



Our Mission

Our mission is to acquire, rehabilitate and permanently preserve “at-risk” affordable housing resources, in order to provide long-term, high quality and secure multi-family housing communities for low income families and seniors. Also, in partnership with nonprofit housing corporations like Jamboree Housing Corporation, we work to provide social service programs that enhance the lives of our residents.

Subsidized Housing Programs

HUD and state housing finance agencies have subsidized more than 1.7 million rental housing units since the late 1950’s, providing affordable housing for over 4 million residents. Income and rent restrictions on the vast majority of these housing units will expire between now and 2013, leaving residents exposed to the possibility of conversion to unsubsidized market rents. These rental properties are privately owned and managed. They are not distinguishable from “market rate” properties in a given area. Many of these properties were constructed under interest subsidy programs (such as Section 221 (d)3 BMIR and Section 236). They provide low interest rate loans in consideration for reduced rents and household income restrictions. Other programs, such as Section 8, provide rental assistance directly to residents. Households pay 30 % of their adjusted income for their portion of the monthly rent, with the balance paid to the owner by HUD.

Typical families have one, two or three wage earners, and average 20% to 30% of median household income for a given area. The overwhelming majority of these families cannot afford to pay even the “affordable” rents set at 50% and 60% of median income under the low income housing tax credit program; and other affordable housing resources are extremely limited in major metropolitan areas. Housing subsidies enable families to bring up their children in decent, safe surroundings, and to avoid a degrading dependence on direct forms of welfare and public assistance.

Typical elderly residents are widows or widowers living on \$400.00 to \$900.00 a month of social security income. Housing subsidies allow them to live with dignity in well maintained and comfortable apartment homes, surrounded by supportive fellow residents and friends.

Who We Are

Preservation Partners Development (PPD) is a California-based development group specializing in the acquisition, rehabilitation and preservation of U.S. Department of Housing and Urban Development (HUD) and California Housing Finance Agency (CalHFA) insured and assisted multi-family affordable housing developments.

Of all the great challenges facing our society today, the shortage of long-term, quality, secure, and affordable housing alternatives for low income families and seniors has become one of the most critical.

New construction of affordable properties has not kept pace with the steady increase in demand, and existing affordable properties, many of which are now 30 to 40 years old, are in need of rehabilitation. With the ever increasing rise in the value of real estate, more and more profit motivated owners of existing affordable housing resources are contemplating taking their properties to market at the expiration of their income and rent use restrictions. These factors threaten to make the low income housing crisis even more acute over the coming years.

PPD provides the opportunity to rehabilitate and permanently preserve existing affordable housing assets by offering owners the opportunity to realize “market values” upon sale. Since our formation in 1999, we have utilized low income housing tax credits and tax exempt bond financings to acquire and rehabilitate 15 properties representing 2,115 rental units in Washington, Virginia and throughout California. In addition, we are currently under contract to acquire 2 more properties in California that would increase the total number of rental units to over 2,500.

Collectively, the members of PPD have over 150 years of finance, management and development experience, as former employees of HUD and large private sector real estate finance, asset management, banking and accounting companies. The principal members of PPD are William Szymczak, Augusto Sasso, Joe Hirsch, Bob Starr, Nidia Vasquez, Jon LaLanne, Jay Hirsch, James Reid, James Suekama & Paul Fujii.

