



REPORT TO THE CITY COUNCIL and HOUSING AUTHORITY

DATE ISSUED: October 1, 2008
ATTENTION: Council President and City Council
Members of the Housing Authority
For the Agenda of October 7, 2008
SUBJECT: Loan and Bond Inducement For Village Green Apartments
(Council District 7)

REQUESTED ACTION:

Approve a loan for acquisition and rehabilitation of 93 units of low-income multi-family rental housing and to take the initial steps to issue multifamily housing revenue bonds to finance the project.

STAFF RECOMMENDATIONS:

1. Approve a Housing Commission residual receipts permanent loan of up to \$2,165,067 to a single-asset tax credit limited partnership to be formed by Wakeland Village Green Apartments, LP, to fund acquisition and rehabilitation of the Village Green Apartments located at 4140 - 4155 Bonillo Drive;
2. Issue a bond inducement resolution (Declaration Of Official Intent) for up to \$13,300,000 in Multifamily Housing Revenue Bonds for the project;
3. Authorize an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount of up to \$13,300,000 for the project;
4. Hold a public hearing by the City Council (*known as a TEFRA hearing – Tax Equity and Fiscal Responsibility Act*) and adopt a resolution approving the issuance of tax-exempt bonds in an amount of up to \$13,300,000 for the project by the Housing Authority; and,
5. Authorize the President and Chief Executive Officer of the Housing Commission, or a designee, to execute necessary documents.

DISCUSSION:

This request is for Housing Authority-issued bonds and a Housing Commission loan as gap financing for Village Green Apartments. The nonprofit sponsor and developer, Wakeland Housing and Development Corporation (Wakeland), submitted a loan application for gap financing for acquisition and rehabilitation in response to the Housing Commission's current Notice of Funding Availability (NOFA) for the Construction, Acquisition, and Operation of Affordable Rental Housing.

October 1, 2008

Loan and Bond Inducement For Village Green Apartments

Page 2 of 7

The ownership entity and borrower would be Wakeland Village Green Apartments, LP; the proposed development would be its sole asset. Wakeland Village Green Apartments, LLC, an affiliated limited liability corporation formed by Wakeland, would be the managing general partner and Wakeland would be the initial limited partner. A tax credit investor would replace Wakeland as the limited partner subsequent to an allocation of four percent tax credits and tax-exempt bonds. Wakeland's financial statements were reviewed by Housing Commission staff and found to be satisfactory.

Wakeland is a California 501(c)(3) nonprofit corporation established in 1998 with the mission of developing affordable housing. The project team for Village Green Apartments would be the staff of Wakeland. Wakeland's President and Chief Executive Officer is Mr. Ken Sauder; the Director of Project Development is Mr. Barry Getzel; its project manager for the proposed development is Mr. Jack Farris. The borrower would contract with John Stewart Company to provide property management services.

Wakeland has participated in the new construction and acquisition/rehabilitation of over 5,500 affordable rental and for sale housing units, including over 1,900 affordable housing units in seven developments in San Diego in the past five years. Wakeland's most recent projects with the Housing Commission are the Beyer Courtyard Apartments, a new construction project completed in April 2006 and Lillian Place, a new construction project completed in December 2006. Wakeland is currently in compliance with the terms of its previous loans from the Housing Commission.

Built in 1967, Village Green Apartments is located in the Rolando community near the intersection of University Avenue and College Avenue. Village Green Apartments consists of 94 townhome style apartment units in 13 two-story wood frame and stucco buildings on approximately seven acres (Attachment 1). Laundry facilities are provided at the site; the property is within walking distance of a bus stop, and is convenient to schools, supermarkets and other retail establishments. The Joan Kroc Community Center is nearby on University Avenue. Although the existing improvements have been maintained, the complex is suffering the effects of age and could become a detriment to the neighborhood if it is not renovated in the near future. The neighborhood is part of the Crossroads Redevelopment Area designated by the City of San Diego. Wakeland has applied for additional financing from the Redevelopment Agency.

Planned resident amenities for Village Green Apartments include upgraded laundry facilities, an improved outdoor play area for children, and an enlarged, remodeled community room with solar power. One unit will be converted to a Manager's office with a business center for resident use. The developer is also in discussion with the San Diego Police Department to create a police substation in the complex.

