iii. Resumes of Key Personnel

**John M. Huskey, CEO**, has successfully pioneered cooperative development among non-profit and for-profit enterprises since 1988. Mr. Huskey has been active in financing, development, construction and management of affordable apartment communities since 1969. Mr. Huskey current serves on the City of Los Angeles Mixed Income Housing Policy committee under Mayor Eric Garcetti. In 1996, Mr. Huskey was honored by the Building Industry Association Senior Housing Council as its SAGE award winner for outstanding contributions to senior housing. A frequent speaker, writer, and guest lecturer on development and transportation issues at UCLA, USC, Pepperdine University as well as industry groups, Mr. Huskey has served as a technical advisor

to the Los Angeles County Housing Authority as well as San Bernardino County. He also served two terms on the Loan and Grant Committee for the State of California Department of Housing and Community Development. He was an appointee of Mayor James Hahn to the \$100 Million Housing Trust Fund Advisory Committee.

Previously, Mr. Huskey was President and Chief Executive Officer of Calmark Properties Inc. a nationally recognized builder/developer/operator of residential and commercial properties and a leading producer of affordable non-federally subsidized rental housing for seniors. Under his direction, Mr. Huskey helped create the independent senior housing category with the acclaimed Heritage Park program of affordable apartment communities for active, seniors. More than 6,000 units were built throughout the western U.S. taking Calmark Properties from start-up enterprise to market leader in less than five years.

John Huskey attended the University of Notre Dame and Sophia University in Tokyo.

**George Russo, Senior Vice President and Chief Financial Officer**, started at Meta in 2003. His responsibilities include all aspects of financial, tax and asset management reporting for Meta and its family of affiliated partnerships, limited liability companies and corporations. Mr. Russo also oversees relationships with

lenders and other financial partners and stakeholders. Mr. Russo has 24 years of experience in real estate finance, accounting, and taxation. Prior to joining Meta, Mr. Russo was controller at three separate organizations, Storage World, L.P., Kaufman & Broad Multi-Housing Group, and Public Storage Inc. Mr. Russo earned a Bachelor of Science degree in Business Administration and Accounting from California State University, Los Angeles and holds an NASD Series 28 Registration.

**Kasey M. Burke, President**, manages all facets of Meta's Real Estate Development Company. Since joining the firm in 2001, he has managed significant projects in the areas of site acquisition, entitlement processing, financing, design development, construction, and lease-up. Mr. Burke specializes in securing funds from federal, state and municipal sources and oversees all of Meta Housing's tax credit and bond application processes.

Mr. Burke graduated from the University of Southern California with an emphasis in Real Estate Finance. He is a licensed Real Estate Broker with the State of California.

**Chris Maffris, Senior Vice President**, is a real estate development specialist with more than twelve years of industry experience.

As Senior Vice President for Meta Housing, Maffris specializes in urban center infill and revitalization projects, and oversees the site acquisition, entitlement, construction management and financing of various projects. During his tenure with Meta, Maffris has successfully supervised the financing and development of more than 2,000 apartment units and 25,000 square feet of commercial space.

As a recognized expert in affordable housing finance, Maffris has been invited to speak at numerous industry forums, including California Association of Local Housing Finance Agencies, Novogradac, SCANPH, ULI and California Redevelopment Association conferences.

Prior to joining Meta Housing, Maffris worked with Leonard & Ohren as a commercial real estate broker. He earned a degree in Economics with a Minor in Computer Science from the University of California, Los Angeles (UCLA) and holds a California Real Estate Salesperson License.

**Tim Soule, Senior Project Manager**, specializes in real estate development, with deep expertise in site acquisition, entitlement, construction management, and financing through local and state housing sources.

As Senior Project Manager focuses on urban center infill and transit-oriented revitalization projects, guiding the origination and development of these properties throughout California. During his tenure with Meta Housing, he has supervised the financing and development of more than 1000 apartment units.

During his career, Soule served as Project Manager for The Angeles Community Design Center (Abode Communities), and also served as Vice President, Loan Origination for the California Community Reinvestment Corporation.

Soule holds an M.B.A. with a concentration in Real Estate and Entrepreneurial Finance from The Anderson School at the University of California, Los Angeles (UCLA). He also earned a Bachelor of Science in Managerial Economics from the University of California, Davis.

**Shaun C. Bradley, Director of Acquisitions**, is a development and investment specialist with expertise in virtually all facets of the multifamily industry, and experience with more than \$500 million in transactions throughout his career.

As Director of Acquisitions for Meta Housing Corporation, Bradley spearheads and manages the acquisitions process for the firm's specialized investments, with an emphasis on inclusionary housing for master plan developers and homebuilders. Bradley also pursues non-traditional opportunities on behalf of the company, sourcing, analyzing, and structuring creative acquisition and investment opportunities for the firm.

Prior to joining Meta Housing, Bradley served in an acquisitions role for a large, privately-held senior housing developer, where he proved instrumental in the firm's success with its first and second funds.

Bradley also held acquisitions and development positions with a national developer of affordable housing, where he honed his knowledge of bond/tax credit financing; and with a regional multi-family owner and operator. Bradley earned his degree from Gonzaga University in Spokane, Wash.

Meta will provide any and all internal and external personnel needed to develop and operate each phase of the rehab. Senior Project Manager, Tim Soule, will have day-to-day responsibilities for the development of the project, with the assistance of Assistant Project Manager, Frannie Hemmelgarn. Meta's entire accounting staff, overseen by CFO, George Russo, will assist with funding draws, tax issues, and general accounting. SVP, Christopher Maffris, will regularly oversee the entire development's progress. Once placed in-service, Meta's Asset Management team will oversee project operations and maintenance.

## **WSH Management: Key Staff Bios**

### **Anthony Sandoval, President**

Anthony Sandoval has 20+ years experience in senior housing with background in operations, development, finance and management. Previously, Mr. Sandoval served as the Regional Director of Operations for Alterra Healthcare and Vice-President of Operations for ARV Assisted Living, Inc. Mr. Sandoval serves as an officer of the BIA/SC 55+ Housing Council Board, past President of the BIA/SC 55+ Housing Council, is a Certified Active Adult Specialist in Housing (CAASH), and holds a National Affordable Housing Professional (NAHP Executive) designation. Mr. Sandoval has an MBA from Pepperdine University and a BA from CSU at Fullerton.

### **Kim Pollack, Vice President**

Kim Pollack has been with WSH Management since its inception in 2000. As Vice President, she oversees all operational, financial, and human resource aspects for communities throughout Southern California. She provides leadership for the Area Managers and on-site staff, including overseeing marketing and lease-up for new construction communities, recruiting, hiring, Tax Credit Compliance, maintaining the physical aspects of the portfolio and ensuring resident satisfaction. Ms. Pollack started her career in senior housing in 1995, working for the Multi-family Division for ARV Assisted Living, Inc. She later transitioned to their Assisted Living Division, specializing in training and overseeing new developments. Ms. Pollack has been a member of the BIA/SC 55+ Housing Council since 1999. Her certifications include National Compliance Professional (NCP) and BPI Multifamily Building Operator.

### **Cruz Guardado, Director of Compliance**

Cruz Guardado joined WSH Management in 2008 and is responsible for overseeing all aspects of compliance for the Low Income Housing Tax Credit Program, HOME, Bonds and any other applicable affordable housing programs. He earned a certification of Assisted Housing Manager (AHM) and Tax Credit Compliance Systems (TaCCs) through Quadel Consulting, a leading national expert in the public housing, HUD-subsidized multi-family, and tax credit programs. He's also recognized as a Housing Credit Certified Professional (HCCP) with the National Association of Home Builders. He held a leadership position with Apartment Investment and Management Company, where he provided technical guidance and regular supervision to others on processing contract renewals and rent adjustments of Section 8 project-based properties. He previously worked as a Compliance Auditor with the Southern California Contract Administrator of the Department of Housing and Urban Development (HUD). He earned his Bachelor of Arts in Criminology from California State University Northridge.

### **Jessica Quader, Area Manager**

Jessica Quader joined the company in 2008 and was promoted from Resident Manager to Area Manager in 2013. Ms. Quader is responsible for providing oversight and training for senior tax credit communities located in the San Fernando Valley and holds the National Association of Home Builders as a Housing Credit Certified Professional (HCCP) designation.

# B

## **Developer or Service Provider Experience**

A narrative describing recent affordable residential development and management experience, with an emphasis on experience gained in the last five years on projects similar to the one being proposed.

- i. Include project name and type (special needs, senior, large family, etc.), project address, developer team members, unit count and bedroom type, affordability requirements, funding sources, and project schedule in your description.
- ii. Include a description of how neighborhood input was solicited and utilized in the development of these projects.

# Meta Housing Corporation



*John M. Huskey, Meta's Chief Executive Officer*

**Address:** 1640 S. Sepulveda Blvd.  
Suite 425, Los Angeles, CA 90025

**Phone:** (310) 575-3543

**Entity Type:** California Corporation

**Date of Formation:** 1993 (20+ years in business)

**Size of Business:** 18 employees

## Members of the Professional Team

- John M. Huskey, Chief Executive Officer
- George Russo, Chief Financial Officer
- Kasey Burke, President
- Christopher Maffris, Senior Vice President
- Aaron Mandel, Senior Vice President

## Principal Project Contact

- Tim Soule
- (310) 575-3543 x105 / tsoule@metahousing.com

## About

Meta is one of California's most experienced and trusted developers of senior and multifamily affordable communities. The Meta team has been active in the financing, construction, and management of affordable housing since 1969, and has developed more than 12,000 units. Meta combines solid financial resources and thoughtful design that enable life-enhancing activities and social services, to thrive in affordable and market-rate multi-family and senior communities alike.

Truly Meta's projects are unique in the level to which they actively engage their tenants in activities such as tutoring, wellness, and art. This innovative approach has consistently won national recognition including the National Association of Home Builders' 50+ Housing Gold Achievement award, PCBC Gold Nugget Award and the SAGE Award. The National Endowment for the Arts has recognized Meta's Burbank Senior Artists Colony as one of the finest examples of the incorporation of services, education and activities with architecture.

Meta works closely with city and community leaders, a variety of local and state housing agencies, and community-based non-profits that are often in the best position to determine which solutions will work best for a community. Community outreach is done, and when needed, Meta has been responsive with design changes, greater setbacks, additional parking, etc.

## Meta's Varied Housing Types Total Completed or Under Construction

Type	Projects	Units	Cost (\$MM)
Senior	38	4829	\$905
Family	22	1455	\$495
Mixed Income	4	980	\$187
TOD's	5	489	\$110
Arts Colonies	5	547	\$139
Planned Comm.	2	429	\$91

## Superior Leveraging Ability

Meta has a superior track record of accessing and leveraging housing funds and managing financially complex developments. Since 1993, Meta has leveraged \$1 billion of private tax credit investments to build 6,000 units of housing. Meta projects have secured 9% tax credits each year since 2003. Of our completed projects, almost half were funded with competitive 9% tax credits.

## Day-To-Day Project Management

Meta will provide any and all internal and external personnel needed to develop and operate each affordable housing project during every phase of development. Meta's Asset Management team will oversee project operations and maintenance.

## Collaboration

Meta's team has been infusing vibrancy, inspiring community, and supporting individuals since 1969. Each Meta community provides the highest quality of life possible, integrating innovative design concepts with life-enhancing features that make a significant impact on the lives of our residents. Our bottom-line business acumen, strong sense of social advocacy, and interest in innovation enable us to sustain strong relationships with public and private partners and to continually develop award-winning projects.

Mr. Huskey has long been committed to building communities that encourage and enhance third-party service providers' programs so that residents can live more fully-engaged lives.

Meta's extensive experience over 35 years of developing

affordable housing is the basis of our diverse competencies in construction management, asset management, and compliance. Meta will provide any and all internal and external personnel needed to develop and operate Country Club Gardens. Additionally, Meta's development team and partners have extensive experience in the design, development and operations of high quality affordable housing projects.

Meta approaches every development as a partnership with the city and community. Our goal is to shape projects that are not only successful as stand-alone endeavors but that also contribute as true assets to the community. As such, we welcome the City and community in any and all steps of the development process.

*A detailed description of the Project Team, including Meta Housing, its staff, recent projects and financial and organizational capability can be found in their respective sections of this book.*



## Current Projects

Project	Address	City	Zip	Units	Status	Construction Completion Date
Winnetka Senior Apartments	20750 Sherman Way	Winnetka	91303	95	Predev	3/2016
Civic Center - Oakland	632 14th Street	Oakland	94612	40	Predev	TBD
Buckingham phase II	Buckingham Road	Los Angeles	90008	110	Predev	TBD
5400 Hollywood	5400 Hollywood Blvd	Los Angeles	90027	40	Construction	9/2016
Downtown Hayward Sr. Apts.	782-038 A Street	Hayward	94541	60	Predev	TBD
Washington Metro	732 E. Washington Blvd	Los Angeles	90021	55	Construction	9/2016
Landmark Lofts	1801 W Capitol Avenue	West Sacramento	95691	64	Predev	6/2016
Glendale Arts Colony	121 N Kenwood Street	Glendale	91206	69	Construction	7/2016
Pacific Avenue Arts Colony	303 South Pacific Ave	San Pedro	90731	48	Construction	12/2014
Cabrillo Family Apartments	1640 Cabrillo St	Torrance	90501	44	Construction	3/2015
Long Beach & 21st	2114 Long Beach Blvd.	Long Beach	90813	41	Completed	6/2015
Vernon Village Park	4601 E 52nd Drive	Vernon	90058	45	Completed	6/2015
Compton Senior Apartments	201 N Tamarind	Compton	90220	75	Completed	6/2016
The Arroyo at Baker Ranch	26000 Rancho Parkway South	Lake Forest	92630	189	Completed	2/1/2015

# Developer Project Portfolio

## Senior Developments

	DEVELOPMENT	LOCATION	UNITS	COMPLETED	COST (\$M)	PRODUCT	STATUS
01	Andalucia Senior Apartments	Los Angeles	94	2010	\$32.0	Affordable	C
02	Asturias Senior Apartments	Los Angeles	81	2009	\$29.0	Affordable	C
03	Burbank Senior Artist Colony	Burbank	141	2005	\$24.0	Market Rate*	C
04	Cantabria Senior Apartments	Los Angeles	69	2009	\$24.0	Affordable	C
05	Cortina d' Arroyo Grande	Arroyo Grande	108	2006	\$25.0	Affordable	C
06	Dorado Senior Apartments	Buena Park	156	2007	\$32.0	Affordable	C
07	Heritage Park - Duarte	Duarte	120	1997	\$8.0	Affordable	C
08	Hollydale Senior Apartments	South Gate	101	2010	\$25.0	Affordable	C
09	Jasmine at Founders Village	Fountain Valley	156	2005	\$30.0	Affordable	C
10	Magnolia Highland	San Bernardino	80	2011	\$20.0	Affordable	C
11	Park Plaza Sr. Apts.	N Hollywood	203	2001	\$21.0	Affordable	C
12	Sterling Court	Anaheim	34	2002	\$6.0	Affordable	C
13	The Grove	Garden Grove	85	2007	\$17.0	Affordable	C
14	The Piedmont	N Hollywood	198	2002	\$27.0	Market Rate*	C
15	Compton Senior Apartments	Compton	75	2013	\$19.0	Affordable	UC
16	Long Beach and 21st Apartments	Long Beach	49	2011	\$50.0	Affordable	UC
17	Long Beach and Anaheim Phase II	Long Beach	156	2014	\$50.0	Market Rate*	PD
18	Lugo Senior Apartments	San Bernardino	119	2013	\$19.0	Affordable	C
19	San Clemente Senior Apartments	San Clemente	76	2013	\$24.0	Affordable	C
20	Casa Pacifica	Santa Ana	60	1998	\$4.5	Affordable	S
21	Cedar Villas	Ontario	137	2001	\$7.0	Affordable	S
22	Heritage Park - Anaheim	Anaheim	94	1999	\$4.5	Affordable	S
23	Hillside Park Sr. Apts.	Hemet	177	1998	\$8.0	Affordable	S
24	Pacific Villas	Pomona	132	2001	\$8.6	Affordable	S
25	Rosewood Park	Commerce	94	1999	\$6.6	Affordable	S
26	Valley Village Sr. Apts.	N Hollywood	188	1996	\$16.7	Affordable	S
27	Villa Azusa	Azusa	147	2001	\$8.0	Affordable	S
28	5555 Hollywood	Hollywood	120	2012	\$44.0	Affordable	C
29	Buckingham Senior Apartments	Hollywood	70	2011	\$28.0	Affordable	C
30	Chinatown Metro Apartments	Los Angeles	123	2011	\$50.0	Affordable	C
31	Coventry Court Senior Apartments	Tustin	240	2012	\$45.0	Market Rate*	C
32	Figueroa Senior Housing	Los Angeles	35	2012	\$10.0	Affordable	C
33	La Coruna Senior Apartments	Los Angeles	87	2012	\$26.0	Affordable	C
34	Long Beach Senior Arts Colony	Long Beach	200	2012	\$70.0	Affordable	C
35	North Hollywood Senior Arts Colony	N Hollywood	126	2012	\$40.5	Market Rate*	C
36	Tavarua Senior Apartments	Carlsbad	50	2013	\$17.0	Affordable	C
37	Oakland 34	Oakland	33	2014	\$9.0	Affordable	C
38	Compton Senior Apartments	Compton	75	2015	\$19.4	Affordable	C

## Family Developments

		LOCATION	UNITS	COMPLETED	COST (\$MM)	PRODUCT	STATUS
01	Adams & Central Mixed Use	Los Angeles	80	2010	\$40.0	Affordable	C
02	Belmont Station Apartments	Los Angeles	275	2008	\$75.0	Market Rate*	C
03	Clinton Family Apartments	Los Angeles	36	2008	\$13.0	Affordable	C
04	Coronita Family Apartments	Los Angeles	21	2007	\$8.0	Affordable	C
05	El Dorado Family Apartments	Sylmar	60	2008	\$24.0	Affordable	C
06	Emerald Terrace Apartments	Los Angeles	85	2007	\$25.0	Affordable	C
07	Long Beach & Burnett Apartments	Long Beach	46	2010	\$20.0	Market Rate*	C
08	Pico/Gramercy Apartments	Los Angeles	71	2007	\$16.4	Affordable	C
09	Sichel Family Apartments	Los Angeles	37	2008	\$13.0	Affordable	C
10	Union Point Family Apartments	Los Angeles	21	2008	\$8.0	Affordable	C
11	Yorba Linda Family Apartments	Yorba Linda	44	2006	\$11.4	Affordable	C
12	The Grove at Sunset Court	Brentwood	54	2013	\$18.0	Affordable	C
13	Tobias Terrace Apartments	Panorama City	56	2013	\$18.0	Affordable	C
14	Sherman Village Apartments	Reseda	73	2012	\$24.5	Affordable	C
15	Vermont Avenue Apartments	Los Angeles	49	2012	\$20.0	Affordable	C
16	Vernon Family Apartments	Vernon	45	2014	\$15.0	Affordable	C
17	Pacific Avenue Arts Colony	San Pedro	49	2014	\$18.9	Affordable	UC
18	Torrance	Torrance	44	2013	\$15.5	Affordable	C
19	5400 Hollywood	Los Angeles	40	2017	\$21.6	Affordable	UC
20	Baker Ranch	Lake Forest	189	2015	\$46.2	Affordable	C
21	Washington TOD	Los Angeles	40	2017	\$24.4	Affordable	UC
22	Civic Center	Oakland	40	2017	\$18.8	Affordable	PD

## Rehab Developments

	DEVELOPMENT	LOCATION	UNITS	COMPLETED	COST (\$MM)	PRODUCT	STATUS
01	Casa Pacifica Senior Apts.	Santa Ana	60	1998	\$4.5	Affordable	S
02	Cedar Village Apts.	Ontario	137	1990	\$7.2	Affordable	S
03	Heritage Park - Duarte	Duarte	120	1997	\$7.5	Affordable	S
04	Hillside Park Senior Apts.	Hemet	177	1998	\$8.0	Affordable	S
05	Pomona Village Apts.	Pomona	132	1990	\$8.6	Affordable	S
06	Rosewood Park - Commerce	Commerce	94	1999	\$6.0	Affordable	S
07	Villas of Azusa	Azusa	147	1990	\$8.0	Affordable	S
08	Lugo Senior Apartments	San Bernardino	119	2013	\$15.0	Affordable	C