- William Szymczak held management positions in five HUD offices over a period of 15 years, including Director of Housing Development in the San Francisco Office, and has over 15 years of experience directing all underwriting and mortgage credit activities for TRI Capital Corporation’s federal agency loan programs.
- Augusto Sasso has over 10 years of diversified Corporate Finance and Investment Banking experience with Fortune 100 corporations and Credit Suisse First Boston. Augusto has closed over 50 different transactions focusing on public and private placements of debt, equity or equity linked securities and strategic advisor assignments.
- Joe Hirsch recently retired from a distinguished 44 year career with the Federal Government. Joe held multiple positions within HUD including the San Francisco field office and HUD Headquarters in Washington, D.C. He also served as Director of Housing, first in Portland and then for 10 years in Los Angeles, finally serving as Director of the Los Angeles Multifamily Hub.
- Bob Starr has over 30 years of experience in the multifamily industry with GMAC Commercial Mortgage Corporation, Berkshire Mortgage Company, TRI Financial Corporation, First Interstate Bank of California, First Interstate Mortgage Company and HUD in the New York and Los Angeles offices.
- Nidia Vasquez has over 25 years of experience in the property management industry most recently serving as District Manager and Regional Director of the Los Angeles offices of The John Stewart Company, rated the third largest property management company in California, specializing in Low Income Housing Programs.
- Jon LaLanne has specialized in real estate development consulting, with an emphasis in real estate partnership audit and taxation services. He has also specialized in low-income housing property compliance and tax credit compliance and is licensed as a CPA in California.
- James Reid has over 25 years of asset management experience with affordable income properties for TRI, Johnstown Properties and Fox & Carskadon.
- Jay Hirsch has over 15 years of experience in the housing industry. Jay has worked as a certified appraiser, a developer, a multifamily property owner/manager, a consultant and a salesperson. Jay is also licensed as a Real Estate Broker in California.

Our Existing Communities

Since our formation in 1999, we have utilized low income housing tax credits and tax exempt bond financings to acquire and rehabilitate 15 properties representing 2,115 rental units in Washington, Virginia and throughout California. In addition, we are currently under contract to acquire 2 more properties in California that would increase the total number of rental units to over 2,500.

Name	Location	Units	Bond Allocation	Lender/Enhancer	Tax Credits
Springdale West	Long Beach, CA	410	\$17,550,000	TRI/HUD	\$6,878,100
Plum Tree	Gilroy, CA	70	\$5,650,000	CalHFA	\$2,047,500
Rowland Heights	Rowland Hts, CA	144	\$8,790,000	WAMU/FHLB	\$3,327,700
Royal Hills	Renton, WA	284	(9% Tax Credits)	WAMU	\$6,000,000
Hope Village	Glen Allen, VA	100	\$4,500,000	B of A/FNMA	\$1,450,000
Trailside	Everett, WA	250	\$10,620,000	US Bank	\$5,461,600
Birchcrest	Downey, CA	64	\$2,455,000	US Bank	\$1,257,400
Tennyson	Hayward, CA	96	\$6,450,000	US Bank	\$2,796,300
La Puente Park	La Puente, CA	132	\$6,776,000	US Bank	\$3,816,000
Lake Merritt	Oakland, CA	55	\$3,702,000	US Bank	\$1,772,000
Cienega Gardens	Covina, CA	180	\$11,760,000	WAMU/FHLB	\$4,548,000
Seminole	Palm Springs, CA	60	\$3,385,000	WAMU/FHLB	\$939,000
Corona Park	Corona, CA	160	\$10,250,000	WAMU	\$5,110,733
Sky Parkway	Sacramento, CA	59	\$1,965,000	WAMU	\$996,373
Citrus Grove	Fontana, CA	51	\$3,790,000	CalHFA	\$2,651,496
Royals I & II *	Los Angeles, CA	115	(9% Tax Credits)	WAMU	Approx. \$8,500,000
Casa Del Pueblo **	San Jose, CA	288	Approx. \$27,000,000	TBD	Approx. \$19,000,000
Total		2,518	\$97,643,000		\$49,020,384

* Expected to Close in November 2004

** Expected to Close in 2005

Improving the Lives of Our Residents

We believe very strongly in providing our residents with well maintained apartment homes in a secure and supportive environment. We have taken the following steps at each of our properties:

- Completion of large scale rehabilitation that has dramatically improved the quality of our living units and common areas
- Partnership with a non-profit organization to provide social service programs that enhance the lives of our residents
- Professional property management to maintain the property on an ongoing basis