Other physical improvements will include landscaping, site drainage, walkway repairs, kitchen and bathroom remodeling, roofing, energy efficient door and window replacements, floor coverings, interior and exterior painting, water-efficient plumbing fixtures, retrofitting of five percent of the units for accessibility, an additional five percent retrofitted for sight and hearing

October 1, 2008

Loan and Bond Inducement For Village Green Apartments

Page 3 of 7

impairments, and enhanced security systems based on input from the Police Department. Parking is provided on site in 103 spaces which will be resurfaced.

Upon completion of rehabilitation, Village Green would provide 79 two-bedroom apartments, 14 three-bedroom apartments, and the resident manager's office. Ninety-two units would be occupancy and rent restricted for 55 years by a Housing Commission regulatory agreement recorded against the property. Wakeland would work with the residents of Village Green Apartments to tailor a package of tenant services that may include such activities as computer training, financial fitness classes, homeownership education, and after-school programs.

A relocation plan was completed in July. Based on preliminary responses, 23 households are over-income and will need to be permanently relocated. Actual income data will be obtained by the developer at acquisition to verify how many households require relocation. Any vacancies that occur are expected to be filled quickly due to the high demand for affordable rental housing in this community.

The following table outlines the development team:

ROLE/FIRM	CONTACT	OWNED BY
Owner- Wakeland Village Green Apartments, LP	Mr. Jack Farris	Wakeland Village Green Apartments, LLC would be the managing general partner.
Fee Developer- Wakeland Housing & Development Corporation	Mr. Ken Sauder	Same
Construction Manager/Contractor-	To Be Determined	To Be Determined
Property Manager- The John Stewart Company	Ms. Lori L. Horn	The John Stewart Company
Relocation Consultant – Myers & Associates	Ms. Mecky Myers	Mecky Myers
Financial Advisor – Ross Financial Services	Mr. Peter Ross	Peter Ross
Bond Counsel – Quint & Thimmig	Mr. Paul Thimmig	Quint & Thimmig, L.L.P.

AFFORDABLE HOUSING IMPACT:

The Housing Commission would record 55-year rent restrictions against the property making ten units affordable to tenants with annual incomes of 50 percent or less of Area Median Income (AMI), which is currently \$31,600 for a two-person household, and 82 units affordable to tenants with annual incomes of 60 percent or less of AMI (currently \$37,920 for a two-person household). One non-restricted two-bedroom unit will be occupied by a resident manager. The actual rents shall be the more restrictive of the Housing Commission rents, the tax credit rents, Redevelopment Agency (RDA) rents, or any other source of funds or rent restrictions on the project. The proposed rents are outlined in the San Diego Housing Commission General Application Form (Attachment 5).

October 1, 2008

Loan and Bond Inducement For Village Green Apartments

Page 4 of 7

FISCAL CONSIDERATIONS:

The estimated total development cost is \$20,316,235 (\$218,454 for each unit) which includes capitalized reserves. The borrower will acquire the property prior to permanent financing with an 18-month bridge loan from Century Housing. US Bank will provide the construction loan which will be funded with tax exempt bond proceeds. The bridge loans would be repaid with the proceeds of permanent financing with a portion of the US Bank proceeds converting to permanent financing as further described below. The following table outlines the sources of funds at acquisition and construction:

Sources	Amount	Terms
Century Housing (acquisition)	\$ 13,200,000	18 months @ LIBOR + 200 basis points
US Bank (construction)	\$ 11,104,240	18 months @ 3.33% interest
Total	\$24,304,240	

Proposed permanent financing would consist of the above US Bank funds that will convert to a first position amortized loan of \$6,031,798 funded with tax-exempt bond proceeds, a second position \$5,788,475 RDA residual receipts loan, a third position \$2,165,067 residual receipts loan from the San Diego Housing Commission, \$5,942,895 equity from four-percent tax credits, \$88,000 in solar tax credits and rebates, and a \$300,000 deferred developer fee

The following table summarizes the proposed sources of permanent financing outlined in Attachment 6:

