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The Core Companies first recipient of United States Department of Treasury New Issue Bond Program in California

The CORE Companies and EAH Housing
Announce Belovida at Newbury Park

San Jose, California - The Core Companies, in partnership with EAH Housing (EAH, Inc.) and Hudson Housing Capital, LLC are pleased to announce the closing and commencement of construction of Belovida at Newbury Park Senior Apartments on August 5, 2010. *"This complicated, intricate and delicate financial engineering model teetered on the verge of failure numerous times, making this success all the sweeter"*, said Dixie Baus, Director of Core Affordable Housing. Added Mary Murtagh, President and CEO of EAH Housing, *"In my 30 years as a developer I have never seen so many folks work so hard to turn a dream into a reality. This public - private partnership involved close to a dozen funders and supporters. We can all be very proud of what we have accomplished together."*

In one of the most challenging and turbulent periods of economic strife, this project will create jobs for hundreds of people over the course of the next year and one-half as they work building affordable housing for our aging population of seniors - thereby providing a cause and effect relief for many people in this region. *"CORE and EAH have done a great job in successfully closing this deal under very difficult financial conditions"*, said Leslye Krutko, Director of Housing for the City of San Jose. *"Assembling the many layers of financing needed is especially challenging right now, but it's worth the effort so we can integrate 185 affordable units into this new neighborhood being created in San José. We also are thankful that federal Stimulus funds are benefitting our City through the New Issue Bond Program, which will help to produce hundreds of new jobs now and into the future."*



The project consists of 185 apartment homes with a total development cost in excess of \$51,000,000. The challenges of the banking and investing industries over the course of the last 24 months, led to several delays since August 2009 for this closing. Assistance provided by the New Issue Bond Program of the Housing Finance Agency Initiative announced by the United States Department of Treasury on October 19, 2009 provided for the financing of multifamily rental housing developments. This transaction represents a first for the State of California; Belovida Newbury was the first project to use this finance vehicle. *"The California Housing Finance Agency (CalHFA) is pleased to participate in this effort to construct quality housing for seniors,"* said Steven Spears, Executive Director of CalHFA. *"Through a partnership with the United States Treasury known as the New Issue Bond Program, CalHFA continues its mission to provide safe and decent affordable housing for seniors and families of all ages. Belovida at Newbury Park is an example of an incredible team effort between The Core Companies and all of their financial partners. CalHFA is pleased to be part of this team."*

The development team would like to thank and acknowledge all of its financing partners and legal representation which include: The City of San Jose, JPMorgan Chase & Co., Prudential Affordable Mortgage Company, Federal

Home Loan Mortgage Corporation, California Housing Finance Agency, State of California Housing and Community Development through the IC Infill Grant Program, California Debt Limit Allocation Committee, California Tax Credit Allocation Committee, the Federal Home Loan Bank of San Francisco, the Opportunity Fund of Northern California, Cox, Castle & Nicholson, LLP and Orrick, Herrington & Sutcliffe, LLP. *“The \$24 million loan to Belovida Newbury deepens JPMorgan Chase's investment in San Jose, where we have now extended over \$65 million in construction loans to build much needed affordable rental housing,”* said Andy Madeira, Senior Bank for Community Development Banking at JP Morgan Chase.

Construction of this project will occur over the next 18 months and is coupled with a public infrastructure project that will continue with the King Road improvements for the surrounding neighborhood. *“I am delighted that Core has brought this difficult deal to a close. Now with partner EAH Housing, they will be able to provide much needed, well designed, affordable housing for our seniors in this San Jose neighborhood.”* Noted San Jose District 3, Councilmember Sam Liccardo.