## Key

NOTATION	DEFINITION / NOTES
*Market Rate	Projects have a 20% affordable housing requirement
C	Completed
UC	Under Construction
PD	Pre-Development
S	Sold

## Expertise in securing LIHTC, revenue bonds, conventional and FHA insured debt, etc.

Meta Housing Corporation has a superior track record of accessing and leveraging housing funds and managing financially complex developments. Since 1993, Meta has leveraged \$1 billion of private tax credit investments to build 6,000 units of housing. Meta projects have secured 9% tax credits each year since 2003. Of our completed projects, almost half were funded with competitive 9% tax credits, while the other half were funded with 4% tax credits and tax exempt bonds. Since its inception, Meta has developed fifty-eight properties, of which forty-eight remain in its portfolio. Listed below is table containing a list of projects that have secured financing for low income housing and related infrastructure development:

Project Name	Total Development Costs	Tax Credit Type
5400 Hollywood	\$17,500,000	9%
Adams and Central	\$40,000,000	4%
Andalucia Senior Apartments	\$32,000,000	9%
Asturias Senior Apartments	\$29,000,000	9%
Belmont Station Apartments	\$57,400,000	4%
Buckingham Senior Apartments	\$27,300,000	4%
Burbank Senior Artists Colony	\$24,000,000	4%
Cabrillo Family Apartments	\$18,000,000	9%
Cantabria Senior Apartments	\$24,000,000	9%
Metro at Chinatown	\$50,000,000	4%
Civic Center - Oakland	\$18,500,000	TBD
Clinton Family Apartments	\$13,000,000	9%
Compton Senior Apartments	\$19,500,000	4%
Coronita Family Apartments	\$8,000,000	9%
Cortina D' Arroyo	\$25,000,000	9%
Coventry Senior Apartments	\$45,000,000	4%
Dorado Senior Apartments	\$32,000,000	9%
El Dorado Family Apartments	\$24,000,000	9%
Emerald Terrace Family Apts.	\$25,000,000	9%
Figueroa Senior Housing	\$10,700,000	4%
Glendale Arts Colony	\$31,500,000	9%
Heritage Park Senior Apts	\$8,000,000	4%
Hillside Park Senior Apartments	\$8,000,000	TBD
La Coruna Senior Apartments, LP	\$26,000,000	4%
Long Beach & 21st	\$15,000,000	9%
Long Beach & Anaheim Phase II	\$50,000,000	4%
Long Beach & Burnett	\$20,000,000	9%
Long Beach Regal aka "The Annex"	\$14,000,000	9%
Long Beach Senior Arts Colony	\$55,856,972	4%
Magnolia at 9th	\$ 21,920,598	9%
Magnolia at Highland	\$20,000,000	9%
Metro at Hollywood	\$44,601,025	4%
NoHo Senior Artists Colony	\$36,584,162	4%
Oakland 34	\$9,000,000	9%
Pacific Avenue Arts Colony	\$19,000,000	9%
Pacific Villas Apartments	\$8,600,000	TBD
Park Plaza Senior Apartments	\$21,000,000	9%
Pico/Gramercy Multifamily Apts.	\$16,400,000	4%

Rosewood Park Sr. Apartments	\$6,600,000	4%
San Clemente Senior Apts.	\$32,600,000	4%
Sherman Village	\$24,000,000	9%
Sichel Family Apartments	\$13,000,000	9%
Sterling Court	\$6,000,000	9%
Tavarua Senior Apartments	\$16,000,000	9%
The Arroyo at Baker Ranch	\$46,000,000	4%
The Grove	\$17,000,000	9%
The Grove at Sunset Court	\$17,600,000	9%
The Jasmine at Founders Village	\$30,000,000	9%
The Piedmont	\$27,000,000	4%
Tobias Terrace Apartments	\$17,900,000	9%
Union Point Family Apartments	\$8,000,000	9%
Valley Village Senior Apartments	\$16,700,000	9%
Vermont Family Apartments	\$20,000,000	9%
Vernon Village Park	\$14,000,000	9%
Washington Metro	\$23,500,000	9%
Yorba Linda Palm Family Apts.	\$11,400,000	9%

## Featured Project: Cotton's Point Senior Apartments

2350 S. El Camino Real, San Clemente, CA 92672  
Senior & MHSA Apartments / 4% Tax Credit / 100% Affordable



### Project Contact / Project Manager

**Tim Soule, Senior Project Manager**

(310) 575-3543 x105 / tsoule@metahousing.com

### Project Summary

**Project Size: (Sq. Ft.)** 98,881

**Height** 4 stories

**Total Development Costs:** \$ 31.98 million

**Total Housing Units:** 76

- » Manager's Unit 1
- » Affordable Units 75

### Product Type

- » Construction Category New Construction
- » Type of Housing Affordable Rental

### Target Population:

- » Low income seniors aged 55 and older
- » MHSA and IHSS qualifying seniors

### Team

- » **Developer** - Meta Housing Corporation
- » **Architect** - YM Architects
- » **Property Manager** - Western Seniors Housing
- » **Service Provider** - EngAGE
- » **Non-Profit Partner** - Western Community Housing
- » **Construction Manager** - Lucas Gneral Contracting

### Overview

Cotton's Point Senior Apartments, located in the beautiful sea-side community of San Clemente is designed to serve seniors aged 62+, and their needs by providing highquality affordable housing with modern amenities and on-site services. The one and two bedroom apartment homes will offer contemporary living for residents with modern finishes and appliances.

### Neighborhood and Community Input

Meta held community meetings, including formal outreach via multiple forums and "coffee chats" organized by *San Clement Times*, a local newspaper. Meta also worked very closely with the City and community groups to garner neighborhood input.

### Project Features

- » 100% non-smoking community
- » Section 8 & VASH Vouchers Accepted
- » Controlled Access Push Button Entries
- » Gated Subterranean Parking
- » 2 Elevators
- » On-Site Laundry Center
- » Clubroom with Kitchen & Learning Room
- » Computer & Media Centers
- » Fitness Center

### Unit Count

Unit Type	LIHTC Income Level	Number of Units
1 BR	30%	27
1 BR (HCD)	50%	18
1 BR	50%	16
2 BR	30%	2
2 BR (HCD)	50%	7
2 BR	50%	5
<b>Total</b>		<b>75</b>

### Rents for IHSS Recipients

Individuals eligible for 20 or more personal care hours per week under the In-Home Supportive Services Program (IHSS) may also be eligible for County of Orange Project-Based Vouchers which will limit rent to no more than 30% of monthly income.

### Program Goals and Objectives:

#### Successful Aging:

- » Develop and sustain active engagement of older adults in programs
- » Improve physical, mental and spiritual health
- » Promote a sense of purpose and meaning in life

#### Healthy Communities:

- » Create community environments in which people can live and grow
- » Catalyze social support networks and relationships
- » Make apartment communities part of the fabric of surrounding community

#### Awareness:

- » Increase awareness of EngAGE programs
- » Increase awareness of opportunities in community

- » Increase societal acceptance and awareness of older adults and their worth

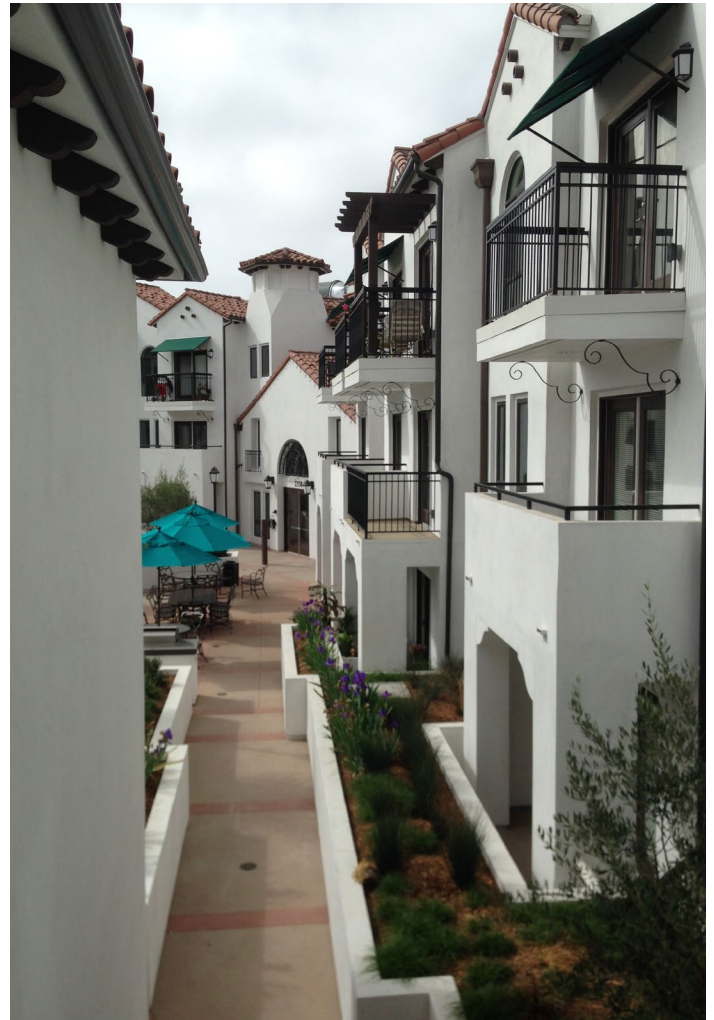
### References

#### John Epstein, National Manager

Community Lending & Investment  
Wells Fargo Bank  
707 Wilshire Blvd Suite 1800, Los Angeles, CA 90017  
(503) 886-2587 / jepstein@wellsfargo.com

#### Timothy J. McCann, Senior Vice President

Wells Fargo/Wachovia  
45 Fremont Street, 9th Floor, MAC# A0194-090  
San Francisco, CA 94105  
(415) 975-6334 / tim.mccann@wellsfargo.com



## Project Schedule

		MONTH	YEAR
<b>SITE</b>	Environmental Review Completed	10	2008
	Site Acquired	12	2009
<b>LOCAL PERMITS</b>	Conditional Use Permit	3	2009
	Variance	N/A	
	Site Plan Review	3	2009
	Grading Permit	12	2011
	Building Permit	12	2011
<b>CONSTRUCTION FINANCING</b>	Loan Application	7	2011
	Enforceable Commitment	7	2011
	Closing and Disbursement	12	2011
<b>PERMANENT FINANCING</b>	Loan Application	7	2011
	Enforceable Commitment	7	2011
	Closing and Disbursement	9	2013
<b>OTHER LOANS AND GRANTS</b>	Type and Source: Residual Receipt - City of San Clemente	N/A	
	Application	4	2009
	Closing or Award	8	2009
	Type and Source: Residual Receipt - MHSA	N/A	
	Application	4	2010
	Closing or Award	6	2010
	Type and Source: Residual Receipt - Orange County	N/A	
	Application	4	2010
	Closing or Award	6	2010
	Type and Source: HCD - MHP	N/A	
	Application	7	2010
	Closing or Award	12	2010
	Type and Source: Affordable Housing Program	N/A	
	Application	10	2009
	Closing or Award	1	2010
	Type and Source:	N/A	
	Application	N/A	
	Closing or Award	N/A	
	10% of Costs Incurred	12	2011
	Construction Start	12	2011
	Construction Completion	5	2014
	Placed In Service	5	2014
	Occupancy of All Low-Income Units	11	2014

## Funding Sources

Construction						
Lien Position	Name of Lender	Term to Maturity (months)	Interest Rate	Amount	Annual Payment	Type of Loan
1st	Wells Fargo Bank	24	3.500%	\$17,600,000	Variable	Mandatory Debt Service
2nd	County of Orange	24	3.000%	\$1,652,400	N/A	Residual Receipts
3rd	City of San Clemente	24	3.000%	\$3,016,000	N/A	Residual Receipts
4th	MHSA Loan	24	3.000%	\$1,622,000	N/A	Residual Receipts
5th	Affordable Housing Program (AHP)	660	N/A	\$750,000	N/A	Forgiveable Loan
NA	GP Loan	660	0.000%	\$978,396	N/A	Other
NA	Tax Credit Equity (Wells Fargo Bank)	N/A	N/A	\$4,163,788	N/A	Tax Credit Equity
NA	Deferred Costs	N/A	N/A	\$2,197,597	N/A	Deferred Developer Fee
<b>TOTAL</b>				<b>\$31,980,181</b>		

Permanent								
Lien Position	Name of Lender	Term to Maturity (years)	Interest Rate	Interest Rate Type	Amount	Annual Payment	Type of Loan	Loan Status
1st	California Community Reinvestment Corporation (CCRC)	35	4.750%	Fixed with Reset	\$2,600,700	\$152,564	Mandatory Debt Service	Concurrent
2nd	CCRC (Project Based Voucher debt)	15	4.750%	Fixed with Reset	\$2,453,664	\$229,025	Mandatory Debt Service	Concurrent
3rd	MHP Loan	55	3.000%	Fixed for Term	\$5,480,000		Residual Receipts	Concurrent
4th	County of Orange	55	3.000%	Fixed for Term	\$1,652,400		Residual Receipts	Closed
5th	City of San Clemente	55	3.000%	Fixed for Term	\$3,016,000		Residual Receipts	Closed
6th	MHSA Loan	55	3.000%	Fixed for Term	\$1,622,400		Residual Receipts	Closed
7th	Affordable Housing Program (AHP)	55	3.000%	Fixed for Term	\$750,000		Forgiveable Loan	Closed
NA	Deferred Developer Fee	12	0.000%	Fixed for Term	\$412,036		Residual Receipts	Concurrent
NA	Tax Credit Equity (Wells Fargo Bank)	N/A	N/A		\$13,992,981		Tax Credit Equity	
<b>TOTAL</b>					<b>\$31,980,181</b>			



## Featured Project: Arroyo at Baker Ranch

100 Indigo, Lake Forest, CA 92630  
Master Planned Affordable Family Apartment Community



### Project Summary

- » **Developer** - Meta Housing Corporation
- » **Site Area** - 6.3 acres
- » **Density** - 30 du/ac

### Project Team

- » **Developer:** Meta Housing Corporation
- » **General Partner:** Western Community Housing
- » **Architect:** William Hezmalhalch Architects, Inc.
- » **Property Manager:** Solari Enterprises, Inc.
- » **Construction Mngr.:** Primus Building Solutions
- » **General Contractor:** Lucas General Contracting
- » **Civil Engineer:** VA Consulting, Inc

### Overview

Baker Ranch Affordable Apartments is a new construction of 189 one, two and three-bedroom rental apartments for very low- and low-income seniors on a 6.3 acre lot in Lake Forest. Baker Ranch Affordable Apartments is designed to complement the neighborhood while providing a high-quality and safe environment for its residents. Fifty-seven

(57) of the units are one-bedroom units of approximately 678 sq. ft. Seventy-five (75) of the units are two-bedroom units of approximately 864 sq. ft. and the remaining fifty-seven (57) will be three-bedroom units of approximately 1137 sq. ft. There are 10 residential buildings with identical building footprints and 1 modified building. The three-story buildings provides 1 garage for every unit with lush landscaping, a large community center, pool and spa, a computer and multi-media room, outdoor barbecues and tables, communal kitchen, library, laundry rooms and two manager's units.

The Spanish Colonial and Monterey architecture influences the buildings aesthetic features. The 3-story buildings consist of white stucco with wood and iron accents and concrete tiled roofs.

### Unit Mix

» 1-bedroom	55 units
» 2-bedroom	75 units
» 3 -bedroom	57 units
» <b>Total</b>	<b>189 units</b>



### Partners/Lenders

- » JP Morgan Chase
- » Cornerstone
- » Red Stone Equity
- » City of Lake Forest
- » Western Community Housing
- » California Tax Credit Allocation Committee (CTCAC)
- » California Debt Limit Allocation Committee (CDLAC)

### Project References

Bob Yoder, President, Southern California Division  
Shea Homes  
1250 Corona Pointe Ct, Suite 600, Corona, CA 92879  
(951) 739-9704

Mike O'Melveny, Vice President, Land Acquisition  
Shea Homes  
(951) 739-9709

### Construction Financing

Name of Lender/Source	Term (months)	Interest Rate	Amount of Funds
JP Morgan Chase	24	2.65%	\$ 39,000,000
Tax Credit Equity - Red Stone Equity	N/A	N/A	\$ 2,824,165
Series B TE Bonds	36	10.00%	\$ 3,500,000
Meta Housing Deferred Costs & Dev Fee	N/A	N/A	\$ 648,016
<b>Total</b>			<b>\$ 45,972,181</b>

### Permanent Financing

Name of Lender/Source	Term (months)	Interest Rate	Annual Debt Service	Amount of Funds
Cornerstone Real Estate Advisors, LLC	480	5.75%	\$ 1,399,854	\$ 22,351,550
Series B TE Bonds	N/A	N/A		\$ 4,000,000
Meta Housing Deferred Fee	N/A	N/A		\$ 792,871
<b>Total</b>				<b>\$ 27,144,421</b>

### Affordability Requirements

» Set Asides: 50% / 60% AMI

### Project Schedule

Completed in the first quarter of 2015, and occupancy began in April 2015.

### Neighborhood Outreach and Input

Owned by master developers Shea Homes and Toll Brothers, the Baker Ranch master planned community needed to meet an inclusionary housing requirement, and the two master developers selected Meta Housing to meet this need.

Meta Housing worked closely with the master developers and the City of Lake Forest to achieve financing, tax credits and tax-exempt bonds in order to bring the project to fruition, but did not directly perform outreach.

Both Shea Home and Toll Brothers did substantial local outreach during the development of their master planning community. The gathered input was incorporated into the project as much as possible.

### Project References

Bob Yoder, President, Southern California Division  
Shea Homes  
1250 Corona Pointe Ct, Suite 600, Corona, CA 92879  
(951) 739-9704

Mike O'Melveny, Vice President, Land Acquisition  
Shea Homes  
(951) 739-9709



## Featured Project: **Magnolia at 9th**

181 9th Street, San Bernardino, California  
Senior Affordable and Special Needs



### Overview

Magnolia at 9th Senior Housing is a true success story. The project included the rehabilitation of a 50% vacant, market-rate project in terrible disrepair with significant crime issues into a thriving, active senior affordable housing community. Composed of eleven garden-style buildings, the rehabilitation included exterior renovation, replacement of building systems, complete unit renovations, landscaping, development of quality community spaces and enhanced security systems.

### Project Summary

<b>Project Size: (Sq. Ft.)</b>	147,668
Community Room	2,476
Common Space	1,061

### Estimated Jobs Created:

» Construction Jobs:	163
» Permanent Jobs:	4

<b>Total Development Costs:</b>	\$ 21.1 million
<b>Developer's Equity Interest</b>	<1%

<b>Total Housing Units:</b>	118
» Manager's Unit	1
» Affordable Units	119

### Product Type:

» Construction Category	Rehab
» Type of Housing	Affordable Rental
» Development Type	2-Story w/Elevator

### Target Population:

» Low-Income Senior
---------------------

### Project Timing

Project was started on February 2013 and received its certificate of occupancy in April 2014.

### Project Team

- » **Developer:** Meta Housing Corporation
- » **General Partner:** Western Community Housing
- » **Contractor:** Optimus Construction
- » **Architect:** Ken Stockton Architects

### Unit Mix/Affordability Levels

Unit Type	LIHTC Income Level	Number of Units
1 BR (MHSA Units Max Rent: \$256)	20%	10
1 BR	45%	30
1 BR	50%	48
1 BR	60%	21
2 BR	30%	2
2 BR	60%	5
2 BR	60%	2
2 BR (Employee's Unit)	N/A	1
<b>Total</b>		<b>119</b>

### Community Space

The project has approximately 1,500 square feet of beautiful-designed community space, which include a community room with comfortable seating and television, an arts and crafts area, a common kitchen, an exercise room with new fitness equipment and a computer room with free internet. On the exterior, Magnolia at 9th features a lush outdoor patio with shade, a swimming pool and a picnic area with barbeques.

### Financing Summary

The development was completed for a total development

cost of approximately \$21.9 million. Please see the summary sources and uses tables below.