Lien Priority	Lender	Amount	Interest Rate	Projected Payoff Date	Terms
1	US Bank	\$6,031,798	6.5%	09/15/36	35-year /amortized
2	RDA	\$5,788,475	3.0%	10/2063	55-years / residual receipts w/ pro-rata share with SDHC
3	SDHC	\$2,165,067	3.0%	10/2063	55-years / residual receipts w/ pro-rata share with RDA
	Tax Credits	\$5,942,895			Per partnership agreement
	Credits Rebates	\$ 88,000			Solar Tax Credits or Rebates
	Deferred Dev. Fee	\$ 300,000			At permanent financing per partnership agreement
Total		\$20,316,235			

The Housing Commission loan will be a 55-year, 3 % interest, residual receipts loan secured by a third trust deed against the property and would be contingent upon the project receiving the RDA loan and 4% tax credits. Cash flow remaining after expenses and debt service and/or construction cost savings achieved by the developer would be used to make payments on a \$300,000 deferred developer fee to Wakeland. At the end of the first full year after payoff of the deferred developer fee (estimated at year-6) 50 percent of the residual receipts would be retained by the developer and 50 percent would be distributed to the public lenders to be shared pro-rata based upon the percentage of each lender's participation in the public financing of the project (approximately

27 % of that share would be paid to the Housing Commission). The required annual minimum payment to the Housing Commission would be \$11,478 after payoff of the deferred developer fee. In the event that residual receipts are less than (fall below) the established required minimum annual payments, then the Housing Commission and the RDA would take up to 100 percent of the residual receipts to satisfy their minimum payment requirements. Unpaid principal and interest on the Housing Commission loan would be due and payable upon refinancing or the maturity of the first position loan, whichever occurs first.

The Housing Commission's per-unit cost to restrict rents and occupancy for 92 units would be \$25,533. The permanent loans would be secured by the value of the rehabilitated property. A Housing Commission Declaration of Covenants, Conditions, and Restrictions would be recorded against the property restricting rents and occupancy for 55 years.

Wakeland Village Green Apartments, LP would receive a developer fee of \$1,200,000 for this project. Of that amount, the developer would draw \$300,000 at the closing of acquisition to reimburse it for administrative costs during the predevelopment period. The \$300,000 deferred developer fee and the remaining \$600,000 would be paid per the terms described above and the requirements of the tax credit investor at conversion to permanent financing approximately Spring 2010.

The proposed Housing Commission financing would not be funded until the project receives an award of the RDA funds and four percent tax credits. The potential of bringing tax credits into this development makes this a desirable investment for the Housing Commission.

Proposed Bond Financing

The first position loan would be capitalized through the issuance of tax-exempt bonds by the Housing Authority. The Housing Commission utilizes the Housing Authority's tax-exempt borrowing status to pass on lower interest rate financing (and make federal tax credits available) to developers of affordable housing. The Housing Authority's ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a project, the Housing Authority must first submit an application to CDLAC for a bond allocation. Prior to submitting applications to CDLAC, projects are brought before the Housing Commission, Housing Authority, and City Council. Housing Authority bond inducement resolutions must be obtained prior to application submittal and City Council TEFRA resolutions must be secured no later than 30 days after application submittal. These actions do not obligate the Housing Authority to issue bonds.

It is anticipated that this development will receive a bond allocation at CDLAC's January 2009 meeting. If a bond allocation and/or other financing is not approved during the current fiscal year ending June 30, 2009, the developer would then request an extension to be approved by the Chief Executive Officer of the Housing Commission or let the loan commitment expire. A general description of the Multifamily Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 9.

Wakeland is seeking an approximate \$13,300,000 allocation from CDLAC. The bond amount that is ultimately issued will be based upon project costs, revenues, and interest rates at the time of bond issuance.

The developer currently proposes to issue the bonds through a private placement. The bonds would meet all the requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and would fully comply with the City's ordinance on bond disclosure.