The rehabilitation of Trailside Apartments in Everett, Washington is an example of the range of improvements we have been able to provide our residents. Our scope of work included the replacement of all windows, the replacement of flat roofs with new pitched roofs, new exterior siding and painting of all building exteriors. Interior remodeling included the replacement of all the kitchen countertops, new appliances, bathroom cabinets, new flooring, and new plumbing and electrical fixtures. In addition, we constructed a new community daycare facility that has been leased at no cost to City Kids of Everett, a non-profit child daycare provider. City Kids provides day care services to our residents at significantly reduced costs, and in some cases, at no charge. In addition, our non-profit partner provides a 10 week summer program for children from the ages of 5-12 that offers an array of athletic, artistic and creative programs as well as a year-round after school home work tutoring program.

Our partnership with Jamboree Housing Corporation at Plum Tree, an elderly community in Gilroy, California, is another example of how we have been able to provide extensive social services programs

that have improved the quality of life of our senior residents. Employing on-site personnel, Jamboree Housing provides and coordinates community activities, access to local assistance services, donations from local food organizations and transportation to nearby shopping services.

Jamboree Housing also provides after school and summer programs at each of the family properties in which they are a partner. These include Rowland Heights, Tennyson, La Puente, Seminole, Cienega Gardens, Corona Park and Citrus Grove. PPD provides some form of social services at every property we own. The programs are funded directly from cash flow. In a few cases where cash flow has been restrained, PPD has funded the programs directly.

Strategic Partnerships

Our transactions have been financed by tailoring unique and complex structures that include tax exempt bonds, the sale of low income housing 4% or 9% tax credits and gap financings from affordable housing loan/equity providers. The bonds have either been directly purchased by financial institutions, or credit enhanced by government related entities or financial institutions that are rated by Standard & Poor's or Moody's and sold in the public markets. The low income housing tax credits have been syndicated to investors. The gap financing have been structured as long term debt or surplus cash notes and have been provided by various affordable housing equity/loan providers including cities, counties and state agencies. In order to meet the varying needs of our communities we have formed strategic relationships or partnerships with the following entities:

Nonprofit General Partners	Jamboree Housing Corporation, Community Housing Services, Shelter America
Issuers	California Statewide Communities Development Authority (CSCDA), CalHFA, City of Hayward, Housing Authority of the County of Los Angeles, Housing Authority of the City of Sacramento, Suffolk Redevelopment and Housing Authority, Washington State Housing Finance Commission
Bond Underwriters	D.A Davidson, BancAmerica Securities, Miller & Schroeder, Piper Jaffrey
Credit Enhancers	HUD, CalHFA, Comerica Bank, Fannie Mae, Federal Home Loan Bank, US Bank, Washington Mutual Bank
Tax Credit Investors	Edison Capital, Merritt Community Capital Corporation, MMA Financial, Paramount Group, The Richman Group, US Affordable Housing
Affordable Housing Equity Providers	Century Housing Corporation, City of Covina, City of Fontana, City of Oakland, City of Hayward, County of Sacramento, State of Washington
General Contractor	ICON Builders
Property Managers	Goldrich & Kest, John Stewart Co., TOPA
Tax Credit Counsel	Carle, Mackie, Power & Ross
HUD Counsel	Levy, Levy & Levy
Accountant	Dauby O'Connor & Zaleski LLC

Jamboree Housing Corporation

The managing general partner on most of our transactions is a nonprofit housing corporation and PPD is the administrative co-general partner. Our primary nonprofit partner has been Jamboree Housing Corporation, a California based nonprofit public benefit corporation. Jamboree Housing is the managing general partner on 10 of our existing 15 communities. The stated mission of Jamboree Housing is to

make available long-term, decent, safe and affordable housing for low-income families and seniors. Jamboree Housing was one of the first community-based housing non-profits to recognize the need for preserving existing affordable housing and has been in operation for over 15 years. Jamboree Housing realized that existing properties could be acquired and rehabilitated for far less on a per-unit basis than the cost of newly-constructed housing and that doing so contributed to the stabilization and revitalization of neighborhoods. To date, Jamboree Housing has acquired and preserved more than 2,800 units of subsidized housing, assuring their continued affordability. Because of its reputation for quality and dependability, Jamboree Housing has grown over the years and has expanded beyond its base in Southern California to the Bay Area and other Northern California communities. Jamboree Housing's in-house social services division, Housing with HEART, assists residents in maintaining their self-sufficiency by offering a wide range of social services, classes, and activities geared to that goal.