#### Construction Sources

» Bank of America	\$	8,686,000
» City of San Bernardino		7,650,717
» AHP Loan		1,000,000
» MHSA		1,124,486
» Deferred Developer Fee/Costs**		1,324,479
» Tax Credit Equity		1,952,401
» <b>Total</b>	<b>\$</b>	<b>21,920,767</b>

#### Permanent Sources

» Perm Loan (CCRC)	\$	2,214,727
» City of San Bernardino		7,650,717
» AHP Loan		1,000,000
» MHSA		1,124,486
» Deferred Developer Fee/Costs**		324,386
» Tax Credit Equity		9,605,767
» <b>Total</b>	<b>\$</b>	<b>21,920,767</b>

#### Uses

» Land	\$	6,643,225
» Hard Costs		8,603,844
» Arch/Engineering		921,757
» Legal/Financing Fees		3,111,613
» Impact/Processing Fees		253,462
» Soft Costs		2,386,182
» <b>Total</b>	<b>\$</b>	<b>21,920,598</b>



### Resident/ Community Involvement

EngAGE, a non-profit service provider handles on-site programs The Metro @ Chinatown community. EngAGE programs are provided onsite at no cost to the seniors. We believe that this reduces the primary barriers to engagement – cost and transportation. All programs are taught by college-level professionals and operate on a semester basis, like college courses. We provide programs in seven categories, listed below with examples of many classes in each. Each category of programming represents an important component of the whole-person approach that EngAGE purports and has been proven to work in engaging seniors and helping them to become healthier and happier.

- » Wellness
- » Lifelong Learning Education
- » Creativity Arts
- » Community Building
- » Intergenerational
- » Events
- » Experience Talks Radio Show

### Neighborhood/Community Outreach

Meta met with City staff, councilmembers, and the local neighborhood group to discuss scope and timing. All community input was considered and implemented where feasible.

### Public Agency Reference

#### Carey Jenkins, Housing Director

Redevelopment Agency of The City of San Bernardino  
201 North E. Street, Suite #301, San Bernardino, CA  
(909) 663-2271 / [cjenkins@sbrda.org](mailto:cjenkins@sbrda.org)

# **PROPERTY MANAGEMENT**

## WSH Management



## Experience

WSH Management has successfully marketed, leased, and managed senior apartment communities since it began operations over 14 years ago, and it is very experienced in the management of Section 42 Low-income Housing Tax Credit (LIHTC) properties. WSH strives to create an environment for seniors in which the quality of life is as important as life itself. WSH is committed to a high level of care and emphasizes social, recreational and life-enhancing services, and its sponsored programs and activities increase resident satisfaction and long-time occupancy. It maintains properties in top condition to create a comfortable home and promote community cohesion.

WSH has a management team that has a combined experience in senior housing of over 90 years. WSH is an active member in South Coast Apartment Association, California Apartment Association, National Apartment Association, National Association of Home Builders, Building Industry Association of Southern California, 55+ Housing Council, the National Affordable Housing Management Association, the Affordable Housing Management Association of the Pacific Southwest and the American Senior Housing Association.

WSH works very closely with two social services Non-Profit entities: "EngAGE" and "LIFESteps" that both provide programs facilitated by teams of caring professionals, and includes such life-enrichment programs as cooking, exercise/yoga, food and nutrition, music, arts and crafts, computer and internet, volunteer and intergenerational mentoring for all residents. Other programs include college-level instruction by professional teachers.

As of today, WSH has performed the complete lease-up and initial certification of 30 LIHTC properties, several with multi-layered affordable housing programs. WSH has an impeccable record in the management and compliance of tax-credit and affordable housing properties. Its portfolio has included properties from 20 units to 400 units, from 10,000 to over 250,000 square feet. The total number of operational units under our management at this time is 2,605, spread among 26 communities, of which 2,264 are tax-credit units and 341 are market rate units or other government-assisted units. WSH is also contracted to lease up and manage an additional 116

tax-credit units at 2 new communities currently under development. Housing Choice Vouchers are accepted at all of our 26 operational communities and WSH has extensive experience working together with both County and City Public Housing Authorities throughout Southern California including The Housing Authority of the City of Los Angeles, The Housing Authority of the County of Los Angeles, Orange County Housing Authority, Anaheim Housing Authority, Norwalk Housing Authority, Santa Monica Housing Authority, Housing Authority of the County of San Bernardino, etc. We currently manage 3 communities that have MHSA units set aside for special needs groups including chronic homelessness and mental health issues. One of these communities also has MHSA units combined with Project Based Vouchers. The total value of all properties under management is in excess of \$500,000,000.

WSH currently manages senior properties throughout southern California in cities such as Huntington Park, Arroyo Grande, Long Beach, Buena Park, Anaheim, North Hollywood, Commerce, Norwalk, Garden Grove, Fountain Valley, Maywood, Pomona, Panorama City, Rancho Palos Verdes, Santa Monica, Simi Valley, Santa Clarita, Carlsbad, San Clemente, Van Nuys and Arroyo Grande in central California. Its affordable clients include Meta Housing Corporation (Los Angeles), Highridge Costa Investors (Gardena), LINC Housing (Long Beach), Western Community Housing (Costa Mesa), Global Premier Development (Irvine), Deep Green Housing (Los Angeles), Integrity Housing (Irvine) and the Foundation for Affordable Housing (San Juan Capistrano).

WSH's experience in property management has developed into a firm whose capabilities will meet the demands of the most sophisticated investor. WSH is effective in all phases of property management from the marketing and lease-up of a newly constructed project to the on-going operation of a property at sustained occupancy. WSH has established itself as a leader in the industry in the performance of marketing techniques, affordable housing compliance, capital and preventative maintenance programs and administrative control.

Additionally, WSH provides compliance-monitoring services through audits, file repair, and training to owners, managers and equity investors. Clients include companies with large portfolios that recognize the value of WSH's level of expertise and experience to meet their needs.

### Industry Associations and Accreditations (sample listing)

- » South Coast Apartment Association
- » California Apartment Association
- » National Apartment Association
- » National Association of Home Builders
- » Building Industry Association of Southern California,
- » 55+ Housing Council
- » National Affordable Housing Management Association
- » Affordable Housing Management Association of the Pacific Southwest
- » American Senior Housing Association.

### Outreach Program

WSH works very closely with two social services Non-Profit entities: "EngAGE" and "LIFESteps" that both provide programs facilitated by teams of caring professionals, and includes such programs as cooking, exercise/yoga, food and nutrition, music, arts and crafts, computer and internet, volunteer and intergenerational mentoring for all residents. Other programs include college-level instruction by professional teachers.

### Marketing and Promotions Program

WSH marketing program will be focused on seniors earning between 50% and 60% Area Median Income ("AMI"). To accomplish a successful lease-up of the community, the following marketing programs will be implemented.

- » **Drive by Traffic Builders:** The main monument I.D. sign and colorful seasonal plantings at the entrance to the community will attract interest, in addition to "Coming Soon" announcement signage & flags with phone numbers and information.
- » **Publications:** Display ads will be placed in the Orange County Register, minority newspapers throughout Orange County, Senior Living and Senior Life, and other resources.
- » **Flyers:** Announcement flyers will be distributed to all identified Orange County agencies and groups who work with seniors. The flyers will be translated into at least 2 languages, in addition to English, in effort to reach ethnicities least likely to be aware of our community. Flyers will be distributed to agencies, service centers where seniors are likely to gather. Additionally, as development progresses,

the flyers along with an information letter will be mailed to all persons on the interest list notifying them of construction status, anticipated move-in date, and will include the numbered Pre-Qualifying Application.

- » **Resident Referrals:** This can be an ongoing significant source of traffic for qualified residents, particularly in the senior market and should be utilized to its fullest. Resident referral flyers will be distributed to the residents on a monthly basis and also referred to in the monthly newsletter to current residents.
- » **Internet Advertising:** On-line internet exposure through all resources will be initiated, including but not limited to, WSH website, Seniorhousingnet.com, Craigslist, may include interactive floor plans for furniture placement, color photos and leasing information.
- » **Toll Free Number:** A toll free number will be set up for the project and attended by a call center. Our call center will maintain the development of the Interest List. All advertising resources will utilize the toll free number.

### Lease-Up Schedule

Pre-leasing will begin approximately four (4) to five (5) months prior to the anticipated completion date. The goal is to have 100% of the units "pre-leased" and to reach 100% occupancy within 90 days after receiving the Certificate of Occupancy.

### Responsibilities

General and Specific duties of the property management team include but are not limited to:

- » Day to Day Operations
- » Compliance
- » Annual Plans
- » Manager as Exclusive Leasing Agent
- » Leasing
- » Qualification of Tenants
- » Staffing and Salaries
- » Advertising
- » Authority and Duty to Enforce Leases
- » Security Deposits
- » Collection of Rents and other Receipts
- » Accounting Records and Reports
- » Maintenance of Project

## Communities Managed by WSH Management

PROJECT NAME	NEW CONSTRUCTION / REHAB	LOCATION	METHOD OF FINANCING	STATUS
Andalucia	New Construction	Van Nuys, CA	LIHTC	In Service
Asturias	New Construction	Panorama City, CA	LIHTC	In Service
Cantabria	New Construction	Panorama City, CA	LIHTC	In Service
Casa Bonita	New Construction	Huntington Park, CA	LIHTC	In Service
Cortina D'Arroyo Grande	New Construction	Arroyo Grande, CA	LIHTC	In Service
Cotton's Point Senior Apts	New Construction	San Clemente, CA	LIHTC, Bonds	In Service
Dorado Senior Apts	New Construction	Buena Park, CA	LIHTC	In Service
Figueroa Senior Apartments	New Construction	Los Angeles, CA	LIHTC, Bonds	In Service
Heritage Park	Rehab	Anaheim, CA	CalHFA	In Service
La Coruña	New Construction	Van Nuys, CA	LIHTC	In Service
Long Beach - The Annex	New Construction	Long Beach, CA	LIHTC, Bonds	In Service
Long Beach & 21St	New Construction	Long Beach, CA	LIHTC	Open 2015
Long Beach Senior Arts Colony	New Construction	Long Beach, CA	LIHTC, Bonds	In Service
Metro at Chinatown Senior Lofts	Rehab	Los Angeles, CA	LIHTC	In Service
Metro at Compton	New Construction	Compton, CA	LIHTC	Open Spring 2015
Metro at Hollywood	New Construction	Los Angeles, CA	LIHTC	In Service
Ocean Breeze	New Construction	Santa Monica, CA	LIHTC	In Service
Park Plaza	New Construction	North Hollywood, CA	LIHTC	In Service
Rosewood Park	Rehab	Commerce, CA	LIHTC	In Service
San Antonio Gardens	New Construction	Norwalk, CA	LIHTC	In Service
Sterling Court	New Construction	Anaheim, CA	LIHTC	In Service
Tavarua Senior Apartments	New Construction	Carlsbad, CA	LIHTC	In Service
The Grove Senior Apts.	New Construction	Garden Grove, CA	LIHTC	In Service
The Jasmine	New Construction	Fountain Valley, CA	LIHTC	In Service
The Magnolia at 9th	Rehab	San Bernardino, CA	LIHTC	In Service
The Magnolia at Highland	New Construction	San Bernardino, CA	LIHTC	In Service
Valley Oaks Village	New Construction	Santa Clarita, CA	LIHTC	In Service
Villa Anaheim	New Construction	Anaheim, CA	LIHTC	In Service

# **NON-PROFIT PARTNER / SERVICE COORDINATOR**

Western Community Housing

## Non-Profit Partner / Service Coordinator: Western Community Housing

Our non-profit partner Western Community Housing, Inc. ("WCH") will act as Managing General Partner of a to-be-formed California limited partnership, of which Country Club Gardens will be the sole asset. WCH will also provide tenant services tailored to the needs of the property's population. Such services may include after-school tutoring, computer training, or life and job skills training, among others.

**Address:** 151 Kalmus Drive, Suite J-5 Costa Mesa, CA 92626  
**Phone:** (714) 549-4100  
**Entity Type:** California Non-Profit Corporation  
**Date of Formation:** 1999 (15+ years in business)  
**Size of Business:** 3,349 operational units over 33 communities, of which 2,939 are tax-credit units and 410 are market rate units or other government-assisted units

### Members of the Professional Team

- » Graham P. Espley-Jones; President
- » Leanne Truofreh; Corporate Secretary/ Treasurer
- » Sandra Gibbons; V.P. Finance/Tax Credits
- » Scott Gayner; Director of Development
- » Dianne Russell; Director of Resident Services
- » Barbie Defeo; Compliance Mgr. / Asst. Corporate Secretary
- » Denise Duarte, Los Angeles Social Services Manager

### Project Contact

Graham Espley-Jones  
(714) 549-4100  
graham@wchousing.com

### Philosophy

WSH is committed to a high level of care and emphasizes social, recreational and life-enhancing services, and its sponsored programs and activities increase resident satisfaction and long- time occupancy. It maintains properties in top condition to create a comfortable home and promote community cohesion.

# C

## Financial Capacity

Description of financial strength and ability to obtain project financing, and to provide sufficient equity for the successful completion of the proposed project.

- i. Include a description of current relationships with major lending institutions.
- ii. The developer which is selected for recommendation to City Council, or if a partnership, the team members who will retain an ownership interest in the project, will be required to submit complete financial statements for the last three years. Because of the possibility of public records requests, the City cannot guarantee that these statements will remain confidential.

## i. Include a description of current relationships with major lending institutions.

	ENTITY	TYPE OF FINANCING	META PROJECT(S)
ACQUISITION	<b>LIIF</b> Cécile Chalifour, Deputy Director, CA Lending 800 S. Figueroa Street Suite 760 Los Angeles California 90017	Acquisition Loan (1st TD, 2nd TD, Unsecured); LOC (Predevelopment)	Sichel; Asturias; Cantabria; Meta; Emerald Terrace; Coronita; Dorado Senior Apartments
	<b>Century Housing Corporation</b> Aaron T. Wooler, Senior Vice President 1000 Corporate Pointe Culver City, CA 90230	Acquisition; Construction Lender	Emerald Terrace; Northwest Gateway; Adams and Central
CONSTRUCTION LENDERS	<b>Citibank</b> Sonia Rahm, Vice President 787 W. 5th Street, Suite 2900 Los Angeles, CA 90071 Phone: (213) 239-1726 Fax: (213) 239-1933 sonia.m.rahm@citi.com	Construction Lender	Clinton; Asturias; Cantabria; Garden Grove; Yorba Linda; Buckingham Senior Apartments; Metro at Hollywood; The Grove at Sunset Court; Metro at Compton; Coventry Senior Apartments
	<b>Wells Fargo Bank</b> John H. Epstein, National Manager - Community Lending 1300 SW 5th Ave Portland, OR 97201 Phone: (503) 886-2587 epstein@wellsfargo.com	Construction Lender	Union Point; Pico Gramercy; Arroyo Grande; Long Beach & Burnett; Long Beach & 21st; Emerald Terrace; Coronita; El Dorado; Sichel; Cotton's Point Senior Apartments; La Coruna Senior Apartments; Long Beach Regal aka The Annex; Sherman Village; Long Beach Senior Arts Colony
	<b>Bank of America</b> Charmaine Atherton, Vice President 333 South Hope Street, 11th Floor Los Angeles, CA 90071 Phone: (213) 621-4816 Fax: (213) 621-4829 charmaine.atherton@bankofamerica.com	Construction Lender	Chinatown Metro Apartments; Vermont Family Apartments
	<b>JP Morgan Chase</b> Alice Carr, Senior VP, Western Regional Manager, 300 S. Grand, 4th Floor, Los Angeles, CA 90071	Construction Lender	Tobias Terrace Apartments; Tavarua Senior Apartments; Figueroa Senior Housing; Magnolia at Highland
	<b>Red Capital</b> Nicholas A. Hamilton 3033 5th Avenue, Ste. 210 San Diego, CA 92103	Construction Lender	NoHo Senior Artist Colony
	<b>Federal Home Loan Bank of San Francisco</b> 600 California Street San Francisco, CA 94108	Construction Lender; Permanent Lender	Pico/Gramercy Multifamily Apt; Chinatown Metro Apartments; San Clemente Senior Apartments; Metro at Hollywood; La Coruna Senior Apartments; Tavarua Senior Apartments; Magnolia at Highland; Tobias Terrace Apartments; The Grove at Sunset Court; Buckingham Senior Apartments; Cortina D' Arroyo; Sterling Court; Compton Senior Apartments; Oakland 34; Magnolia at 9th; Long Beach & 21st

EQUITY	<b>City of Los Angeles Housing Dept.</b> Tim Elliott Manager of Multi-Family Housing Finance 1200 West 7th Street, 8th Floor Los Angeles CA 90017 Phone: (213) 808-8596 Fax: (213) 808-8914 TElliott@lahd.lacity.org	Construction Lender; Permanent Lender; Prevdevelopment	El Dorado; Adams & Central; Coronita Apartments; Emerald Terrace; Metro at Chinatown; Metro at Hollywood; Sherman Village; Asturias Senior Apartments; Cantabria Senior Apartments; Adams and Central; Pico/Gramercy Multifamily Apartments; Andalucia Senior Apartments
	<b>Bank of America</b> Charmaine Atherton, Vice President 333 South Hope Street, 11th Floor Los Angeles, CA 90071 Phone: (213) 621-4816 Fax: (213) 621-4829 charmaine.atherton@bankofamerica.com	Equity	Oakland 34; Magnolia at 9th; Cabrillo Family Apartments; Metro at Chinatown; Vermont Family Apartments; Long Beach & 21st; Long Beach & Burnett; Pacific Avenue Arts Colony; Long Beach and Burnett
	<b>Redstone Equity Partners</b> Eric McClelland, President 200 Public Square, Suite 1550 Cleveland, OH 44114 Phone: (216) 820-4752 Fax: (216) 820-4751 Eric.mcclelland@redstoneequity.com	Equity	Buckingham Senior Apartments; Asturias Senior Apartments; Cantabria Senior Apartments; Metro at Hollywood; Metro at Compton
	<b>National Equity Fund</b> Todd Fabian, Vice President/West Team 500 S. Grand Avenue, Suite 2300 Los Angeles, CA 90071	Equity	Long Beach Senior Arts Colony; Long Beach Regal aka The Annex
	<b>Wells Fargo/ Wachovia Bank</b> Timothy J. McCann, Senior Vice President 45 Fremont Street, 9th Floor MAC# A0194-090 San Francisco, CA 94105 Phone: (415) 975-6334 Fax: (415) 396-1839 tim.mccann@wellsfargo.com	Equity	Tavarua Senior Apartments; Magnolia at Highland; Sherman Village; Clinton Family Apartments
PERMANENT LENDERS	<b>CCRC</b> Mary Kaiser, President 225 W. Broadway, Suite 120 Glendale, CA 91204 Phone: (818) 550-9801 mary.kaiser@e-ccrc.org	Permanent Lender	Union Point; Pico Gramercy; Arroyo Grande; Emerald Terrace; Coronita; Dorado Senior Apartments; El Dorado; Metro at Hollywood; Metro at Chinatown; Cotton's Point Senior Apartments; Vermont Family Apartments; Long Beach Senior Arts Colony; Long Beach Regal aka The Annex; Figueroa Senior Housing; La Coruna Senior Apartments; Tavarua Senior Apartments; Magnolia at Highland; Sherman Village
	<b>Citi Community Capital</b> Sonia Rahm, Vice President 787 W. 5th Street, Suite 2900 Los Angeles, CA 90071 Phone: (213) 239-1726 Fax: (213) 239-1933 sonia.m.rahm@citi.com	Permanent Lender	The Grove at Sunset Court; Yorba Linda Palm Family Apartments; Coronita Family Apartments; Emerald Terrace Family Apartment; Buckingham Senior Apartments; Asturias Senior Apartments; Cantabria Senior Apartments; The Grove; Clinton Family Apartments;
	<b>HUD- NIBP</b>	Permanent Lender	Noho Senior Artists Colony

## ii. Financial Statements

Please see *Appendix* section at the end of the document for Meta's completed financial statements for 2011-2013 and preliminary financial statement for 2014.



## **References**

Include a list of at least three references from public agency partners and professional lenders and investors with full names, contact information, and identification of the project(s) worked on.