PREVIOUS ACTIONS

The Loan Committee approved (3-1-0) a Housing Commission Residual Receipts Loan of up to \$2,165,067 on August 27, 2008.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The proposed development was reviewed by the Eastern Area Communities Planning Committee (EACPC) on July 8, 2008. The group voted with six in favor, two opposed, and one abstention to support the project. The decision included an amendment that in the event that the relocation findings identified 20% or more of the current residents required relocation due to incomes above the eligibility limits, EACPC requested that the project be brought back for further review.

On August 12, 2008 the proposed development was re-reviewed by EACPC due to projected relocation in excess of 20%. The action to approve the developed passed by a vote of six for, two against, and two abstentions.

The development was presented to the Crossroads Redevelopment Area Planning Area Committee (CPAC) on July 31, 2008. The RDA requested approval of an Owner Participation Agreement (OPA) with the developer. The request failed by a vote of four opposed and three in favor of the action. The CPAC requested that the OPA action be brought back to the August 28, 2008 meeting with specific project information regarding relocation, property tax implications and tax credit requirements. The OPA was approved (8-4-1) at that meeting.

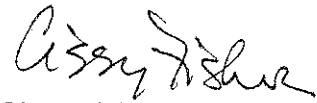
ENVIRONMENTAL REVIEW:

Should HOME funds constitute a portion of the funding for the project, a final reservation of HOME funds shall occur only upon satisfactory completion of environmental review and receipt by the City of San Diego of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). The parties agree that the provision of any HOME funds to the project is conditioned on the City of San Diego's determination to proceed with, modify, or cancel the project based on the results of subsequent environmental review under NEPA. This project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA guidelines Section 15301 (Existing Facilities). Environmental approvals will be obtained prior to submittal of this proposal to the Housing Authority.

KEY STAKEHOLDERS:

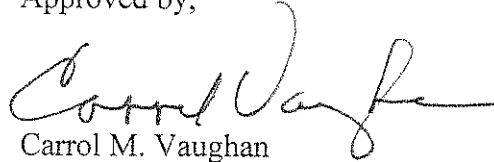
The seller is the Odom Family Trust. Stakeholders include Wakeland Housing and Development Corporation as the nonprofit developer and the Community of Rolando which will increase its supply of affordable housing for its low-income residents. There will be a potential relocation of 23 over-income households. The number of relocations will not be confirmed until after acquisition by the developer.

Submitted by,



Cissy Fisher
Director of Housing Finance

Approved by,



Carrol M. Vaughan
Executive Vice President and
Chief Operating Officer

- Attachments:
1. Location Map
 2. Development Summary
 3. Development Timeline
 4. Housing Commission Commitment Letter
 5. General Application Form
 6. Appraisal Summary*
 7. Developer's Disclosure Statement*
 8. Developer's Financial Statement *
 9. Multifamily Bond Program Summary*