Professional Property Management

We have contracted with recognized, professional property management firms at all of our properties. In many cases, these property managers were at the properties before our acquisition, and as a result, bring a wealth of knowledge and experience to the continued sound management and maintenance of the properties.

Icon Builders

PPD has worked exclusively with Icon Builders, a general contractor with over 10 years of experience in California. Icon specializes in the construction and renovation of multi-family apartment properties and provides a 100% performance and payment bond. Icon has successfully completed the entire scope of work on every property we have acquired on schedule and within budget. Icon believes in a "hands-on" approach, and as such is involved early in the process as part of the development team from a project's inception to its completion. They work closely with residents to minimize the time and inconvenience of the temporary relocation required during rehabilitation. They also sponsor programs such as "Kids at Risk Mentoring Program" and make donations to schools to enhance the lives of residents at their properties. Icon has won the "Affordable Housing Project of the Year" award given by the Southern California Association of Non-Profit Housing for its work on the Hollywood El Centro project.

Where We Are Going

During this critical period, with existing affordable housing income and rent use restrictions expiring on hundreds of properties every year, PPD will continue to focus on the acquisition and preservation of these "at risk" resources, in order to grow our portfolio of long-term, high quality and secure multi-family housing communities. We will continue to specialize in HUD and CalHFA insured and assisted multi-family housing developments and pursue selected new construction opportunities. And we will continue to partner with non-profit housing corporations to improve the quality of life of our residents.

Biographies

William E. Szymczak

Bill is a founding Managing Partner of Preservation Partners Development. Prior to starting PPD, Bill was Executive Vice President and Chief Underwriter for TRI Capital Corporation. He was responsible for directing all underwriting and mortgage credit activities for TRI's federal and agency loan programs. He was previously affiliated with First Interstate Mortgage Company as Vice President and Chief Underwriter. Prior to that, he worked with the U.S. Department of Housing and Urban Development (HUD) for 15 years in varying capacities nationwide including Regional Director of Housing Development and Management in Chicago, Detroit, Cincinnati, Indianapolis and San Francisco.

Bill received his Bachelor of Science and Master of Arts Degrees from Loyola University of Chicago. Actively involved in the industry, Bill is a member of the Mortgage Bankers Association, National Association of Housing and Redevelopment Officials (Pacific Southwest Region), and Institute for Responsible Housing Preservation.

F. Augusto Sasso

Augusto is a founding Managing Partner of Preservation Partners Development. Augusto has over 10 years of diversified experience in Corporate Finance and Investment Banking. Prior to joining PPD, Augusto was a Vice President in the Investment Banking Division of Credit Suisse First Boston. He was responsible for directing a broad range of financings and strategic advisory assignments for mid and large cap corporations. Augusto has closed over 50 different transactions focusing on public and private placements of debt, equity or equity linked securities and strategic advisor assignments. Expertise includes mergers and acquisitions, corporate restructurings, joint venture formations and strategic investments. Prior to joining CSFB, Augusto worked in corporate finance and business management for the Raytheon Company.

Augusto graduated first in his class, Magnum Cum Laude with a Masters in Business Administration from the University of Arizona. He holds a Bachelors of Science in Electrical Engineering from the University of California at Los Angeles. He is Series 63 and Series 7 certified by the National Association of Securities Dealers.