# Developer's References

## Construction Lenders

### BANK OF AMERICA

Charmaine Atherton  
Vice President  
333 South Hope Street  
11th Floor  
Los Angeles, CA 90071  
P (213) 621-4816  
charmaine.atherton@bankofamerica.com

#### Meta Projects:

- » Chinatown Metro Apartments
- » Adams & Central Mixed Use Devt
- » Vermont Senior Apartments

### JP MORGAN CHASE BANK

Alice Carr, Senior Vice President -  
Western Regional Manager  
300 S. Grand  
4th Floor  
Los Angeles, CA 90071  
P (213) 621-8396  
alice.carr@chase.com

#### Meta Projects:

- » Magnolia at Highland
- » Tobias Terrace Apartments
- » Valerio Woods

### WELLS FARGO BANK

John Epstein  
National Manager  
Community Lending & Investment  
707 Wilshire Blvd Suite 1800  
Los Angeles, CA 90017  
P (503) 886-2587  
jepstein@wellsfargo.com

#### Meta Projects:

- » Long Beach Regal
- » San Clemente Senior Apartments
- » Long Beach Senior Artist Colony

## Permanent Lenders

### CALIFORNIA COMMUNITY REINVESTMENT CORPORATION (CCRC)

Mary Kaiser  
President  
225 W. Broadway, Suite 120  
Glendale, CA 91204  
P (818) 550-9801  
mary.kaiser@e-ccrc.org

#### Meta Projects:

- » Adams & Central Mixed Use Devt
- » Vermont Senior Apartments
- » Tavarua Senior Apartments

### CITI COMMUNITY CAPITAL

Steve Fayne  
Senior Vice President  
44 Montgomery Street  
Suite 2400  
San Francisco, CA 94104  
P (415) 293-1302  
sfayne@gmaccmahd.com

#### Meta Projects:

- » Buckingham Senior Apartments
- » Cantabria Senior Apartments
- » The Grove at Sunset Court

### JP MORGAN CHASE BANK

Alice Carr, Senior Vice President -  
Western Regional Manager  
300 S. Grand  
4th Floor  
Los Angeles, CA 90071  
P (213) 621-8396  
alice.carr@chase.com

#### Meta Projects:

- » Figueroa Senior Housing

## General Contractors

### COBALT CONSTRUCTION COMPANY

Larry Persons  
2259 Ward Avenue, Suite 200  
Simi Valley, California 93065  
P (805) 577-6222  
F (805) 582-5053  
larry.persons@cobaltcc.com

#### Meta Projects:

- » Coventry Court
- » Long Beach & Burnett
- » Adams & Central

### OPTIMUS CONSTRUCTION

Jeff Boysen  
440 Western Avenue, Suite 202  
Glendale, CA 91201  
P (818) 550-8411  
F (818) 550-9411  
jeff@optimusconstruction.com

#### Meta Projects:

- » Magnolia at Highland
- » Asturias Senior Apartments
- » NoHo Senior Artists Colony

### LUCAS GENERAL CONTRACTING CORP.

Brad Teeter  
1111 Quail Street  
Newport Beach, CA 92660  
P (949) 474-0221  
F (949) 474-3097  
kentlucas@lucascompanies.net

#### Meta Projects:

- » San Clemente
- » Tavarua Senior Apartments
- » Garden Grove

## Low Income Housing Tax Credit Limited Partner Investors

### WELLS FARGO/WACHOVIA

Timothy J. McCann  
Senior Vice President  
45 Fremont Street, 9th Floor  
MAC# A0194-090  
San Francisco, CA 94105  
P (415) 975-6334  
tim.mccann@wellsfargo.com

#### Meta Projects:

- » San Clemente Senior Apartments
- » Long Beach Senior Artist Colony
- » Magnolia at Highland

### RED STONE EQUITY PARTNERS

Don Snyder  
Senior Vice President  
200 Public Square  
Suite 1550  
Cleveland, OH 44114  
P (216) 820-4754  
don.snyder@redstoneequity.com

#### Meta Projects:

- » Buckingham Senior Apartments
- » 5555 Hollywood
- » Cantabria Senior Apartments

### BANK OF AMERICA

Joseph Siu, SVP  
Bank of America Merrill Lynch  
Bank of America, N.A.  
P (949) 794-7181  
F (804) 553-8698  
Joseph.Siu@baml.com

#### Meta Projects:

- » Vermont Senior Apartments
- » Long Beach & Burnett
- » Adams & Central Mixed Use Devt

## Public Agencies

### CITY OF LOS ANGELES HOUSING DEPT.

Tim Elliott  
Manager of Multi-Family Housing Finance  
1200 West 7th Street, 8th Floor  
Los Angeles CA 90017  
P (213) 808-8596  
TElliott@lahd.lacity.org

#### Meta Projects:

- » Adams & Central
- » Vermont
- » Figueroa

### COUNTY OF ORANGE

Kevin Fincher  
Housing Development Administrator  
1770 N. Broadway  
Santa Ana, CA 92706  
P (714) 480-2994  
kevin.fincher@hcd.ocgov.com

#### Meta Projects:

- » San Clemente
- » Buena Park

### LONG BEACH HOUSING DEVELOPMENT CORP.

Patrick Ure  
Manager, Housing Services  
333 W. Ocean Blvd., 3rd Floor  
Long Beach, CA 90802  
P (562) 570-6926  
patrick.ure@longbeach.gov

#### Meta Projects:

- » Long Beach & Burnett
- » Long Beach Senior Arts Colony

## Community Group

### COALITION FOR RESPONSIBLE COMMUNITY DEVELOPMENT

Mark Wilson  
Executive Director  
3101 S. Grand Ave.  
Los Angeles, CA 90007  
P (323) 992-8435  
mwilson@coalitionrcd.org

#### Meta Projects:

- » Adams & Central
- » Vermont

## Joint Development Partners

### CENTURY HOUSING

Brian D'Andrea  
Senior Vice President, Housing  
1000 Corporate Pointe  
Culver City, CA 90230  
P (310) 642-2059  
F (310) 642-2049  
bdandrea@centuryhousing.org

#### Meta Projects:

- » Long Beach Senior Arts Colony
- » Heritage Park – Anaheim

### WESTERN COMMUNITY HOUSING, INC.

Graham P. Espley-Jones  
President  
151 Kalmus Drive, Suite J-5  
Costa Mesa, CA 92626  
P (714) 549-4100 Ext. 101 / F (714) 549-4600  
graham@wchousing.org

#### Meta Projects:

- » The Metro @ Chinatown Senior Lofts

3

**AMOUNT OF FUNDS  
REQUESTED**

## Amount of Funds Requested

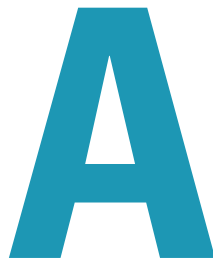
Meta's proposal anticipates utilizing \$4.2 million of funds available to acquire, rehabilitate and convert 24 units of market rate housing to 24 units of affordable housing on the subject property.

Meta will use the City's contribution to leverage an additional \$2.77 million in tax credit equity.

A detailed breakdown of the project's financial analysis is available in *Section 5: Development Pro Forma* of this document.

# 4

## PROJECT DESCRIPTION



## **Development Concept / Site Description**

The development concept for the site or a description (with photographs) of the site, building, proposed building square footage, number and size of units/ bedrooms, total parking spaces, proposed ingress and egress, proposed rents and tenant incomes, any special needs groups to be served, amenities to be provided to the tenants, and resident manager's unit. If there will not be a resident manager for a rental project, describe in detail how the project will be managed.

## Development Concept / Site Description



### Overview

Country Club Gardens is an existing 24-unit garden style apartment complex in Newport Beach. Meta proposes to purchase the property and rehab the entire property to meet its high standards for quality affordable housing. The proposed rehab scope of work will include, but not be limited to the following:

- » New granite countertops
- » Thermo-foil cabinets
- » Whirlpool or equivalent appliances
- » Interior paint
- » New carpet or flooring
- » Replacement of all solid slab doors with raised panel type
- » Upgrade/replace door and bathroom hardware
- » Replace light fixtures,
- » New window coverings
- » Upgrade electrical panels for appliances.
- » Renovate parking areas
- » Extensive landscape upgrades
- » Refurbish all community amenity spaces

## Project Summary

» Site Area:	38,333 sq. ft. (0.88 acres)
» Gross Building Area:	15,947 sq. ft.
» Net Rentable Area:	14,352 sq. ft.
» Number of Units:	24
» Average Unit Size:	598 sq. ft.
» Parking Spaces:	40 (on grade)
» Parking Ratio:	1.67

## Unit Breakdown

» 1-Bedroom (500 sq. ft.):	17
» 2-Bedroom (850 Sq. ft.):	6
» Manager (1-Bedroom @ 752 sq. ft.):	1
» Total:	24

## Ingress / Egress

The subject site is entered and exited from Santa Ana Avenue on the west side of the property. A parking is accessed from the main drive which wraps around the southern and eastern perimeter of the site.

## Proposed Rents / Tenant Incomes

Type	Unit/SF	# of Units	AMI	Rent/Unit	SF Price	Util. All.	Rent Rec.	Total Rent
1 Bed	500	2	50%	\$878	\$1.76	\$42	\$836	\$1,672
1 Bed	500	15	60%	\$1,054	\$2.11	\$42	\$1,012	\$15,174
2 Bed	850	1	50%	\$1,055	\$1.24	\$52	\$1,003	\$1,003
2 Bed	850	5	60%	\$1,266	\$1.49	\$52	\$1,214	\$6,070
Mngr Units (1bd)	752	1	60%	\$1,054	\$1.40	\$47	\$1,054	\$1,054
<b>Avg/Total</b>	<b>598</b>	<b>24</b>	<b>59%</b>	<b>\$1,083</b>	<b>\$1.81</b>	<b>\$43</b>	<b>\$997</b>	<b>\$24,973</b>

*Additionally, the project will have a regulatory agreement restricting affordability for 55 years.*

## Amenities Provided to Tenants

Meta will improve the central courtyard to foster connectivity among residents. This will be achieved through the implementation of conscious design elements throughout the common area. Improvements will include new seating and gathering areas supported by BBQ's and tranquil water feature.

## Management

As shown in the above unit breakdown, there will be one unit for the on-site manager. Property management will be handled by WSH Management, whose experience and company information can be found in *Section 1: Statement of Qualifications* of this document. WSH is a highly experienced management firm that has worked closely with Meta Housing on numerous affordable communities.

## Photos of Existing Property

Photo Date: 6-25-2015



*View from Santa Ana Avenue*



*Large frontage on Santa Ana Avenue*



*Entrance drive alley off Santa Ana Avenue*



*Handicap Parking in front*



*View from entrance drive alley*



*Carport parking and trash bin*

## Photos of Existing Property

Photo Date: 6-25-2015



*Courtyard entrances to units*



*View of Santa Ana Golf Course trees across Santa Ana Ave*



*Common area courtyard entrances to units*



*Second floor balconies and first floor patios*



*View from Santa Ana Golf Course toward Project*



*More carports to the rear of property*

## Photos of Existing Property

Photo Date: 6-25-2015



*Carports to rear, adjacent to 3-story townhomes*



*Surface parking to rear, adjacent to 3-story townhomes*



*Shared entrance off Santa Ana Avenue to adjacent apartments of Montecello West Apartments*



*One patch of common area grass*

# B

## **Site Information**

Provide basic site information such as property address, lot area, existing uses, current General Plan designation and zoning, consistency with zoning or if rezoning is required.

## Site Information

### Property Address

20312 Santa Ana Avenue, Newport Beach, CA 92660

### Lot Area

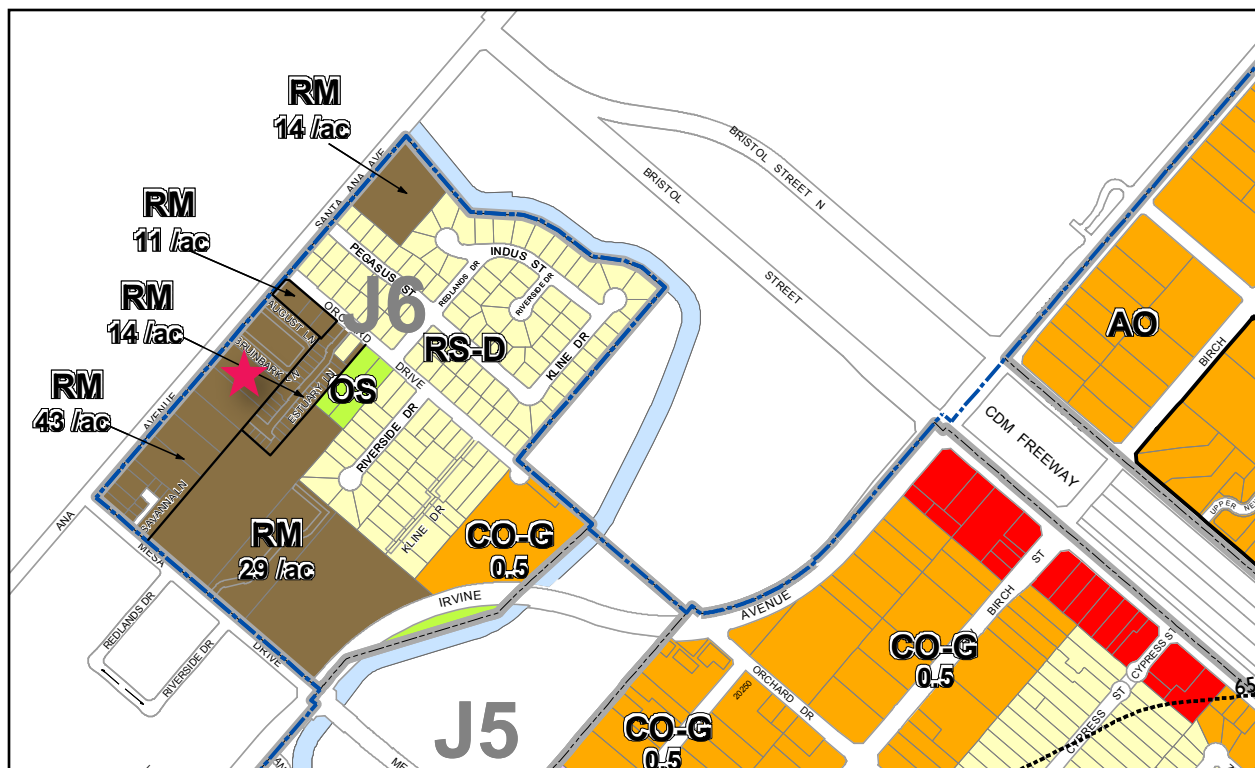
38,333 square feet (0.88 acres)

### Existing Use(s)

Multi-family residential apartment complex

### Current General Plan Designation and Zoning

RM: Multiple Unit Residential (Per City of Newport Beach General Plan, Adopted July 25, 2006)



### Consistency with Zoning or if Rezoning is Required

The proposed project is consistent with the current use and zoning. No rezoning is required.



## **Property Description**

Describe the property location, neighborhood, transportation options, local services, and amenities within close proximity to the site.

# Site Information

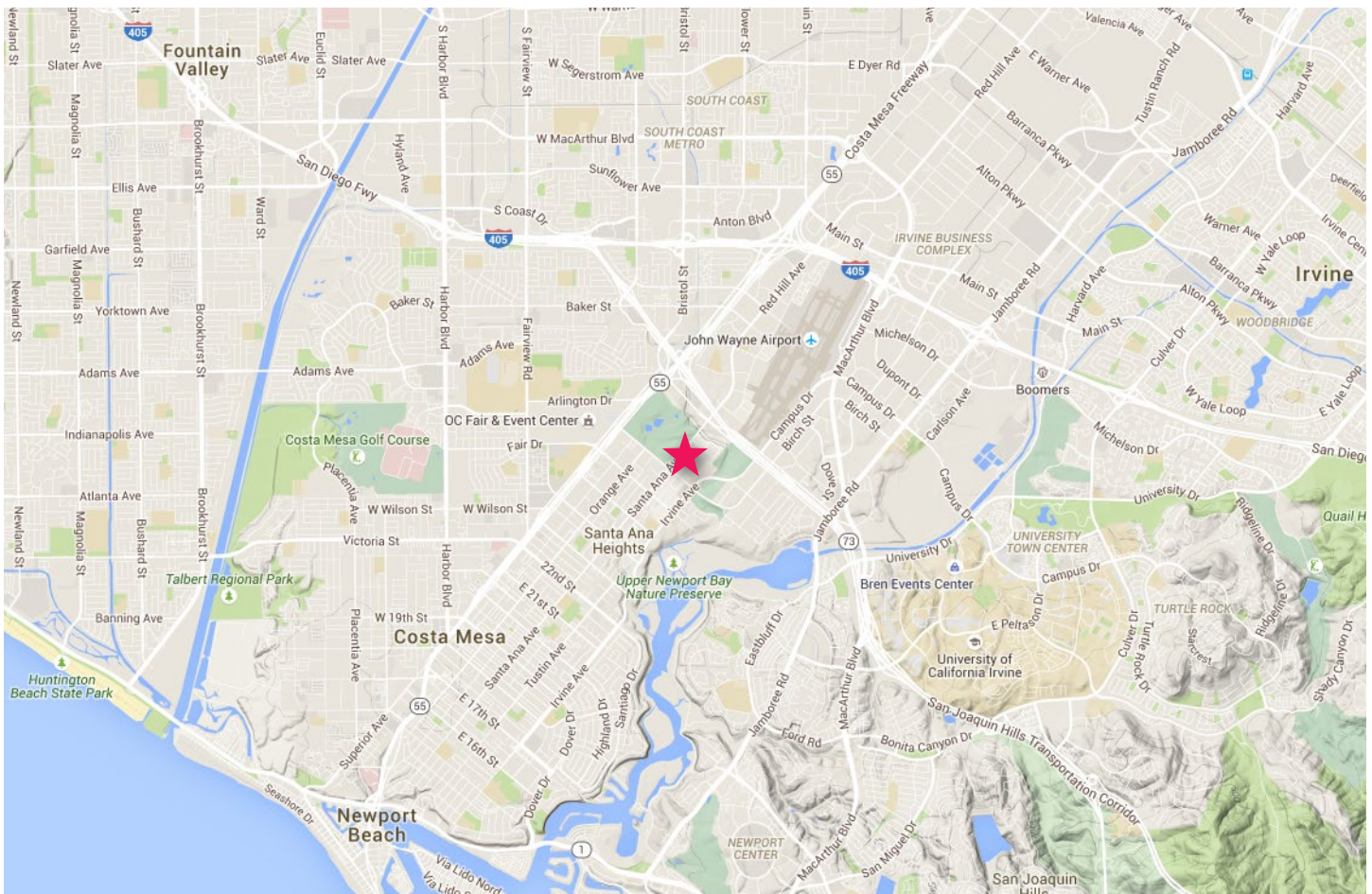
## Property Location

The subject property is located at 20312 Santa Ana Avenue in Newport Beach, California. The property is well-located and near the 405, 73 and 55, and John Wayne Airport, and is adjacent to other residential properties. It is nearby to numerous area amenities, local services and transportation options (see maps on the following pages). In addition to everyday retail like supermarkets, drug stores and banks, the property is close by to Fashion Island, a local shopping venue, which attracts millions of visitors annually. Other retail, recreational and historic attractions include Balboa Island, Balboa Village, Cannery Village, McFadden Square, Corona del Mar, and Mariner's Mile.

Nearby major employers include Hoag Memorial Hospital (2,700 employees), Pacific Mutual (2,020 employees), and Rockwell International (1,700 employees).