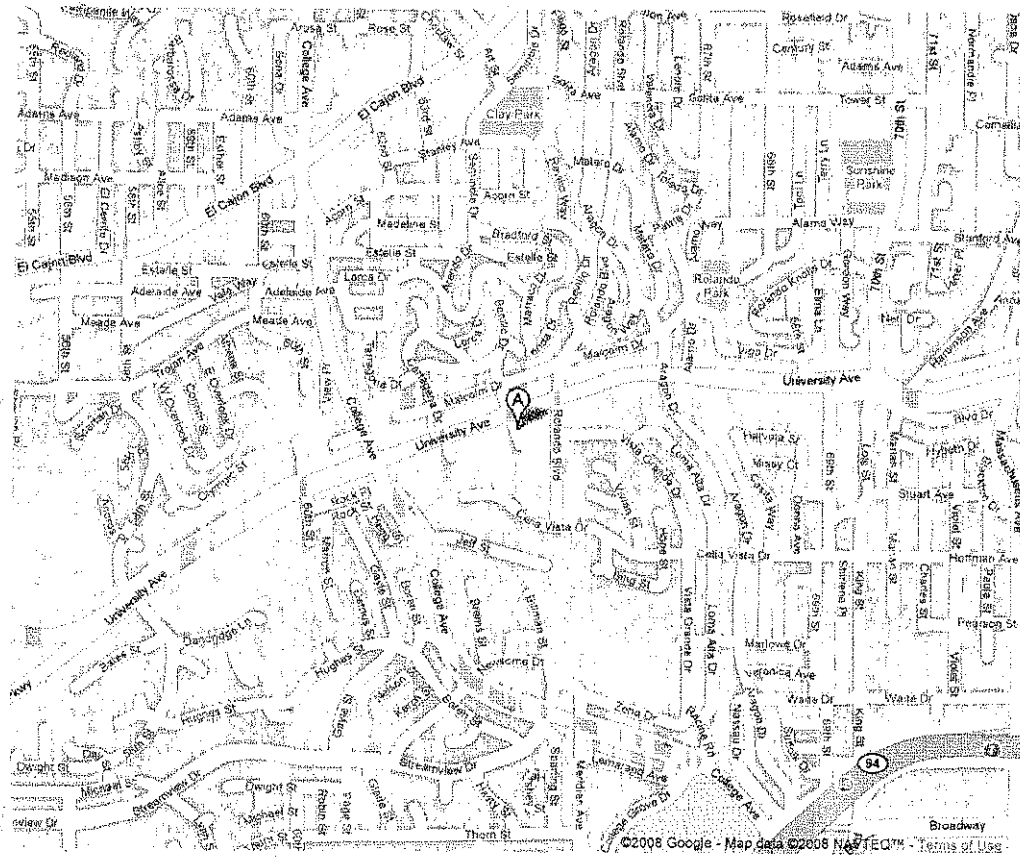
*Distribution of this attachment is limited. A copy is available for review at the Housing Commission offices located at 1122 Broadway, Suite 300 and at the offices of the City Clerk located on the 2nd floor of 202 "C" Street.

Information: Mr. Carlos C. de Baca (619) 578-7586

ATTACHMENT 1

LOCATION MAP

4140,4150, 4155 BONILLO DRIVE (A)



ATTACHMENT 2

DEVELOPMENT SUMMARY

Name: Village Green Apartments
Location: 4140, 4150, 4155 Bonillo Drive
Description: Rental housing for low-income families
Sponsor: Wakeland Housing and Development Corporation

Unit Affordability

Total # of units: 93
Assisted units: 92
Restricted rents: 78 two-bedroom @ \$841 (50% AMI) and \$1,018 (60% AMI)
14 three-bedroom @ \$930 (50% AMI) and \$1,127 (60% AMI)
Market rent: two-bedroom units rent for approximately \$1,250 per month
three-bedroom units rent for approximately \$1,475 per month
Percent of AMI: rents for 10 units at 50 percent, and 82 units at 60 percent of Area Median Income
Affordability: 55 years

Development Cost

Total development cost: \$20,316,235
HC development cost: \$ 2,165,067
Per-unit development cost for 93 units: \$ 218,454
HC cost for 93 units: \$ 23,281
HC subsidy per bedroom (200 br's): \$ 10,825

Sources of Funds

US Bank (Tax exempt bond loan) \$ 6,031,798
Housing Commission loan \$ 2,165,067
Redevelopment Agency loan \$ 5,788,475
4% Tax Credits \$ 5,942,895
Deferred Developer Fee \$ 300,000
Solar Rebates \$ 88,000

Pro Forma Summary

Estimated annual income: \$ 1,028,736 (year 1)
Estimated annual expense: \$ 525,476 (year 1)
Annual first loan debt service: \$ 437,296 (1.15 ratio / year 1)
Estimated residual cash flow: \$ 48,464 (year 1)

ATTACHMENT 3

VILLAGE GREEN APARTMENTS ESTIMATED DEVELOPMENT TIMELINE

October 7, 2008	Loan to the Housing Authority and to the Redevelopment Agency of the City of San Diego for approval
October 13, 2008	Loan closing
May 2009	Start of rehabilitation
January 2010	Project completion

ATTACHMENT 4



September 19, 2008

Mr. Ken Sauder
Vista Grande Apartments, LP
1230 Columbia Street, Suite 950
San Diego, California 92101

Re: 4140, 4150, 4155 Bonillo Drive, San Diego, California
Subject: Village Green Apartments

Dear Mr. Sauder:

I am pleased to offer a partnership to be formed by Wakeland Village Green Apartments, LLC, a loan under the terms and conditions outlined below, subject to the approval of the Housing Commission Board and the Housing Authority and subject to the receipt of an allocation of four percent tax credits.