Joe Hirsch

Joe Hirsch joined Preservation Partners Development in July of 2004 subsequent to his retirement from a distinguished career with the Federal Government that began in 1960 and ended 44 years later, in April of 2004.

In 1974 Joe moved from chief engineering assignments with the Department of Defense to HUD administrative management in the San Francisco Regional Office and HUD Headquarters in Washington, D.C. From 1979 to 1994, Joe was Director of Housing, first in Portland and then for 10 years in Los Angeles. He retired from HUD in July of 1994 and founded Hirsch Development, Inc., a housing consulting firm which specialized multifamily underwriting and in the Section 202/811 and HUD 203(k) Programs. Joe sold his company and rejoined the Los Angeles Multifamily Hub in July of 2000 as Director of Operations. In that capacity, Joe also oversaw the Asset Management activities in the Los Angeles jurisdiction with primary responsibility for an existing portfolio of more than 1600 assisted and insured housing projects. In March of 2003, Joe became Director of the Los Angeles Multifamily Hub of HUD where he supervised all HUD Multifamily Housing efforts in Southern California until his second retirement.

Joe was educated at the University of Denver, University of Colorado, University of Utah, and New York University having earned a BS in Management and completed course work for an MS in Bio-Mechanical Engineering.

Bob Starr

Bob is the Director of Development for Preservation Partners Development. He joined PPD in 2004 with over 30 years of experience in the multifamily industry. Before joining PPD, Bob was with GMAC Commercial Mortgage Corporation where he was responsible for multifamily loan originations in the Western region. Prior to GMACCM, Bob worked with Berkshire Mortgage Company, TRI Financial Corporation, First Interstate Bank of California and First Interstate Mortgage Company. He has been involved in a wide variety of financings utilizing FHA mortgage insurance, GNMA securities, FNMA, FHLMC, and conventional programs, including a large number of tax-exempt bond transactions. From 1967-81, Bob was with the U.S. Department of HUD in the New York and Los Angeles offices. From 1978-81, he was Chief of the Multifamily Housing Programs Branch in Los Angeles, where he was responsible for implementation of all HUD/FHA multi-family housing production programs in the Southern California region.

Bob is a native of Southern California and graduated from Occidental College before attending the New York University Graduate School of Public Administration. He holds a California Real Estate Salesperson License and is a member of the Southern California Association of Nonprofit Housing and the National Low-Income Housing Coalition.

Nidia Vasquez

Nidia is the Director of Asset Management for Preservation Partners Development. She has over 25 years of experience in the property management industry and joined Preservation Partners Development as Director of Asset Management in 2003. Nidia's career started in the conventional market, where she eventually was responsible for the management and operation of a 1200 unit residential and commercial portfolio located in Southern California and Arizona. In 1996, Nidia moved into the Affordable Housing Industry at Levine Management Group, a successful Property Management company based in Beverly Hills, where she acquired extensive knowledge regarding government programs regulations, including HUD-Subsidized and Tax Credit housing. Nidia served as Director of Compliance and Marketing. Subsequently, Nidia worked for five years as District Manager and Regional Director of the Los Angeles offices of The John Stewart Company, rated the third largest property management company in California, specializing in Low Income Housing Programs.

Nidia received an Associates degree in Business Administration from El Camino College and has been a California Real Estate Salesperson License since 1983. Nidia is also a Certified Assisted Housing Manager, a National Compliance Professional (NCP-Executive), and a HCCP candidate.

Jon LaLanne

Jon is the Chief Financial Officer of Preservation Partners Development. As CFO, he is responsible for cash management and accounting of PPD's development entities and he also works with the management companies to insure proper accounting at the properties. Jon also works closely with PPD's investors and lenders and coordinates with outside auditors.

Prior to his current position he was employed by Novogradac & Company LLP, CPA's, in its San Francisco and Ohio offices where Jon worked in many areas of real estate. He specialized in real estate

developer consulting and taxation with an emphasis in low-income housing tax credit, historic rehabilitation tax credit and the New Markets tax credit. In his last year he was instrumental in helping his clients receive over \$170 million in federal tax credit allocations. Jon received a B.S. in Accounting from Brigham Young University and is licensed as a CPA in California.