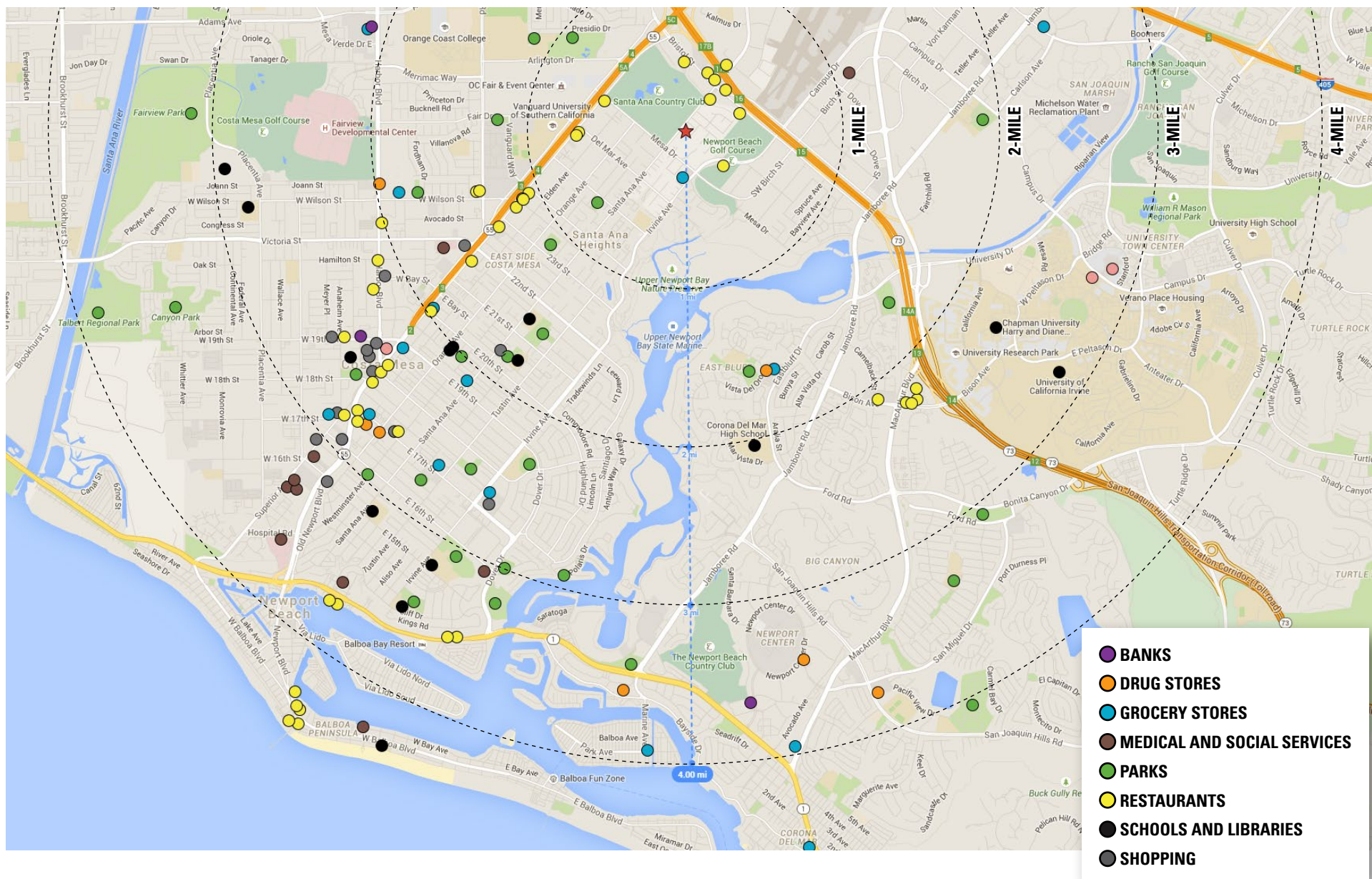
Nearby colleges include the University of California at Irvine (UCI) (24,000 students), Concordia University, the University of Phoenix-Southern California Campus (18,075 students), Coastline Community College (2,940 students), and Orange Coast College (13,224 students). Local elementary, middle and high schools rank among the best in the county. The majority of residents attended college, with many earning graduate degrees.

Furthermore, the overall neighborhood is highly desirable, as the property is situated between Santa Ana Country Club and Newport Beach Golf Course. Zip code 92660 boasts a \$1,063,500 media home price and \$193,206 average household income, which highlights the need for affordable housing for those earning below the area median income of \$85,355.





## Local Services and Area Amenities



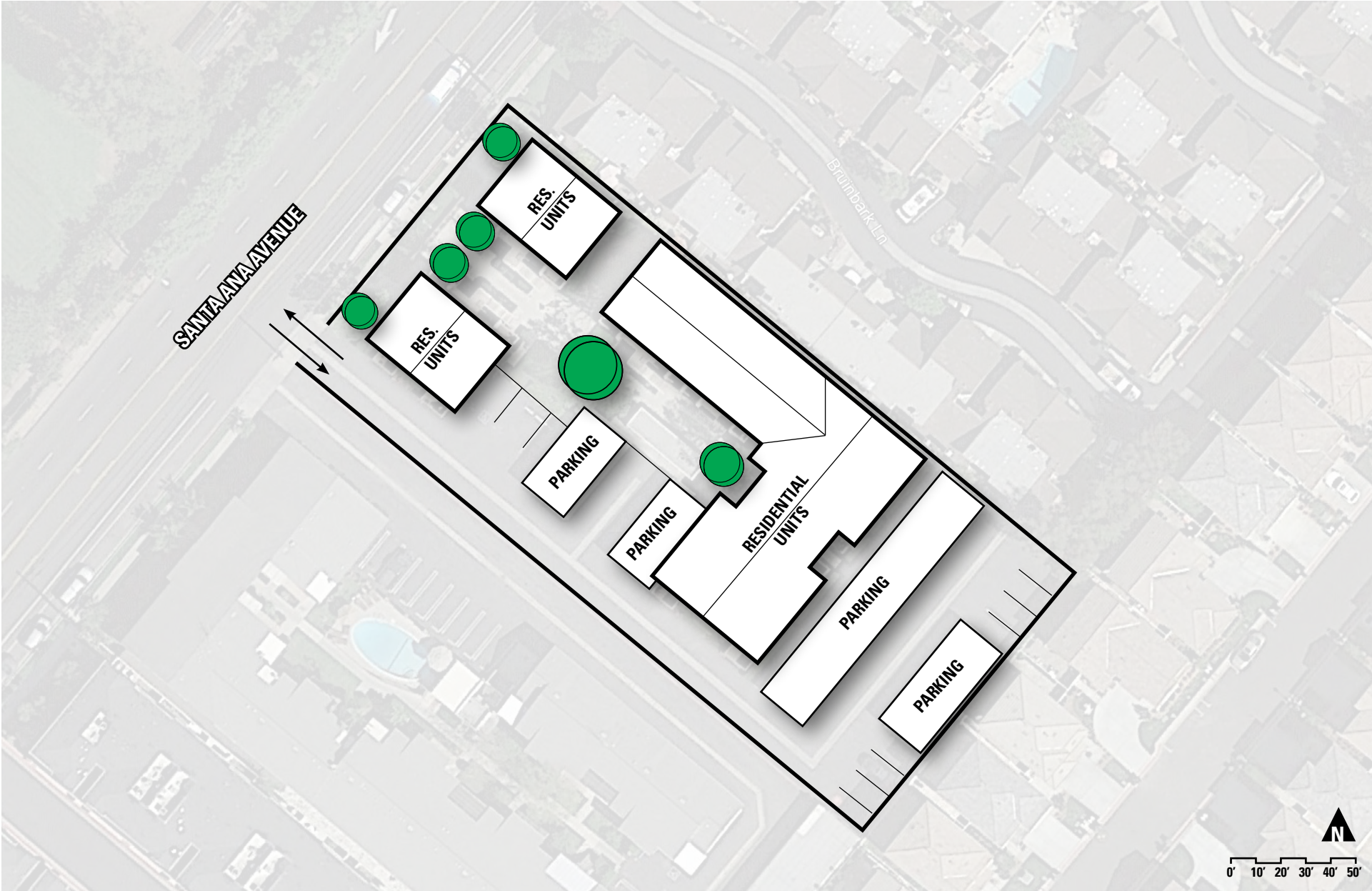


## **Graphic Depiction of Proposed Project**

Provide a graphic depiction of the proposed project consisting of a preliminary site plan and elevation.



Site Plan



# Elevation



## Design Precedents and Concept Imagery

The following imagery illustrates the looks, feels and concepts for which Meta and its design team would strive







## **Property Management**

Description of how the project will be managed.

# Property Management

Meta works exclusively with best-in-class property management firms. For this property, Meta proposes to use WSH Management, whose dedicated team has managed numerous other Meta projects. WSH has successfully marketed, leased, and managed apartment communities since it began operations over 14 years ago, and it is very experienced in the management of affordable communities, including of Section 42 Low Income Housing Tax Credit (LIHTC) properties. WSH will utilize both their in office team, as well as the placement of one on-site manager.

The property management's responsibilities team will include, but are not limited to:

- » Day to Day Operations
- » Compliance
- » Annual Plans
- » Manager as Exclusive Leasing Agent
- » Leasing
- » Qualification of Tenants
- » Staffing and Salaries
- » Advertising
- » Authority and Duty to Enforce Leases
- » Security Deposits
- » Collection of Rents and other Receipts
- » Accounting Records and Reports
- » Maintenance of Project

A detailed overview of WSH's experience, properties managed and operations can be found in the *Statement of Qualifications* section of this document.



## **Evidence of Site Control**

Site control must be maintained until the property is acquired.



## Meta Housing Corporation

June 18, 2015

Mr. Todd Stoddard  
126 Concord Street  
Number 8  
El Segundo, California 90245

RE: **Country Club Garden Apartments (24 units)**  
20312 Santa Ana Avenue  
Newport Beach, CA 92660

Dear Mr. Stoddard:

After inspection of the property and review of the information provided, Meta Housing Corporation in collaboration with Western Community Housing, hereafter referred to as "Buyer", hereby submits this Letter of Intent to purchase the above-referenced Property from the Owner ("Seller"). Upon acceptance of this Letter of Intent Buyer and Seller agree to complete and execute a formal Purchase and Sale Agreement and Escrow Instructions. The terms and conditions set forth herein shall be incorporated within the Purchase and Sale Agreement:

PURCHASE PRICE	\$6,200,000.00
FINANCING	Buyer to pay cash to new financing
DEPOSIT TO ESCROW	\$150,000 within three business days of execution of formal Purchase Agreement and Escrow Instructions. The deposit will remain in escrow and become non-refundable in accordance with the following schedule: \$50,000 upon expiration of due diligence; \$100,000 upon award of Newport Beach Affordable Housing funds prior to September 15, 2015.



Meta Housing Corporation

DUE DILIGENCE

Upon receipt of requested due diligence items, Forty-Five (45) business days to complete property inspections and our general due diligence review of the property and property information including, if available, but not limited to:

1. Review of current Rent Roll and Operating Statement as of June 2015, and all other monthly and annual statements available.
2. Current year's bills for Taxes and Insurance.
3. Utility account numbers and current bills.
4. Any and all feasibility studies and bids for any renovation work in the possession of Seller. A detailed list of all recent improvements completed by Seller and their costs along with the warranties still in effect for any of the major items.
5. Tenant leases/rent agreements.
6. ALTA survey
7. Environmental study.
8. Property Title report and all exceptions.
9. M.A.I.
10. Unit by unit physical inspection
11. All vendor contracts.

ESCROW

Opening to occur within three business days of execution of formal Purchase Agreement and Escrow Instructions. Closing shall occur 45 calendar days after conclusion of Buyer's Due Diligence, but not later than October 15, 2015. Property taxes, rents, prepaid laundry contract fees, security deposits and all other items of income and expense shall be prorated as of close of escrow. Buyer will have the option to extend the escrow an additional 30 days upon 7 days prior written notice to Seller and to escrow by concurrently releasing \$75,000 which shall be applicable and non-refundable.

CLOSING COSTS

Buyer and Seller shall equally share all escrow fees, closing costs, recording fees; Documentary transfer taxes to be paid by Seller.



Meta Housing Corporation

**REPRESENTATIONS  
AND WARRANTIES**

Buyer is buying property "as is"; however, Seller represents and warrants that they will disclose all of their knowledge and findings of the property and its operations to Buyer.

**COMMISSION**

Seller shall be solely responsible for payment of all real estate commissions, if any, per their separate agreement.

Escrow and Title Insurance to be handled by North American Title Company. If you are interested in pursuing this transaction, so indicate by your signature below, returning a copy to me via fax, with an original via U.S. Mail. Escrow will open upon the execution of Buyer's Real Estate Sales Contract and Escrow Instructions.

This is a Letter of Intent only and it shall not form a binding agreement even if the terms of this letter are acceptable to both Buyer and Seller. Rather, it is intended as merely an expression of the general terms upon which Buyer and Seller will consider entering into a binding contract, which will only come into effect upon the mutual execution of the Real Estate Sales Contract. In the event that such a formal agreement is not signed within 10 days of mutual execution of this Letter of Intent, then there is and will be no binding agreement between the Buyer and Seller.

Time is of the essence. This Letter of Intent shall be valid until Friday, June 26, 2015 at 5:00 p.m. PST.

Sincerely,

**META HOUSING CORPORATION**

Shaun C. Bradley  
Director of Acquisitions

**AGREED & ACKNOWLEDGED:**

By:

Date:

cc: Graham Espley-Jones, Western Community Housing  
Scott Gayner, Western Community Housing  
Kasey Burke, Meta Housing Corporation



## **Plan for Community Outreach**

Provide a plan for conducting community outreach to the neighbors of the proposed project and community groups. The outreach plan should describe how the proposer intends to build support for the project and address community concerns. The outreach plan should also discuss any anticipated community concerns and how they will be handled..

## City and Community Partnership

Our team of experienced professionals is truly proficient and proactive at every level of the development process. Meta approaches every development as a partnership with the City and community. Our goal is to shape projects that are not only successful as stand-alone endeavors but also contribute as true assets to the community. Meta's partnership with the City of Newport Beach for the Country Club Gardens development will create a team that has strong local ties and is in tune to the housing, supportive services and neighborhood needs in Newport Beach. Additionally, we welcome the local community and the City of Newport Beach's involvement in any and all steps of the development process.

### Community Outreach

The goal of the Country Club Gardens project team is to develop a successful project by collaborating with various community groups, public agencies and neighborhood stakeholders. In order to reach this goal, we have outlined our community outreach plan as follows:

The development team meets early to research, assess and plan in five key areas:

1. Prepare a political strategy that coordinates all our work towards educating public officials and getting the political support we need.
2. Prepare a strategy to build active community support for our proposal.
3. Prepare a strategy to address community concerns and deal with active opposition.
4. Be aware of and take steps to protect the legal rights of the involved parties.
5. Prepare a public relations/media strategy to inform decision-makers and the public.

Additionally please refer to the *Developer Experience* section for examples of a few projects where Meta is particularly proud of our community outreach effort.

# 5

**DEVELOPMENT  
PRO FORMA**

**Development Pro Forma** that identifies the sources and uses of all funds necessary to complete the project, and that includes the project's anticipated cash flows over a period of years equal to 15 years and 30 years. The pro forma should identify important underlying assumptions that govern the cash flows.

## Project Summary and Underwriting Assumptions

### Site & Building Information

City	Newport Beach
County	Orange
Units	24
Avg. Net Rentable SF/U	598
Total Rentable SF	14,352
Efficiency Ratio	90.00%
Estimate of Gross SF	15,947

Parking Spaces per unit	1.67
On Grade Parking Spaces	40

### Public Funds

		per unit
Citi Loan	\$ 4,200,000	\$ 175,000
Redevelopment Agency		\$ -
MHP		\$ -
County		\$ -
GP Loan		\$ -
AHP	\$ -	\$ -
Land Costs	\$ 6,200,000	\$ 258,333

### Proforma Cash Flow & Income Assumptions

Vacancy Factor Low Income	5.0%
Vacancy Moderate & Market	0.0%
Income Growth Factor	2.5%
Expense Growth Factor	3.5%
Reserve and GP Fee escalator	3.0%
Management Fees	6.0%
Replacement Reserves	\$ 300
Property Tax Escalating Factor	0.00%
Property Tax General Levy	1.10%
Property Tax Assessments	0.080%
Rent Growth from Underwriting to	
Stabilized Occupancy	0.000%

Cap Rate at Completion	5.00%
Value at 100% Occupancy	\$ 2,608,168
80%LTV	\$ 2,269,106

Total Hard Costs/Unit	\$ 30,000
Total Hard Costs/Net Rentable SF	\$ 50
Total Hard Costs/Gross SF	\$ 45

Total Development Cost/Unit	\$ 394,161
Total Development Cost/Gross sf	\$ 15,819

### Schedule

Construction Start	2/1/2016
Placed in Service	8/1/2016
Lease Up Complete	11/1/2016
Conversion	2/1/2017

### Land Breakdown

#### Apartment Site

Acres	3.00
Square Feet	130,680
Units/Acre on Apt. Site	8
Land Cost Site 1	\$ 6,200,000
Land Cost per Unit	\$ 258,333
Land Cost per Sq. Ft.	\$ 47.44
Land Cost per Acre	\$ 2,066,667

# Income

## HUD/TCAC

Orange	Efficiency	1 Bed	2 Bed	3 Bed	4 Bed
Rent @ 100% AMI 2014	\$1,640	\$1,756	\$2,110	\$2,436	\$2,716
Utility Allowance	\$0	\$42	\$52		\$0

Total Units	24
-------------	----

## Unit Breakdown

Type	Unit/Sq. Ft.	# of Units	AMI Restrictions	Actual AMI's	Rent/Unit	sq. ft. price	Utility Allow.	Rent Received	Total Rent
1 Bed	500	2	50%		\$ 878	\$ 1.76	\$ 42	\$ 836	\$ 1,672
1 Bed	500	15	60%		\$ 1,054	\$ 2.11	\$ 42	\$ 1,012	\$ 15,174
2 Bed	850	1	50%		\$ 1,055	\$ 1.24	\$ 52	\$ 1,003	\$ 1,003
2 Bed	850	5	60%		\$ 1,266	\$ 1.49	\$ 52	\$ 1,214	\$ 6,070
Mngr Units (1bd)	752	1	60%		\$ 1,054	\$ 1.40	\$ 47	\$ 1,054	\$ 1,054
<b>Avg/Total</b>	<b>598</b>	<b>24</b>	<b>59%</b>		<b>\$ 1,083</b>	<b>\$ 1.81</b>	<b>\$ 43</b>	<b>\$ 997</b>	<b>\$ 24,973</b>

Total Sq. Ft 14,352  
 Low Inc Sq. Ft 6,100  
 Ratio for credits 42.50%  
 57.50%

Monthly Rent < 60% AMI \$ 24,973  
 Monthly Rent from Moderate & Market \$ -  
 Total Monthly \$ 24,973  
 Total Annual Rent \$ 299,671

Annual Rent < 60% AMI \$ 299,671  
 Vacany 5.0% \$ (14,984)  
 Annual Rent from Moderate & Market \$ -  
 Vacancy 0.0% \$ -  
 Other Income \$ 10.00 \$ 2,880  
 Effective Gross Income \$ 287,568

Avg. Aff. Rent \$ 1,040  
 Avg. Mrkt Rent \$ 1,054

## Total Unit AMI Breakdown

% of AMI	Units w/ mr	Unit Ratio %	Aff. Unit Ratio %	Aff. Units	# Units by Bedroom		
30%	0	0.0%	0.0%	0	1 Bedroom	17	70.83%
35%	0	0.0%	0.0%	0	2 Bedroom	7	29.17%
40%	0	0.0%	0.0%	0	3 Bedroom	0	0.00%
45%	0	0.0%	0.0%	0	4 Bedroom	0	0.00%
50%	3	12.5%	12.5%	3	24		
60%	21	87.5%	87.5%	21			
<b>Total</b>	<b>24</b>			<b>24</b>			