The parameters of this loan commitment are as follows:

- | | |
|-----------------------|---|
| Ownership: | Village Green Apartments, LP (Borrower) as the sole owner and operator of the project. Subject to approval by the Housing Commission, Wakeland Village Green Apartments, LLC would be the administrative general partner and Wakeland Housing and Development Corporation would be the nonprofit managing co-general partner. |
| Use of Loan Proceeds: | The loan shall be used by Borrower to finance the acquisition and rehabilitation conditional upon the receipt of four percent tax credits, the senior loan, and any other sources of financing. |
| Terms of the Loan: | A residual receipts loan of up to \$2,152,509. The interest rate shall be three percent (3%) simple interest per year. With the approval of the senior lender and the tax credit investor, Borrower shall make annual payments as further described below. |
| Loan Payments: | At the end of the first full year after payoff of the deferred developer fee (estimated at year-6) 50 percent of the residual receipts would be retained by the developer and 50 percent would be distributed |

to the Housing Commission and the RDA in pro-rata shares based upon the percentage of each lender's participation in the public financing of the project (approximately 24% of the total residual receipts would be paid to the Housing Commission). However, there would be required annual minimum payments to the Housing Commission and the RDA based upon the estimated residual receipts after payoff of the deferred developer fee (\$6,049 to the Housing Commission). In the event that residual receipts are less than (fall below) the established required minimum annual payments, then the Housing Commission and the RDA would take up to 100 percent of the residual receipts to satisfy their minimum payment requirements. Unpaid principal and interest on the Housing Commission loan would be due and payable upon refinancing or the maturity of the first position loan, whichever occurs first.

Acceleration Upon Default:

In the event of a default of the Housing Commission loan, the tax credits, the senior loan or any other sources of funds secured by the project or rental restrictions on the project the Housing Commission loan shall be due and payable in full including any applicable interest penalties.

Insurance:

Borrower shall at all times during the term of the loan maintain General Liability and Property Insurance in a form and in amounts acceptable to the Housing Commission and approved by the Housing Commission's General Counsel.

The San Diego Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego shall be listed as an additional insured for General Liability Insurance and Property Insurance and the San Diego Housing Commission shall be endorsed as a loss payee of the Property Insurance.

Number of Units:

49 units. With one unit used as a manager's residence, there shall be a minimum of 48 units of permanent rental housing for large families.

Affordability Terms:

The Housing Commission will record 55-year rent restrictions against the property making ten units affordable to tenants with annual incomes of 50 percent of Area Median Income (AMI) and 82 units affordable to tenants with incomes of 60 percent of

AMI. The actual rents shall be the more restrictive of the Housing Commission rents, the tax credit rents, or rents imposed by CalHFA, HUD, or any other source of funds or rent restrictions on the project.

Loan Security:

The Housing Commission loan shall be evidenced by a deed of trust, in a form and format acceptable to the Housing Commission and its General Counsel in their sole discretions, made in favor of the Housing Commission and secured by the value of the property.

Senior Financing:

The Housing Commission loan will be subordinate to an estimated senior loan of \$6,757,788 from US Bank.

Fees and Expenses

All fees and expenses of this project shall be approved by the Housing Commission in its sole discretion. The Limited Partnership asset management fee shall not exceed \$5,000 and the General Partnership management fee shall not exceed \$12,500 in the first year and may increase at an inflation factor of not more than 3.5 percent per year. The developer's fee shall not exceed \$1,400,000 and disbursements shall be made as specified in the Tax Credit Partnership Agreement.

Reserves

Subject to the approval of the senior lender and tax credit investor, Borrower shall deposit a minimum of \$27,900 per year (\$300 per unit) into a dedicated replacement reserve account per the State of California Multi-Family Housing Program (MHP). Use of reserves shall be subject to the reasonable approval of the Housing Commission's President and Chief Executive Officer or designee.