Jay Hirsch

Jay Hirsch is part of both the acquisition and development teams at Preservation Partners Development. Jay has over 15 years experience in the housing industry. He has worked as a certified appraiser, a developer, a Multifamily property owner/manager, a consultant and a salesperson.

Jay is licensed California Real Estate Broker and received a Bachelor's degree in Mathematics and English from the University of California at Berkeley.

James H. Reid, Jr.

Jim is a founding Managing Partner of Preservation Partners Development. Jim has had more than thirty years of broad experience in virtually all aspects of commercial real estate, including asset management and mortgage finance. Prior to starting PPD, Jim was a Principal and the Chief Operating Officer of TRI Capital Corporation, where his responsibilities included marketing, customer relations, operations and loan origination.

Prior to joining TRI in 1987, Jim served as Vice President and Director of Property Management for Fox & Carskadon Financial, a commercial real estate investment firm, where he was responsible for the management of over 20,000 apartment units and 4.5 million square feet of commercial and industrial space. He has also served as Southwest Regional Vice President for Johnstown Properties where he was in charge of overseeing over 10,000 apartment units and the execution of several successful apartment rehabilitation and acquisition efforts. Earlier, Jim worked for Chase Manhattan Bank in New York as Assistant Treasurer in the real estate lending group. He has also held positions in the credit, real estate and marketing departments of Union Bank in San Francisco.

Jim received his Bachelor of Arts degree in liberal arts from Hobart College, New York and attended graduate school at Golden Gate University in San Francisco. He is a California-licensed real estate broker and a recent member of the Mortgage Bankers Association of America and a former member of the National Multi-Housing Council.

Paul Fujii

Paul Fujii is a Project Construction Manager of Preservation Partners Development. Paul is a licensed California architect with TRI Capital Company in San Francisco, California where he has worked since 1992 in project analysis, inspection and special evaluation. He began his career as an intern in the U.S. Housing and Urban Development Intern Program in 1971. After completion of the program, he was assigned to the architectural branch in the San Francisco HUD Area Office, where he worked for nine years starting with architectural review and then supervisor for the HUD inspectors for the HUD projects under construction in California and Nevada.

He joined the private sector after leaving HUD. He received his architectural license in 1982. He first joined the architectural firm of Kurtzman and Kodama in San Francisco where he worked for four years focusing on affordable multifamily housing. He then joined the firm of Bull, Stockwell and Allen, also in San Francisco, where he worked for seven years focusing on commercial, naval, municipal, hotel resort and church projects. At both firms his primary responsibility was managing construction administration

and providing support in the production of construction documents. He has extensive construction administration experience in affordable and multifamily housing throughout California. His construction administration work experience also includes parking garages, a national headquarters building renovation, naval housing and the rehabilitation of a community building, a luxury resort hotel and golf club, the ski resort renovation, and a new construction of a church.

Paul graduated with a Bachelor of Architecture degree from University of California at Berkeley.

Jim Suekama

Jim Suekama is a Project Construction Manager of Preservation Partners Development. For the past 32 years Jim has been involved with multifamily housing development, inspection, construction, cost analysis, and architectural review. For 15 years Jim worked for the U.S. Department of Housing and Urban Development, San Francisco Area Office, as Chief of the Multifamily Architecture and Cost Section; 3 years with First Interstate Mortgage Company as Construction Department Manager; and 15 years with TRI Capital Corporation as Chief Architect.

With Preservation Partners, Jim's primary role is to do initial walk-through inspections with the contractor, develop scope of work, coordinate consultant reviews, and maintain cost controls during the course of construction. In addition Jim assists with asset management by reviewing proposals for capital needs improvements.

Jim graduated with a Bachelor of Arts degree from Columbia College, New York and a Master of Architecture degree from University of California at Berkeley.