# Operating Expenses

Expenses	Budget	Per Sq. Ft.	Per Unit	Per Month
Salaries & Benefits				
Manager	\$ 32,000	\$ 2.01	\$ 1,333	\$ 2,667
Employee Apartment (manager/maint.)	\$ 12,643	\$ 0.79	\$ 527	\$ 1,054
Employee Burden	\$ 8,960	\$ 0.56	\$ 373	\$ 747
<b>Total Salaries &amp; Benefits</b>	<b>\$ 53,603</b>	\$ 3.36	\$ 2,233	\$ 4,467
Administrative	\$ 5,000	\$ 0.31	\$ 208	\$ 417
Business License Tax	\$ 1,000	\$ 0.06	\$ 42	\$ 83
Advertising/Marketing	\$ 1,500	\$ 0.09	\$ 63	\$ 125
Repairs & Maint.				
Painting & Cleaning	\$ 5,400	\$ 0.34	\$ 225	\$ 450
Repairs & Maint.	\$ 6,000	\$ 0.38	\$ 250	\$ 500
<b>Total Repairs &amp; Maintenance</b>	<b>\$ 18,900</b>	\$ 1.19	\$ 788	\$ 1,575
Contract Services				
Fire Sprinkler/Alarm Service	\$ 2,000	\$ 0.13	\$ 83	\$ 167
Trash	\$ 3,456	\$ 0.22	\$ 144	\$ 288
Pest Control	\$ 2,000	\$ 0.13	\$ 83	\$ 167
Landscape/Grounds Maintenance	\$ 2,700	\$ 0.17	\$ 113	\$ 225
<b>Total Contract Services</b>	<b>\$ 10,156</b>	\$ 0.64	\$ 423	\$ 846
Utilities				
Electric	\$ 6,000	\$ 0.38	\$ 250	\$ 500
Water & Sewer	\$ 9,600	\$ 0.60	\$ 400	\$ 800
Gas	\$ 2,400	\$ 0.15	\$ 100	\$ 200
<b>Total Utilities</b>	<b>\$ 18,000</b>	\$ 1.13	\$ 750	\$ 1,500
Management Fees	\$ 17,254	\$ 1.08	\$ 719	\$ 1,438
Legal/Audit	\$ 15,000	\$ 0.94	\$ 625	\$ 1,250
Real Estate Taxes (Market Rate)	\$ 6,606	\$ 0.41	\$ 275	\$ 551
Insurance	\$ 4,440	\$ 0.28	\$ 185	\$ 370
Replacement Reserves	\$ 7,200	\$ 0.45	\$ 300	\$ 600
Annual Issuer Fee	\$ 6,000	\$ 0.38	\$ 250	\$ 500
<b>Total Other</b>	<b>\$ 56,500</b>	\$ 3.54	\$ 2,354	\$ 4,708
<b>Total Expenses</b>	<b>\$ 157,159</b>	<b>\$ 9.86</b>	<b>\$ 6,548</b>	<b>\$ 13,097</b>
<b>Additional Project Expenses:</b>				
Asset Management Fee - LP	\$ 5,000	\$ 0.31	\$ 208	\$ 417
Managing General Partner Fee	\$ 7,500	\$ 0.47	\$ 313	\$ 625
<b>Total</b>	<b>\$ 12,500</b>	<b>\$ 0.78</b>	<b>\$ 521</b>	<b>\$ 1,042</b>

## Uses of Funds

USES	TOTAL PROJECT COST	PER UNIT COSTS	70% PVC FOR NEW CONST/REHAB
<b>LAND COST/ACQUISITION</b>			
Land Cost or Value	6,416,000	267,333	4,960,000
<b>Total Land Cost / Acquisition Cost</b>	<b>6,416,000</b>	<b>267,333</b>	
<b>NEW CONSTRUCTION</b>			
Structures	720,000	30,000	720,000
<b>Total New Construction Costs</b>	<b>720,000</b>	<b>30,000</b>	<b>720,000</b>
<b>ARCHITECTURAL FEES</b>			
<b>Total Survey &amp; Engineering</b>	<b>105,000</b>	<b>4,375</b>	<b>105,000</b>
<b>CONSTRUCTION INTEREST &amp; FEES</b>			
Construction Loan Interest	23,750	990	23,750
Origination Fee	48,000	2,000	48,000
Credit Enhancement/Application Fee	40,000	1,667	40,000
Bond Premium	49,128	2,047	-
Insurance	125,000	5,208	125,000
Title & Recording	37,500	1,563	37,500
Other: (Construction Loan Interest Post CofO)	57,000	2,375	
<b>Total Construction Interest &amp; Fees</b>	<b>380,378</b>	<b>15,849</b>	<b>274,250</b>
<b>PERMANENT FINANCING</b>			
Loan Origination Fee	3,509	146	
Title & Recording	10,000	417	
<b>Total Permanent Financing Costs</b>	<b>13,509</b>	<b>563</b>	
<b>Subtotals Forward</b>	<b>7,634,887</b>	<b>318,120</b>	<b>1,099,250</b>
<b>LEGAL FEES</b>			
Lender Legal Paid by Applicant	60,000	2,500	50,000
Other: (Bond Counsel & Partnership Legal)	165,000	6,875	100,000
<b>Total Attorney Costs</b>	<b>225,000</b>	<b>9,375</b>	<b>150,000</b>
<b>RESERVES</b>			
3-Month Operating Reserve	67,639	2,818	
<b>Total Reserve Costs</b>	<b>67,639</b>	<b>2,818</b>	
<b>Total Contingency Cost</b>	<b>108,000</b>	<b>4,500</b>	<b>108,000</b>
<b>OTHER PROJECT COSTS</b>			
TCAC/CDLAC App/Allocation/Monitoring Fees	12,840	535	
Environmental Audit	5,500	229	5,500
Permit Processing Fees	87,500	3,646	87,500
Capital Fees	40,000	1,667	-
Marketing	25,000	1,042	
Market Study	8,500	354	8,500
Accounting/Reimbursables	105,000	4,375	15,000
Soft Cost Contingency	125,000	5,208	125,000
Other: (Predevelopment Loan)	35,000	1,458	35,000
<b>SUBTOTAL PROJECT COST</b>	<b>444,340</b>	<b>18,514</b>	<b>276,500</b>
<b>DEVELOPER COSTS</b>			
Developer Overhead/Profit	980,000	40,833	980,000
<b>Total Developer Costs</b>	<b>980,000</b>	<b>40,833</b>	<b>980,000</b>
<b>TOTAL PROJECT COSTS</b>	<b>9,459,866</b>	<b>394,161</b>	<b>7,573,750</b>

# Tax Credit Schedule

Tax Credit Calculation		4%
Total Unadjusted Basis		2,195,324
less Basis Reduction	\$ -	
Total Eligible Basis		2,195,324
X High Cost Bonus	130%	
Total Adjusted Eligible Basis		2,853,921
X Applicable Fraction	100.00%	
Total Qualified Basis		2,853,921
Total Credit Reduction	0.00%	
Total Adjusted Qualified Basis		2,853,921
X Credit Rate	3.22%	
		91,896
X # of Years of Credit	10	
		918,963
X Tax Credit Factor	\$ 1.100	
<b>Equity to Project</b>		<b>1,010,859</b>

Threshold Basis Calculation				
Unit Size	Basis Limit	No. Of Units	Total Basis	
Efficiency	163,932	-	-	
1	189,012	18	3,402,216	
2	228,000	6	1,368,000	
3	291,840	-	-	
4	325,128	-	-	
			<b>4,770,216</b>	
			4,770,216	
Federal Prevailing Wage	N	20%	-	
Parking Beneath Units	N	7%	-	
Elevator Service	N	10%	-	
Day Care on Site	N	2%	-	
100% for Special Needs	N	2%	-	
3 or more energy efficiency	N	4%	-	
Seismic Upgrade or Toxic Mit.	N	15%	-	
Energy Technologies	N	5%	-	
4% multiplier	1.5			
Local Dev. Impact Fees			-	
<b>TOTAL</b>			<b>7,155,324</b>	

Tax Credit Calculation - Acquisition		4%
Total Unadjusted Basis		4,960,000
less Basis Reduction	\$ -	
Total Eligible Basis		4,960,000
X High Cost Bonus	100%	
Total Adjusted Eligible Basis		4,960,000
X Applicable Fraction	100.00%	
Total Qualified Basis		4,960,000
Total Credit Reduction	0.00%	
Total Adjusted Qualified Basis		4,960,000
X Credit Rate	3.22%	
		159,712
X # of Years of Credit	10	
		1,597,120
X Tax Credit Factor	\$ 1.100	
<b>Equity to Project</b>		<b>1,756,832</b>

## Debt Service

### Permanent Loan - 1st Trust Deed

#### Max Allowable Cash Flow

Present Loan Value	\$	2,064,000
Current 10 yr Rate		2.50%
Base Spread		1.75%
26 month forward cost		0.00%
Cushion		0.00%
Underwriting Rate		4.250%
Term		35
DCR		1.150
Annual Payment	\$	(113,399)
Monthly Payment	\$	(9,450)
Constant		5.494%

#### Max Allowable @ 80% Project Value/Cash Flow

Requested Loan Value	\$	2,064,000
Interest Rate		4.25%
Term		35
DCR		1.15
Annual Payment	\$	(113,411)
Monthly Payment	\$	(9,451)
Loan Origination Fee		0.17%
Loan Origination Fee		\$3,509

### Construction Loan

Amount	\$	4,800,000
Interest Rate		2.400%
Term (Months)		12
Loan Origination Fee		1.00%
Draw Down Rate		80.00%
Total Interest Carry (Est)	\$	92,160
Loan Fee	\$	48,000

#### Const. Loan Stack

Spread		1.650%
SIFMA/LIBOR		0.250%
Underwriting Cushion		0.500%

<b>Total</b>	<b>2.400%</b>
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## Source of Funds

### CONSTRUCTION

Construction Loan 1st TD	\$	4,750,000
City Loan	\$	4,200,000
Deferred Operating Reserve	\$	67,639
Def. Dev. Fee	\$	442,227
<b>TOTAL SOURCES</b>	<b>\$</b>	<b>9,459,866</b>

### PERMANENT

Perm Loan 1st TD	\$	2,064,000
City Loan	\$	4,200,000
Tax Credit Equity	\$	2,767,691
Deferred Developer Fee	\$	428,175
<b>TOTAL SOURCES</b>	<b>\$</b>	<b>9,459,866</b>

## 30-Year Cash Flow

Calendar Year Stabilized Year	2018 1	2019 2	2020 3	2021 4	2022 5	2023 6	2024 7	2025 8	2026 9	2027 10
<b>Revenues:</b>										
Gross Potential Rent	\$ 299,671	\$ 307,163	\$ 314,842	\$ 322,713	\$ 330,781	\$ 339,050	\$ 347,527	\$ 356,215	\$ 365,120	\$ 374,248
Other Income	2,880	2,952	3,026	3,101	3,179	3,258	3,340	3,423	3,509	3,597
Vacancy Loss	(14,984)	(15,358)	(15,742)	(16,136)	(16,539)	(16,953)	(17,376)	(17,811)	(18,256)	(18,712)
<b>Total Net Revenues</b>	<b>287,568</b>	<b>294,757</b>	<b>302,126</b>	<b>309,679</b>	<b>317,421</b>	<b>325,356</b>	<b>333,490</b>	<b>341,828</b>	<b>350,373</b>	<b>359,133</b>
<b>Total Expenses:</b>	<b>157,159</b>	<b>156,010</b>	<b>161,025</b>	<b>166,210</b>	<b>171,572</b>	<b>177,114</b>	<b>182,845</b>	<b>188,770</b>	<b>194,897</b>	<b>201,231</b>
<b>Net Operating Income:</b>	<b>130,408</b>	<b>138,747</b>	<b>141,100</b>	<b>143,468</b>	<b>145,849</b>	<b>148,242</b>	<b>150,645</b>	<b>153,057</b>	<b>155,476</b>	<b>157,901</b>
Debt Service:										
1st TD	113,399	113,399	113,399	113,399	113,399	113,399	113,399	113,399	113,399	113,399
	1.15	1.22	1.24	1.27	1.29	1.31	1.33	1.35	1.37	1.39
<b>Cash Flow After Debt Service</b>	<b>17,010</b>	<b>25,348</b>	<b>27,702</b>	<b>30,070</b>	<b>32,451</b>	<b>34,843</b>	<b>37,247</b>	<b>39,658</b>	<b>42,078</b>	<b>44,503</b>
Additional Project Expenses:										
Asset Management Fee - LP	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
Managing General Partner Fee	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786
<b>Total</b>	<b>12,500</b>	<b>12,875</b>	<b>13,261</b>	<b>13,659</b>	<b>14,069</b>	<b>14,491</b>	<b>14,926</b>	<b>15,373</b>	<b>15,835</b>	<b>16,310</b>
<b>Cash Flow After partnership fees</b>	<b>\$ 4,510</b>	<b>\$ 12,473</b>	<b>\$ 14,441</b>	<b>\$ 16,411</b>	<b>\$ 18,382</b>	<b>\$ 20,353</b>	<b>\$ 22,321</b>	<b>\$ 24,285</b>	<b>\$ 26,243</b>	<b>\$ 28,193</b>

## 30-Year Cash Flow

Calendar Year Stabilized Year	2028 11	2029 12	2030 13	2031 14	2032 15	2033 16	2034 17	2035 18	2036 19	2037 20
<b>Revenues:</b>										
Gross Potential Rent	\$ 383,604	\$ 393,195	\$ 403,024	\$ 413,100	\$ 423,428	\$ 434,013	\$ 444,864	\$ 455,985	\$ 467,385	\$ 479,069
Other Income	3,687	3,779	3,873	3,970	4,069	4,171	4,275	4,382	4,492	4,604
Vacancy Loss	(19,180)	(19,660)	(20,151)	(20,655)	(21,171)	(21,701)	(22,243)	(22,799)	(23,369)	(23,953)
<b>Total Net Revenues</b>	<b>368,111</b>	<b>377,314</b>	<b>386,747</b>	<b>396,415</b>	<b>406,326</b>	<b>416,484</b>	<b>426,896</b>	<b>437,568</b>	<b>448,507</b>	<b>459,720</b>
<b>Total Expenses:</b>	<b>207,781</b>	<b>214,552</b>	<b>221,554</b>	<b>228,794</b>	<b>236,280</b>	<b>244,020</b>	<b>252,024</b>	<b>260,300</b>	<b>268,857</b>	<b>277,705</b>
<b>Net Operating Income:</b>	<b>160,330</b>	<b>162,761</b>	<b>165,192</b>	<b>167,621</b>	<b>170,045</b>	<b>172,463</b>	<b>174,872</b>	<b>177,268</b>	<b>179,650</b>	<b>182,015</b>
Debt Service:										
1st TD	113,399	113,399	113,399	113,399	113,399	113,399	113,399	113,399	113,399	113,399
	1.41	1.44	1.46	1.48	1.50	1.52	1.54	1.56	1.58	1.61
<b>Cash Flow After Debt Service</b>	<b>46,932</b>	<b>49,363</b>	<b>51,794</b>	<b>54,222</b>	<b>56,647</b>	<b>59,065</b>	<b>61,473</b>	<b>63,870</b>	<b>66,252</b>	<b>68,616</b>
Additional Project Expenses:										
Asset Management Fee - LP	6,720	6,921	7,129	7,343	7,563	-	-	-	-	-
Managing General Partner Fee	10,079	10,382	10,693	11,014	11,344	11,685	12,035	12,396	12,768	13,151
<b>Total</b>	<b>16,799</b>	<b>17,303</b>	<b>17,822</b>	<b>18,357</b>	<b>18,907</b>	<b>11,685</b>	<b>12,035</b>	<b>12,396</b>	<b>12,768</b>	<b>13,151</b>
<b>Cash Flow After partnership fees</b>	<b>\$ 30,133</b>	<b>\$ 32,060</b>	<b>\$ 33,971</b>	<b>\$ 35,866</b>	<b>\$ 37,739</b>	<b>\$ 47,380</b>	<b>\$ 49,438</b>	<b>\$ 51,474</b>	<b>\$ 53,484</b>	<b>\$ 55,465</b>

## 30-Year Cash Flow

Calendar Year Stabilized Year	2038 21	2039 22	2040 23	2041 24	2042 25	2043 26	2044 27	2045 28	2046 29	2047 30
<b>Revenues:</b>										
Gross Potential Rent	\$ 491,046	\$ 503,322	\$ 515,905	\$ 528,803	\$ 542,023	\$ 555,574	\$ 569,463	\$ 583,700	\$ 598,292	\$ 613,249
Other Income	4,719	4,837	4,958	5,082	5,209	5,339	5,473	5,610	5,750	5,894
Vacancy Loss	(24,552)	(25,166)	(25,795)	(26,440)	(27,101)	(27,779)	(28,473)	(29,185)	(29,915)	(30,662)
<b>Total Net Revenues</b>	<b>471,213</b>	<b>482,993</b>	<b>495,068</b>	<b>507,445</b>	<b>520,131</b>	<b>533,134</b>	<b>546,463</b>	<b>560,124</b>	<b>574,127</b>	<b>588,481</b>
<b>Total Expenses:</b>	<b>286,855</b>	<b>296,316</b>	<b>306,099</b>	<b>316,215</b>	<b>326,676</b>	<b>337,493</b>	<b>348,679</b>	<b>360,246</b>	<b>372,207</b>	<b>384,576</b>
<b>Net Operating Income:</b>	<b>184,358</b>	<b>186,678</b>	<b>188,969</b>	<b>191,230</b>	<b>193,455</b>	<b>195,641</b>	<b>197,784</b>	<b>199,878</b>	<b>201,920</b>	<b>203,904</b>
Debt Service:										
1st TD	113,399	113,399	113,399	113,399	113,399	113,399	113,399	113,399	113,399	113,399
	1.63	1.65	1.67	1.69	1.71	1.73	1.74	1.76	1.78	1.80
<b>Cash Flow After Debt Service</b>	<b>70,960</b>	<b>73,279</b>	<b>75,571</b>	<b>77,831</b>	<b>80,057</b>	<b>82,243</b>	<b>84,385</b>	<b>86,480</b>	<b>88,521</b>	<b>90,505</b>
Additional Project Expenses:										
Asset Management Fee - LP	-	-	-	-	-	-	-	-	-	-
Managing General Partner Fee	13,546	13,952	14,371	14,802	15,246	15,703	16,174	16,660	17,159	17,674
<b>Total</b>	<b>13,546</b>	<b>13,952</b>	<b>14,371</b>	<b>14,802</b>	<b>15,246</b>	<b>15,703</b>	<b>16,174</b>	<b>16,660</b>	<b>17,159</b>	<b>17,674</b>
<b>Cash Flow After partnership fees</b>	<b>\$ 57,414</b>	<b>\$ 59,327</b>	<b>\$ 61,200</b>	<b>\$ 63,029</b>	<b>\$ 64,811</b>	<b>\$ 66,539</b>	<b>\$ 68,211</b>	<b>\$ 69,820</b>	<b>\$ 71,362</b>	<b>\$ 72,831</b>

# 6

## **PROPOSED IMPLEMENTATION PLAN**

## Proposed Implementation Plan

*Taking as a starting point City Council approval of use of the funds, provide a proposed development schedule or implementation plan. For development projects, include the following milestones: site acquisition, additional funding from all other funding sources, zoning change approvals if necessary, preparation and approval of construction plans, start of construction, completion of construction, and lease-up.*

**Project Size: 24 Units**

EVENT	LAG (DAYS)	DATE
Submittal of Response to RFP 15-55	-	6/30/2015
Award of funds pursuant to RFP 15-55	60	8/29/2015
Application to CDLAC for Tax Exempt Bonds	-	10/16/2015
Application to CTCAC for Low Income Housing Tax Credits	-	10/16/2015
Complete property acquisition	60	10/28/2015
Submit any necessary Construction permit applications to Building Division	5	11/2/2015
Tax Exempt Bond - TEFRA Documentation Due	30	11/15/2015
Award of Tax Exempt Bonds from CDLAC	61	12/16/2015
Reservation of Low Income Housing Tax Credits from CTCAC	61	12/16/2015
Tax Exempt Bond Issuance Deadline/Construction Finance Closing	90	3/15/2016
Secure all Building Permits/Construction Commencement	3	3/18/2016
Construction Completion (Certificate of Occupancy)	180	9/11/2016
Leaseup Completion	60	11/10/2016
Permanent Finance Closing	150	4/9/2017

**7**

**APPLICANT  
INFORMATION FORM  
(ATTACHMENT A)**

## ATTACHMENT A: APPLICANT INFORMATION FORM

**Instructions: Complete the form below and remit as part of your Proposal as "Attachment A."**

### APPLICANT INFORMATION

APPLICANT/COMPANY NAME: META HOUSING CORPORATION

ADDRESS FOR NOTICES: 1640 S. SEPULVEDA BLVD.  
SUITE 425  
LOS ANGELES, CA 90025

MAIN CONTACT (NAME AND TITLE): TIM SOULE, SENIOR PROJECT MANAGER


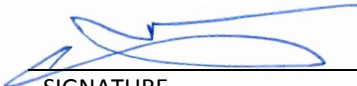
CONTACT NUMBERS: TELEPHONE: (310) 575-3543 x105 FAX: (310) 575-3563

E-MAIL ADDRESS: TSOULE@METAHOUSING.COM

### APPLICANT SIGNATURE AUTHORIZATION AND CERTIFICATION

Per the California Corporate Code, Business and Professions Code, the Applicant's Bylaws/Operating Agreement and/or the attached Board Resolution (if applicable), I/we hereby verify that I/we am/are (an) authorized signatory(ies) for the aforementioned Applicant and as such am/are authorized to sign and bind the Applicant in contract with the City of Newport Beach.