Recourse:

The Housing Commission loan shall be a recourse loan until timely completion of rehabilitation, after which it may become non-recourse under tax credit rules.

Cure Rights:

The Housing Commission shall have the right, but not the obligation, to cure all senior encumbrances in all subordination agreements that it executes. All subordination agreements shall be subject to the sole approval of the Housing Commission's President and Chief Executive Officer and General Counsel.

Management Plan:	The Management Plan shall be subject to periodic approval by the Housing Commission, in its reasonable discretion.
Approval of Management:	The Housing Commission reserves the right to declare Borrower in default of the loan agreement after an uncured ninety (90) day written notice of malfeasance and/or misfeasance in management of the project.
Monitoring Fees:	The Housing Commission shall be entitled to its standard yearly monitoring fees calculated on a per-unit basis during the affordability period.
Loan Funding:	The Housing Commission will fund its loan upon satisfaction of all conditions set forth in the Housing Commission loan documents, including approval of a guaranteed maximum price contract for rehabilitation. All documentation, including any senior loan documents, construction loan documents, or documents of other lenders shall be subject to review and approval of the Housing Commission's President and Chief Executive Officer or designee and General Counsel, in their sole discretion.
ALTA Lender's Policy:	The Borrower shall acquire, at its sole cost and expense, ALTA Lender's Policies for the loan with endorsements acceptable to the Housing Commission insuring the Housing Commission's lien position.
Prevailing Wages:	Borrower shall comply with any requirements to pay Federal and/or State Prevailing Wage Rates and shall pay the higher of the two in the event of a conflict on a trade-by-trade basis.
Environmental Requirements:	Notwithstanding any provision of this Letter, the parties agree and acknowledge that this Letter constitutes a conditional reservation and does not represent a final commitment of HOME funds or site approval under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). Should HOME funds constitute a portion of the funding for the project, a final reservation of HOME funds shall occur only upon satisfactory completion of environmental review and receipt by the City of San Diego of a Release Of Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of NEPA. The parties agree that the provision of any HOME funds to the project is conditioned on the

City of San Diego's determination to proceed with, modify or cancel the project based on the results of subsequent environmental review under NEPA. By execution of this Letter, you acknowledge no legal claim to any amount of HOME funds to be used for the project or site unless and until the site has received environmental clearance under NEPA. You are also prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, clearance, rehabilitation, conversion, repair or construction prior to environmental clearance under NEPA. Violation of this provision may result in denial of any HOME funds for this project.

Other Terms:

The Housing Commission reserves the right to impose any additional conditions in the Housing Commission Loan Documents that may be necessary, in its reasonable discretion, to protect the interests of the Housing Commission and fulfill the intent of this commitment. Such documentation shall be approved by the President and Chief Executive Officer, or designee, and the General Counsel of the Housing Commission.

Acceptance:

This commitment is conditional upon the Borrower receiving approval from its other lenders and investors for the financing of this development. Signing and delivering to the Housing Commission of this letter by September 30, 2008, shall evidence Borrower's acceptance of this commitment. Until receipt of such acceptance by the Housing Commission, the Housing Commission shall have no liability hereunder, and unless acceptance is made by that date, this commitment shall be null and void.

If Borrower wishes to obtain a Housing Commission loan under the terms described herein, please accept this commitment by signing below and returning this signed original to my office.

Sincerely,

Cissy Fisher
Director of Housing Finance
619.578.7585
619.578.7356 fax

Agreed to and accepted this _____ day of _____, 2008 by:

Authorized Representative

G:\hfshare\reports\Village Green\LetterCommitment 091908.doc

SAN DIEGO HOUSING COMMISSION
GENERAL APPLICATION FORM - Project Overview
ATTACHMENT **5**DATE: August 29, 2008

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED IN SHADED CELLS (Check all boxes that apply)

REQUEST FOR:	<input type="checkbox"/> EARLY ASSISTANCE	<input checked="" type="checkbox"/> PROJECT FUNDING	\$ <u>2,165,067</u>
	<input type="checkbox"/> TECHNICAL ASSISTANCE	<input type="checkbox"/> PREDEVELOPMENT LOAN	\$
	<input checked="" type="checkbox"/> <u>Bond Financing</u>	<input type="checkbox"/> PROJECT SUPPORT GRANT	\$