#### 1. APPLICANT AUTHORIZED SIGNATORY(IES):

	<b>KASEY BURKE</b>	<b>PRESIDENT</b>	<b>JUNE 30, 2015</b>
SIGNATURE	PRINT NAME	TITLE	DATE
	<b>CHRIS MAFFRIS</b>	<b>SENIOR VICE PRESIDENT</b>	<b>JUNE 30, 2015</b>
SIGNATURE	PRINT NAME	TITLE	DATE

#### 2. SIGNATURE AUTHORIZATION IS PROVIDED IN ACCORDANCE WITH:

☐ Applicant's Bylaws/ Operating Agreement Section \_\_\_\_\_ ☐ Copy Attached

☒ Board Resolution ☐ Copy Attached

☐ Corporate or Business and Professions Code\*\*

\*\*If Consultant is a corporation, two (2) authorized signatories will be required on all documents submitted, unless specified in the organization's Bylaws or corporate resolution.

**IMPORTANT NOTE:** If the signature authorization status of any individual changes during the term of the contract, it is the responsibility of the Applicant to contact the RFP Administrator for the Applicant regarding the change and to complete and submit a new Signature Authorization Form. Incorrect information on file may delay the processing of any of the documents submitted.

# APPENDIX

## **Developer's Financial Statements**

Preliminary Statement for 2014  
Final Statements for 2011-2013

**Meta Housing Corporation**  
**Preliminary Balance Sheet**  
**December 31, 2014**

**ASSETS**

Cash and Equivalents	\$ 4,102,791
Restricted Cash	-
Land Deposits	599,213
Land	4,300,000
Due (To)/From Affiliates	2,092,812
Project Advances Receivable	10,898,966
Investments (Tax Basis)	5,448,137
Other Assets	21,330
Fixed Assets (net)	36,004
<b>Total Assets</b>	<b>\$ 27,499,252</b>

**LIABILITIES & EQUITY****Liabilities**

Other Payable	\$ 38,086
Deferred Income	616,666
Note Payable - New Generations	4,643,600
Note Payable - Wells Fargo (LOC)	2,000,000
Note Payable - Anaheim Senior Partners	2,528,800
<b>Total Liabilities</b>	<b>9,827,152</b>

**Shareholder's Equity**

Common Stock	50,000
Paid in Capital	339,519
Retained Earnings	17,282,581
<b>Total Shareholder's Equity</b>	<b>17,672,100</b>

<b>Total Liabilities and Shareholders Equity</b>	<b>\$ 27,499,252</b>
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**Meta Housing Corporation**  
**Preliminary Statement of Operations**  
**For The Period Ended December 31, 2014**

**REVENUES**

Consulting/Developer Fees	\$ 7,659,801
Management Fees	239,487
Interest	155,423
Gain on Sale	970,795
Other	779,535
<b>Total Revenues</b>	<b>9,805,041</b>

**EXPENSES**

Payroll/Taxes/Employee Benefits	5,129,790
General and Administrative	923,599
Consulting Fees	214,897
Professional Fees	92,253
Job Cost Expenses	850,562
Interest	228,587
Taxes	50,000
Other	-
<b>Total Expenses</b>	<b>7,489,688</b>

**NET INCOME FROM OPERATIONS** **\$ 2,315,353**

**Partnership Income (Loss K-1)** **-**

**NET INCOME** **\$ 2,315,353**

**FINANCIAL STATEMENTS AND  
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

**META HOUSING CORPORATION  
(A CALIFORNIA S-CORPORATION)**

**DECEMBER 31, 2013**

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**SEDACCA ACCOUNTANCY CORPORATION**

11661 San Vicente Boulevard  
Suite 609  
Los Angeles, California 90049

310/820-3040 FAX 310/820-3085

Jeffrey Sedacca, CPA, MBT

Certified

Public

Accountant

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Shareholder  
Meta Housing Corporation  
Los Angeles, California

We have reviewed the accompanying balance sheet of Meta Housing Corporation (a California S-Corporation) as of December 31, 2013, and the related statements of income and retained earnings and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Sedacca Accountancy Corporation

*Sedacca Accountancy Corporation*  
Los Angeles, California  
June 30, 2014

**META HOUSING CORPORATION**  
**BALANCE SHEET**  
**DECEMBER 31, 2013**

**Assets**

Cash (Note 1)	\$ 6,195,342
Developer fee receivables, net (Note 1)	14,188,301
Project receivables (Note 1)	12,832,280
Interest receivable	813,450
Escrow deposits	1,000,000
Due from affiliates (Note 3)	2,046,111
Investments (Note 1)	7,974,375
Deposits	21,331
Property and equipment, net (Note 2)	49,160
Total Assets	<u>\$ 45,120,350</u>

The accompanying accountant's report and notes are an integral part of these financial statements

**META HOUSING CORPORATION**  
**BALANCE SHEET**  
**DECEMBER 31, 2013**

**Liabilities**

Accounts payable and accrued expenses	\$ 128,693
Line of credit (Note 4)	1,625,000
Deferred income (Note 1)	<u>1,608,715</u>
Total Liabilities	<u>3,362,408</u>

**Commitments and contingencies (Note 5)****Stockholder's Equity**

Common stock, no par value: 1,000 shares authorized; 100 shares issued and outstanding	\$ 50,000
Additional paid-in-capital	1,717,612
Retained earnings	<u>39,990,330</u>
Total Stockholder's Equity	<u>41,757,942</u>
Total Liabilities and Stockholder's Equity	<u><u>\$ 45,120,350</u></u>

The accompanying accountant's report and notes are an integral part of these financial statements

**META HOUSING CORPORATION**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**Revenue**

Consulting and developer fees	\$ 6,275,150
Management fees	236,337
Other income	432,203
Total revenue	<u>6,943,690</u>

**Operating expenses**

General and administrative expenses	6,655,449
Consulting expense	276,486
Total operating expenses	<u>6,931,935</u>

Net operating income	<u>11,755</u>
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**Other income (expenses)**

Interest income	1,342,232
Interest expense	(47,887)
Gain on sale of property	3,988,202
Equity in subsidiary loss - controlling interest	(144,583)
Total other income (expenses)	<u>5,137,964</u>

Income before income taxes	5,149,719
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Provision for income taxes	80,100
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<b>Net income</b>	<b><u>5,069,619</u></b>
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Retained earnings, beginning	38,610,948
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Stockholder distributions	<u>(3,690,237)</u>
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<b>Retained earnings, ending</b>	<b><u><u>\$ 39,990,330</u></u></b>
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The accompanying accountant's report and notes are an integral part of these financial statements

**META HOUSING CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**Cash flows from operating activities**

Net income	\$ 5,069,619
Adjustments to reconcile change in net income to net cash provided by operating activities:	
Depreciation	18,035
Gain on sale of Commerce property (Note 6)	(3,988,202)
Reserve for developer fee receivables	46,986
(Increase) decrease in:	
Developer fee receivables	3,174,659
Project receivables	(1,246,063)
Escrow deposits	(604,000)
Interest receivable	(813,450)
Due from affiliates	(1,387,676)
Investments in partnerships	(297,726)
Deposits	(11,290)
Increase (decrease) in:	
Accounts payable and accrued expenses	(305,901)
Deferred income	1,356,161
Net cash provided by operating activities	<u>1,011,152</u>

**Cash flows from investing activities**

Proceeds from sale of Commerce property	3,853,581
Payments for purchase of property and equipment	<u>(22,728)</u>
Net cash provided by investing activities	<u>3,830,853</u>

**Cash flows from financing activities**

Proceeds from line of credit	1,625,000
Distributions to shareholder	<u>(3,690,237)</u>
Net cash used in financing activities	<u>(2,065,237)</u>

Net increase in cash 2,776,768

Cash – Beginning of year 3,418,574

Cash – End of year \$ 6,195,342

**Supplemental Disclosure of Cash Flow Information:**

Cash paid during the year for interest	<u>\$ 47,887</u>
Cash paid during the year for state income taxes	<u>\$ 82,500</u>

The accompanying accountant's report and notes are an integral part of these financial statements

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**META HOUSING CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Meta Housing Corporation (herein the “Company”), a California corporation, was incorporated in October 1993 to acquire, develop and operate affordable housing properties in a manner intended to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company is authorized to issue 1,000 shares of common stock. The Company has issued 100 shares which are held by the HVE Trust, dated February 22, 2006.

**Significant Accounting Policies**

**Method of Accounting** – The Company maintains its books and records on the accrual basis of accounting.

**Deferred Income** – Deferred income is comprised of (1) the developer fee payment received in excess of the calculated earned developer fee (See Revenue Recognition under Significant Accounting Policies for further consideration) and (2) unamortized right of first refusal fee.

**Project Receivables** – Project receivables consist of amounts advanced by the Company to cover operations, cost overruns and predevelopment costs for affiliated partnerships and potential future projects. These advances are deemed collectible by the Company. Accrued interest on certain receivable amounts aggregated to \$13,425 at December 31, 2013.

**META HOUSING CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment – The Company records property and equipment at acquisition cost. For financial reporting purposes, depreciation and amortization are computed using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Classification</u>	<u>Life</u>
Computers	5 years
Software	3 years
Office Equipment	5 years
Furniture & Fixtures	7 years

The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments that extend the life of the asset are capitalized. The cost and related accumulated depreciation applicable to assets retired are removed from the accounts and the gain or loss on disposition is recognized in the statement of operations for the period.

Revenue Recognition – The Company generates its revenue primarily from three sources:

- (1) Developer fees: The amount of developer fees recognized as revenue at the statement date is the portion of the total developer fees that has been earned for the period pursuant to the contractual terms of the developer agreement. Any amounts received by the Company but not yet earned is recorded as deferred income and recognized as revenue when earned. Because contracts may extend over one or more years the actual collection of developer fees may be subject to unforeseen additional costs. For this purpose, certain developer fees have been discounted at 6% and are reflected as such in the accompanying financial statements.

**META HOUSING CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(2) Consulting fees: The Company consults on multiple real estate development projects and records consulting fees when earned.

(3) Investments: The Company invests in various partnerships and records income and losses from these partnerships using the equity method of accounting. The partnerships basis of accounting does not differ materially from GAAP (generally accepted accounting principles) and as such earnings and losses are based on the partnership's K-1 activity. Partnerships having negative capital balances at year end are not reduced below zero on the balance sheet per GAAP requirements. The partnership investment balance was \$534,677 as of December 31, 2013.

In addition, the Company had a \$7,935,000 subordinate multifamily housing revenue bond investment at December 31, 2013. The accrued interest on the bonds was \$813,450 at December 31, 2013.

Income Taxes – The Company has elected the federal and state income tax status of an "S" corporation; therefore, all income, losses, gains and credits are passed through to the Company's shareholder. The provision for income taxes in the accompanying statement on income represents the state franchise tax applied to "S" corporations.

Advertising Costs – The Company expenses advertising costs as incurred. These costs approximated \$76,620 for the year ended December 31, 2013.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Company considers all unrestricted investment instruments purchased with original maturities of three months or less to be cash equivalents. At December 31, 2013, there were no cash equivalents. The Company had \$6,004,993 of cash balances in excess of federally insured amounts in its bank accounts at December 31, 2013.

**META HOUSING CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 2 – PROPERTY AND EQUIPMENT**

At December 31, 2013, property and equipment consisted of the following:

Computers	94,560
Software	31,370
Office Equipment	72,324
Furniture & Fixtures	69,154
	<u>267,408</u>
Less: Accumulated depreciation	<u>(218,248)</u>
	<u>\$ 49,160</u>

**NOTE 3 – RELATED-PARTY TRANSACTIONS**

Due from affiliates represent advances and borrowings made between the Company and its affiliates to cover costs that have been incurred. These amounts are non-interest bearing.

**NOTE 4 – LINE OF CREDIT**

The Company has a line of credit with a financial institution in the amount of \$2,000,000. The line of credit bears interest at 2.5% plus one month LIBOR rate and matured on January 1, 2014. The amount outstanding on the line of credit was \$1,625,000 with accrued interest of \$5,863 as of December 31, 2013. The maturity date was extended to October 31, 2014.

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**Contingent Liabilities:

The Company in its capacity as Developer and Administrative Limited/General Partner has guaranteed \$356,905,000 relating to but not limited to the following: construction loan repayments, completion of construction projects, tax credit compliance, and operating deficit funding. Management believes that the likelihood of these events occurring is remote and has determined it has no material exposure under these guarantees. Accordingly, no provision has been provided for in the financial statements as of December 31, 2013.

**META HOUSING CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 5 – COMMITMENTS AND CONTINGENCIES** *(Continued)*

Operating Office Lease:

The Company leases its premises, pursuant to an operating lease effective March 2, 2006 and expired on April 30, 2013. The Company was on a month-to-month basis from May 1, 2013 through September 30, 2013. On September 9, 2013, the Company entered into an agreement extending the lease term from October 1, 2013 through September 30, 2015. Rent expense was approximately \$152,000 for the year ended December 31, 2013. Monthly rent includes basic rent, expansion rent commencing December 1, 2013 and operational costs incurred by the landlord including but not limited to real estate taxes and maintenance costs.

Total future minimum lease payments as of December 31, 2013 are as follows:

Year Ending December 31,	
2014	250,378
2015	191,977
	<u>\$ 442,355</u>

**NOTE 6 – SALE OF COMMERCE PROPERTY**

On December 2, 2014, the Company's subsidiary Commerce Senior Partners, L.P. in which the Company has an equity investment interest of 99.8% sold its property to an unrelated third party. The net gain resulting from the sale was \$3,988,202.

**NOTE 7 – EVALUATION OF SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through June 30, 2014, the date which the financial statements were available to be issued and there are no subsequent events requiring disclosure.

**CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**META HOUSING CORPORATION & SUBSIDIARY  
(A CALIFORNIA S-CORPORATION)**

**DECEMBER 31, 2012**

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**SEDACCA ACCOUNTANCY CORPORATION**

11661 San Vicente Boulevard  
Suite 609  
Los Angeles, California 90049

310/820-3040 FAX 310/820-3085

Jeffrey Sedacca, CPA, MBT

Certified

Public

Accountant

**INDEPENDENT AUDITORS' REPORT**

To the Shareholder  
Meta Housing Corporation  
Los Angeles, California

We have audited the accompanying consolidated financial statements of Meta Housing Corporation (a California S-Corporation) and its subsidiary, which comprise the consolidated balance sheet as of December 31, 2012, and the related consolidated statements of income and retained earnings and cash flows for the year then ended, and the related notes to the financial statements.

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Commerce Senior Partners, L.P., a 99.8% owned subsidiary. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Commerce Senior Partners, L.P., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

In our opinion, based on our audit and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Meta Housing Corporation and its subsidiary as of December 31, 2012, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Sedacca Accountancy Corporation*

Sedacca Accountancy Corporation

Los Angeles, California  
August 28, 2013

**META HOUSING CORPORATION**  
**CONSOLIDATED BALANCE SHEET**  
**DECEMBER 31, 2012**

	Meta Housing Corporation	Commerce Senior Partners, L.P. (Subsidiary)	CONSOLIDATING ELIMINATING ENTRIES		Consolidated Totals
			DR	CR	
<b>Assets</b>					
Cash (Note 1)	\$ 3,390,544	\$ 28,030			\$ 3,418,574
Restricted cash (Note 1)		224,475			224,475
Accounts receivable		29,313			29,313
Developer fee receivables, net (Note 1)	17,409,946				17,409,946
Project receivables (Note 1)	10,336,217				10,336,217
Investment in Subsidiary	1,250,000			1,250,000	-
Escrow deposits	396,000				396,000
Prepaid expenses		6,977			6,977
Due from affiliates (Note 3)	658,435				658,435
Investments (Note 1)	7,571,402				7,571,402
Deposits	10,041	36,921			46,962
Property and equipment, net (Note 2)	44,467	2,724,565			2,769,032
Goodwill (Note 1)			2,024,087		2,024,087
Other assets		154,069			154,069
Total Assets	<u>\$ 41,067,052</u>	<u>\$ 3,204,350</u>	<u>\$ 2,024,087</u>	<u>\$ 1,250,000</u>	<u>\$ 45,045,489</u>
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ 434,594	\$ 16,397			\$ 450,991
Due to related parties		1,191,377	1,191,377		
Security deposit payable		36,920			36,920
Accrued interest on note payable		33,467			33,467
Notes payable (Note 4)		3,892,997			3,892,997
Deferred developer fees (Note 1)	252,554				252,554
Total Liabilities	<u>687,148</u>	<u>5,171,158</u>	<u>1,191,377</u>	<u>-</u>	<u>4,666,929</u>
<b>Commitments and contingencies (Note 5)</b>					
<b>Stockholder's Equity</b>					
Common stock, no par value: 1,000 shares authorized; 100 shares issued and outstanding	\$ 50,000				\$ 50,000
Additional paid-in-capital	1,717,612				1,717,612
Retained earnings	38,612,292	(1,966,808)		1,965,464	38,610,948
Total Stockholder's Equity	<u>40,379,904</u>	<u>(1,966,808)</u>	<u>-</u>	<u>1,965,464</u>	<u>40,378,560</u>
Total Liabilities and Stockholder's Equity	<u>\$ 41,067,052</u>	<u>\$ 3,204,350</u>	<u>\$ 1,191,377</u>	<u>\$ 1,965,464</u>	<u>\$ 45,045,489</u>

The accompanying auditors' report and notes are an integral part of these consolidated financial statements

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**META HOUSING CORPORATION**  
**STATEMENT OF CONSOLIDATED INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Revenue**

Consulting and developer fees	\$ 11,791,251
Management fees	226,337
Other income	736,417
Total revenue	<u>12,754,005</u>

**Operating expenses**

General and administrative expenses	5,443,105
Consulting expense	335,013
Total operating expenses	<u>5,778,118</u>
Net operating income	<u>6,975,887</u>

**Other income (expenses)**

Interest income	1,417,066
Interest expense	(16,652)
Gain on sale of investment	3,165,876
Equity in subsidiary loss - controlling interest	(1,344)
Total other income (expenses)	<u>4,564,946</u>

Income before income taxes 11,540,833

Provision for income taxes 173,156

**Net income** **11,367,677**

Retained earnings, beginning 28,925,773

Prior period adjustment 294,815

Stockholder distributions (1,977,317)

**Retained earnings, ending** **\$ 38,610,948**

The accompanying auditors' report and notes are an integral part of these consolidated financial statements

- 4 -

**META HOUSING CORPORATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Cash flows from operating activities**

Net income	\$ 11,367,677
Adjustments to reconcile change in net income to net cash provided by operating activities:	
Depreciation	17,395
Prior period adjustment	294,814
Gain on sale of Highland investment (Note 7)	(3,165,876)
Reserve for developer fee receivables	369,946
(Increase) decrease in:	
Accounts receivable	
Developer fee receivables	(7,819,868)
Project receivables	80,247
Escrow deposits	(175,000)
Prepaid taxes	33,500
Due from affiliates	5,351,642
Investments in partnerships	(809,760)
Increase (decrease) in:	
Accounts payable and accrued expenses	406,524
Deferred developer fees	(1,276,956)
Accrued interest on note payable	(48,611)
Security deposit	
Settlement payable (Note 6)	(600,000)
Net cash provided by operating activities	4,025,674

**Cash flows from investing activities**

Acquisition of Commerce Senior Partners, L.P.	\$ 28,030
Investment in Commerce Senior Partners, L.P.	(1,250,000)
Proceeds from sale of Highland investment	5,435,719
Purchase of Highland investment	(2,164,596)
Payments for purchase of property and equipment	(12,185)
Net cash provided by investing activities	2,036,968

**Cash flows from financing activities**

Payment on lines of credit	(3,615,858)
Payment on note payable	(1,250,000)
Distributions to shareholder	(1,977,317)
Net cash used in financing activities	(6,843,175)

Net decrease in cash (780,533)

Cash – Beginning of year 4,199,107

Cash – End of year \$ 3,418,574

**Supplemental Disclosure of Cash Flow Information:**

Cash paid during the year for interest	<u>\$ 116,527</u>
Cash paid during the year for state income taxes	<u>\$ 62,873</u>

The accompanying auditors' report and notes are an integral part of these consolidated financial statements

**META HOUSING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Meta Housing Corporation (herein the "Company"), a California corporation, was incorporated in October 1993 to acquire, develop and operate affordable housing properties in a manner intended to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company is authorized to issue 1,000 shares of common stock. The Company has issued 100 shares which are held by the HVE Trust, dated February 22, 2006.

On December 17, 2012, the Company acquired the net assets of Commerce Senior Partners, L.P., a California limited partnership, (herein the "Subsidiary") which operates a 94-unit apartment project located in Commerce, California. The Project rents all of the units to low-income tenants and is operated in a manner necessary to qualify for low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. Total consideration was \$1,250,000 in cash for the redemption of 99.8% of the limited partner's interest. The fair value of the Subsidiary's net assets at the acquisition date resulted in the recognition of \$2,024,087 of goodwill.

**Significant Accounting Policies**

**Principles of Consolidation** – The accompanying consolidated financial statements include the accounts of the Company and its subsidiary Commerce Senior Partners, L.P. for which the Company has a 99.8% ownership. All material intercompany transactions have been eliminated in consolidation and presented on the consolidated financial statements.

**Method of Accounting** – The Company maintains its books and records on the accrual basis of accounting.

**Developer Fee Receivables** – The developer fee receivable represents the amount that has been earned by the Company per contractual terms for assisting in the design and development of a particular real estate project. The receivable has been reduced by reserves for the estimated amount deemed uncollectible based on future expected cash flows discounted at the Company's average borrowing rate of 6% at December 31, 2012.

**META HOUSING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Project Receivables – Project receivables consist of amounts advanced by the Company to cover operations and/or cost overruns of various partnerships involved in predevelopment real estate projects. These advances are deemed collectible by the Company. Accrued interest on certain receivable amounts aggregated to \$292,627 at December 31, 2012.

Property and Equipment – The Company records property and equipment at acquisition cost. For financial reporting purposes, depreciation and amortization are computed using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Classification</u>	<u>Life</u>
Building and improvements	20-25 years
Computers	5 years
Software	3 years
Office Equipment	5 years
Furniture & Fixtures	7 years

The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments that extend the life of the asset are capitalized. The cost and related accumulated depreciation applicable to assets retired are removed from the accounts and the gain or loss on disposition is recognized in the statement of operations for the period.

Revenue Recognition – The Company generates its revenue primarily from three sources:

- (1) Developer fees: The amount of developer fees recognized as revenue at the statement date is the portion of the total developer fees that has been earned for the period pursuant to the contractual terms of the developer agreement. Any amounts received by the Company but not yet earned is recorded as deferred developer fees and recognized as revenue when earned. Because contracts may extend over one or more years the actual collection of developer fees may be subject to unforeseen additional costs. For this purpose, certain developer fees have been discounted and are reflected as such in the accompanying financial statements.

**META HOUSING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

(2) Consulting fees: The Company consults on multiple real estate development projects and records consulting fees when earned.

(3) Investments: The Company invests in various partnerships and records income and losses from these partnerships using the equity method of accounting. The partnerships basis of accounting does not differ materially from GAAP (generally accepted accounting principles) and as such earnings and losses are based on the partnership's K-1 activity. Partnerships having negative capital balances at year end are not reduced below zero on the balance sheet per GAAP requirements. The partnership investment balance was \$176,402 as of December 31, 2012.

In addition, the Company had a \$5,942,800 subordinate multifamily housing revenue bond investment at December 31, 2012. The accrued interest on the bond aggregated to \$1,452,200 at December 31, 2012.

Income Taxes – The Company has elected the federal and state income tax status of an "S" corporation; therefore, all income, losses, gains and credits are passed through to the Company's shareholder. The provision for income taxes in the accompanying statement on income represents the state franchise tax applied to "S" corporations.

Advertising Costs – The Company expenses advertising costs as incurred. These costs approximated \$24,260 for the year ended December 31, 2012.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Company considers all unrestricted investment instruments purchased with original maturities of three months or less to be cash equivalents. At December 31, 2012, there were no cash equivalents. The Company had \$3,184,590 of cash balances in excess of federally insured amounts in its bank accounts at December 31, 2012.

**META HOUSING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

Restricted Cash – Pursuant to an agreement with financial institutions, the Company's subsidiary had \$224,475 of restricted cash for purposes of funding operating, replacement and bond reserves for the buildings.

**NOTE 2 – PROPERTY AND EQUIPMENT**

At December 31, 2012, property and equipment consisted of the following:

Land	\$ 268,115
Building and Improvements	5,042,219
Computers	79,483
Software	31,370
Office Equipment	72,324
Furniture & Fixtures	409,381
	<u>5,902,892</u>
Less: Accumulated depreciation	<u>(3,133,860)</u>
	<u><u>\$ 2,769,032</u></u>

**NOTE 3 – RELATED-PARTY TRANSACTIONS**

Due from affiliates represent advances and borrowings made between the Company and its affiliates to cover costs that have been incurred. These amounts are non-interest bearing.

**NOTE 4 – NOTES PAYABLE (SUBSIDIARY)**

On December 2, 1998, as a condition of the acquisition of a certain Project, the Subsidiary was assigned a note from the prior owner dated April 27, 1982, with the Department of Housing and Community Development in the amount of \$785,799. Under the terms of the assignment, no payments are to be made until maturity.

**META HOUSING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 4 – NOTES PAYABLE (SUBSIDIARY) (Continued)**

The note matures on April 27, 2014, at which time the full amount becomes immediately due and payable. The note bears no interest unless the principal balance has not been repaid by the maturity date. Any unpaid principal balance at such date shall bear interest at the rate of 10% retroactive to the date the note was assigned to the Subsidiary. The note is secured by a second deed of trust on the Project. As of December 31, 2012, the principal balance on the note was \$784,227, which represents the Company's ownership interest in the Subsidiary's note balance.

On April 25, 2001, the Subsidiary entered into a loan agreement with Commerce Community Development Commission for \$100,000. Under the terms of the note, this principal bears no interest and the Subsidiary is required to repay the principal balance no later than April 2030. The note is secured by a deed of trust on the Project. As of December 31, 2012, the principal balance on the note was \$99,800, which represents the Company's ownership interest in the Subsidiary's note balance.

The Subsidiary entered into a loan agreement with a financial institution for \$2,295,400, which represents the Company's ownership interest in the Subsidiary's note balance. The note, funded in three separate notes, was funded to the Subsidiary on October 1, 1999. The notes are fully amortizing fixed rate loans and shall be repaid in full before the maturity date of December 1, 2029. As of December 31, 2012, the aggregate principal balance of the notes was \$3,008,970, which represents the Company's ownership interest in the Subsidiary's note balance.

Future minimum annual principal payments are due as follows:

Year Ending December 31,	
2013	\$ 84,830
2014	874,047
2015	99,800
2016	104,790
2017	109,780
Thereafter	2,619,750
	<u>\$ 3,892,997</u>

**META HOUSING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

Contingent Liabilities:

The Company in its capacity as Developer and Administrative Limited/General Partner has guaranteed \$354,162,758 relating to but not limited to the following: construction loan repayments, completion of construction projects, tax credit compliance, and operating deficit funding. Management believes that the likelihood of these events occurring is remote and has determined it has no material exposure under these guarantees. Accordingly, no provision has been provided for in the financial statements as of December 31, 2012.

Operating Office Lease:

The Company leases its premises, pursuant to an operating lease effective March 2, 2006 and expired on April 30, 2013. Rent expense was approximately \$152,300 for the year ended December 31, 2012. Monthly rent includes basic rent and operational costs incurred by the landlord including but not limited to real estate taxes and maintenance costs.

On December 23, 2009, the Company amended its original lease to include additional basic rent attributable to the expansion of its occupancy.

Total future minimum lease payments as of December 31, 2012 are as follows:

Year Ending December 31,	
2013	51,084
	<u>\$ 51,084</u>

The Company currently pays rent on a month-to-month basis and is negotiating a two year lease extension with its landlord.

**META HOUSING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 6 – SETTLEMENT PAYABLE**

The Company was named in a legal claim filed on January 4, 2010 by a member in a limited liability company in which the Company was the manager. On January 13, 2011, this claim was settled between the parties via mediation. The amount due to the plaintiff per the settlement agreement is \$1,800,000 payable in three installments. The final payment of \$600,000 was paid on January 13, 2012.

**NOTE 7 – GAIN ON SALE OF INVESTMENT**

In August 2012 through redemption of a limited partnership interest, the Company acquired control of 915 Highland Partners, L.P. In September 2012 Meta sold its controlling interest to another party resulting in a net gain of \$3,165,876.

**NOTE 8 – EVALUATION OF SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through August 28, 2013, the date which the financial statements were available to be issued and there are no subsequent events requiring disclosure.

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**META HOUSING CORPORATION  
(A CALIFORNIA S-CORPORATION)**

**DECEMBER 31, 2011**

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**SEDACCA ACCOUNTANCY CORPORATION**

11661 San Vicente Boulevard  
Suite 609  
Los Angeles, California 90049  
  
310/820-3040 FAX 310/820-3085  
  
Jeffrey Sedacca, CPA, MBT

*Certified**Public**Accountant***INDEPENDENT AUDITORS' REPORT**

To the Shareholder  
Meta Housing Corporation  
Los Angeles, California

We have audited the accompanying balance sheet of Meta Housing Corporation (a California S-Corporation) as of December 31, 2011, and the related statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of Meta Housing Corporation as of December 31, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

  
Sedacca Accountancy Corporation

Los Angeles, California  
September 7, 2012

**META HOUSING CORPORATION**  
**BALANCE SHEET**  
**DECEMBER 31, 2011**

**Assets**

Cash	\$ 3,749,107
Restricted cash (Note 1)	450,000
Developer fee receivables, net (Note 1)	9,960,024
Project receivables (Note 1)	10,416,464
Escrow deposits	221,000
Prepaid taxes	33,500
Due from affiliates (Note 3)	6,010,077
Investments (Note 1)	6,865,545
Deposits	10,041
Property and equipment, net (Note 2)	49,677
Total Assets	<u><u>\$ 37,765,435</u></u>

The accompanying auditors' report and notes are an integral part of these financial statements

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**META HOUSING CORPORATION**  
**BALANCE SHEET**  
**DECEMBER 31, 2011**

**Liabilities**

Accounts payable and accrued expenses	\$ 28,070
Accrued interest on note payable (Note 5)	48,611
Line of credit (Note 4)	3,615,858
Note payable (Note 5)	1,250,000
Deferred developer fees (Note 1)	1,529,510
Settlement payable (Note 6)	600,000
Total Liabilities	<u>7,072,049</u>

**Commitments and contingencies (Note 7)****Stockholder's Equity**

Common stock, no par value: 1,000 shares authorized; 100 shares issued and outstanding	\$ 50,000
Additional paid-in-capital	1,717,613
Retained earnings	28,925,773
Total Stockholder's Equity	<u>30,693,386</u>
Total Liabilities and Stockholder's Equity	<u><u>\$ 37,765,435</u></u>

The accompanying auditors' report and notes are an integral part of these financial statements

- 3 -

**META HOUSING CORPORATION**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**Revenue**

Consulting and developer fees	\$ 10,412,551
Management fees	225,700
Other income	508,454
Total revenue	<u>11,146,705</u>

**Operating expenses**

General and administrative expenses	3,942,328
Consulting expense	216,853
Total operating expenses	<u>4,159,181</u>
Net operating income	<u>6,987,524</u>

**Other income (expenses)**

Interest income	1,367,840
Interest expense	(74,454)
Total other income (expenses)	<u>1,293,386</u>

Income before income taxes	8,280,910
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Provision for income taxes	<u>124,214</u>
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<b>Net income</b>	<b><u>8,156,696</u></b>
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Retained earnings, beginning	22,589,881
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Stockholder distributions	<u>(1,820,804)</u>
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<b>Retained earnings, ending</b>	<b><u><u>\$ 28,925,773</u></u></b>
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The accompanying auditors' report and notes are an integral part of these financial statements

**META HOUSING CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**Cash flows from operating activities**

Net income	\$ 8,156,696
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	9,438
Reserve for developer fee receivables	(609,889)
(Increase) decrease in:	
Developer fee receivables	(4,657,412)
Project receivables	6,257,845
Escrow deposits	1,272,270
Prepaid taxes	60,514
Due from affiliates	(1,555,495)
Investments	(702,013)
Deposits	4,560
Increase (decrease) in:	
Accounts payable and accrued expenses	(151,962)
Deferred developer fees	364,039
Accrued interest on note payable	48,611
Settlement payable (Note 6)	(1,200,000)
Net cash provided by operating activities	7,297,202

**Cash flows from investing activities**

Payments for purchase of property and equipment	(16,933)
Cash used in investing activities	(16,933)

**Cash flows from financing activities**

Proceeds from line of credit	3,615,858
Payment on lines of credit	(6,750,000)
Proceeds from note payable	1,250,000
Distributions to shareholder	(1,820,804)
Net cash used in financing activities	(3,704,946)

Net increase in cash 3,575,323

Cash – Beginning of year 623,784

Cash – End of year \$ 4,199,107

**Supplemental Disclosure of Cash Flow Information:**

Cash paid during the year for interest	<u>\$ 94,195</u>
Cash paid during the year for state income taxes	<u>\$ 63,621</u>

The accompanying auditors' report and notes are an integral part of these financial statements

**META HOUSING CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Meta Housing Corporation (herein the “Company”), a California corporation, was incorporated in October 1993 to acquire, develop and operate affordable housing properties in a manner intended to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company is authorized to issue 1,000 shares of common stock. The Company has issued 100 shares which are held by the HVE Trust, dated February 22, 2006.

**Significant Accounting Policies**

**Method of Accounting** – The Company maintains its books and records on the accrual basis of accounting.

**Developer Fee Receivables** – The developer fee receivable represents the amount that has been earned by the Company per contractual terms for assisting in the design and development of a particular real estate project. The receivable has been reduced by reserves for the estimated amount deemed uncollectible based on future expected cash flows discounted at the Company's average borrowing rate of 6% at December 31, 2011.

**Project Receivables** – Project receivables consist of amounts advanced by the Company to cover operations and/or cost overruns of various partnerships involved in predevelopment real estate projects. These advances are deemed collectible by the Company. Accrued interest on certain receivable amounts aggregated to \$334,033 at December 31, 2011.

**Property and Equipment** – the Company records property and equipment at acquisition cost. For financial reporting purposes, depreciation and amortization are computed using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Classification</u>	<u>Life</u>
Computers	5 years
Software	3 years
Office Equipment	5 years
Furniture & Fixtures	7 years

**META HOUSING CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment – (Continued)

The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments that extend the life of the asset are capitalized. The cost and related accumulated depreciation applicable to assets retired are removed from the accounts and the gain or loss on disposition is recognized in the statement of operations for the period.

Revenue Recognition – The Company generates its revenue primarily from three sources:

- (1) Developer fees: The amount of developer fees recognized as revenue at the statement date is the portion of the total developer fees that has been earned for the period pursuant to the contractual terms of the developer agreement. Any amounts received by the Company but not yet earned is recorded as deferred developer fees and recognized as revenue when earned. Because contracts may extend over one or more years the actual collection of developer fees may be subject to unforeseen additional costs. For this purpose, certain developer fees have been discounted and are reflected as such in the accompanying financial statements.
- (2) Consulting fees: The Company consults on multiple real estate development projects and records consulting fees when earned.
- (3) Investments: The Company invests in various partnerships and records income and losses from these partnerships using the equity method of accounting. The partnerships basis of accounting does not differ materially from GAAP (generally accepted accounting principles) and as such earnings and losses are based on the partnership's K-1 activity. Partnerships having negative capital balances at year end are not reduced below zero on the balance sheet per GAAP requirements. The partnership investment balance was \$220,752 as of December 31, 2011.

In addition, the Company had a \$5,942,800 subordinate multifamily housing revenue bond investment at December 31, 2011. The accrued interest on the bond aggregated to \$701,993 at December 31, 2011.

Income Taxes – The Company has elected the federal and state income tax status of an "S" corporation; therefore, all income, losses, gains and credits are passed through to the Company's shareholder. The provision for income taxes in the accompanying statement on income represents the state franchise tax applied to "S" corporations.

**META HOUSING CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

Advertising Costs – The Company expenses advertising costs as incurred. These costs approximated \$22,400 for the year ended December 31, 2011.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Company considers all unrestricted investment instruments purchased with original maturities of three months or less to be cash equivalents. At December 31, 2011, there were no cash equivalents. The Company had \$4,025,847 of cash balances in excess of federally insured amounts in its bank accounts at December 31, 2011.

Restricted Cash – The Company had received \$450,000 from a developer pursuant to a development agreement. The cash is restricted and is to be used for the specific project development during 2012.

**NOTE 2 – PROPERTY AND EQUIPMENT**

At December 31, 2011, property and equipment consisted of the following:

Computers	\$ 74,888
Software	28,304
Office Equipment	67,801
Furniture & Fixtures	61,502
	<u>232,495</u>
Less: Accumulated depreciation	<u>(182,818)</u>
	<u><u>\$ 49,677</u></u>

**NOTE 3 – RELATED-PARTY TRANSACTIONS**

Due from affiliates represent advances and borrowings made between the Company and its affiliates to cover costs that have been incurred. These amounts are non-interest bearing.

**META HOUSING CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**NOTE 4 – LINE OF CREDIT**

The Company has an unsecured line of credit with a bank in the amount of \$3,664,721, of which \$48,863 has been allocated to an interest reserve account. The line of credit bears interest at 2.50% plus one-month LIBO rate and matures on April 16, 2012. The amount outstanding on the line of credit was \$3,615,858 as of December 31, 2011. Subsequent to year end, the maturity date was extended to August 2012 and paid in full at that time.

**NOTE 5 – NOTE PAYABLE**

On May 11, 2011, the Company entered into an agreement with a third party. The loan bears interest at 6% above the 30 day LIBO rate and is due January 16, 2012. The loan balance was \$1,250,000 as of December 31, 2011 and had accrued interest of \$48,611. Subsequent to year end, the loan maturity date was extended to April 2012. The loan was paid in full March 2012.

**NOTE 6 – SETTLEMENT PAYABLE**

The Company was named in a legal claim filed on January 4, 2010 by a member in a limited liability company in which the Company was the manager. On January 13, 2011, this claim was settled between the parties via mediation. The amount due to the plaintiff per the settlement agreement is \$1,800,000 payable in three installments. The final payment of \$600,000 is due on or before January 16, 2012. The final payment was paid on January 13, 2012 and accordingly, has been accrued for on the balance sheet as of December 31, 2011.

**NOTE 7 – COMMITMENTS AND CONTINGENCIES**Contingent Liabilities:

The Company in its capacity as Developer and Administrative Limited/General Partner has guaranteed \$318,910,850 relating to but not limited to the following: construction loan repayments, completion of construction projects, tax credit compliance, and operating deficit funding. Management believes that the likelihood of these events occurring are remote and has determined it has no material exposure under these guarantees. Accordingly, no provision has been provided for in the financial statements as of December 31, 2011.

**META HOUSING CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**NOTE 7 – COMMITMENTS AND CONTINGENCIES** *(Continued)*

Operating Office Lease:

The Company leases its premises, pursuant to an operating lease effective March 2, 2006 and expiring March 1, 2013. Rent expense was approximately \$153,000 for the year ended December 31, 2011. Monthly rent includes basic rent and operational costs incurred by the landlord including but not limited to real estate taxes and maintenance costs.

On December 23, 2009, the Company amended its original lease to include additional basic rent attributable to the expansion of its occupancy.

Total future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	
2012	\$ 152,329
2013	35,233
	<u>\$ 187,562</u>

**NOTE 8 – EVALUATION OF SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through September 7, 2012, the date which the financial statements were available to be issued and there are no subsequent events requiring disclosure.