PROJECT TYPE:	<input type="checkbox"/> ACQUISITION	<input checked="" type="checkbox"/> ACQUISITION & REHABILITATION	<input checked="" type="checkbox"/> RENTAL
	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> REHABILITATION	<input type="checkbox"/> OWNERSHIP

PROJECT CONDITION:	<input type="checkbox"/> UNIMPROVED SITE	<input checked="" type="checkbox"/> RESIDENTIAL	<input type="checkbox"/> COMMERCIAL
YEAR BUILT: <u>1967</u>	<input type="checkbox"/> EXISTING STRUCTURE	<input type="checkbox"/> OTHER (DESCRIBE)	

PROJECT NAME:	<u>Village Green</u>			
ADDRESS:	<u>4140-55 Bonillo Drive</u>	<u>San Diego</u>	<u>CA</u>	<u>92115</u>
	STREET	CITY	STATE	ZIP
LEGAL DESCRIPTION:	<u>473-220-27, 28, 29</u>	<u>29.03</u>		
	LOT NO.	BLOCK NO.	SUBDIVISION NAME	ASSESSORS PARCEL NO.
				CENSUS TRACT

SITE CONTROL:	<input type="checkbox"/> DEED	<input type="checkbox"/> OPTION	<input checked="" type="checkbox"/> OTHER (DESCRIBE) <u>Signed Purchase Agreement</u>
---------------	-------------------------------	---------------------------------	---

DWELLING UNITS:	<u>79</u>	<u>14</u>	<u>93</u>	<u>2</u>
	0-BEDROOM	1-BEDROOM	2-BEDROOM	3-BEDROOM
				4-BEDROOM
				5-BEDROOM
				TOTAL UNITS
				# of stories
HC Assisted Units:	<u>79</u>	<u>14</u>	<u>93</u>	<u>200</u>
	0-BEDROOM	1-BEDROOM	2-BEDROOM	3-BEDROOM
				4-BEDROOM
				5-BEDROOM
				TOTAL UNITS

EXISTING USES OF PROPERTY:	<u>Multi-Family rental</u>	No. of Building:	<u>13</u>
----------------------------	----------------------------	------------------	-----------

DESCRIPTION OF PROPOSED PROJECT:	Acquisition and Rehabilitation of a 94 unit multifamily project built in 1976. Project has outdoor recreational features and a clubhouse. Rehab will include the renovation of unit interiors, double pane windows, and a new roof. One unit will be converted to a Manager's office, business center for residents and a separate office for the Mid-City Division of the San Diego Police Department. The clubhouse will be solar powered and expanded to make it a full community room for computer and classroom facilities.
Appraised Value	<u>\$13,225,000.00</u>

APPLICANT/BORROWER:

NAME:	<u>Wakeland Housing & Development Corp.</u>	CONTACT PERSON:	<u>Jack D. Farris</u>
ADDRESS:	<u>1230 Columbia St., Suite 950</u>	<u>San Diego</u>	<u>CA</u>
	STREET	CITY	STATE
TELEPHONE:	<u>(619) 677-2290</u>	FAX NO.:	<u>(619) 235-5386</u>
		E-mail address:	

LEGAL DESCRIPTION OF APPLICANT:

<input type="checkbox"/> FOR PROFIT CORPORATION	<input checked="" type="checkbox"/> NONPROFIT CORPORATION	<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> INDIVIDUAL OWNER
	<input type="checkbox"/> CHDO	<input type="checkbox"/> OTHER	
		DESCRIBE	

TAXPAYER IDENTIFICATION NUMBER:	<u>33-0833640</u>
---------------------------------	-------------------

CURRENT OWNER/SELLER INFORMATION:

NAME:	<u>Odom Family, LP</u>	LEGAL DESCRIPTION:	<u>Parcels 1,2 & 3 of Parcel Map 7</u>
ADDRESS:	<u>PO Box 13086</u>	<u>San Diego</u>	<u>CA</u>
	STREET	CITY	STATE
TELEPHONE:	<u>()</u>	FAX NO.:	<u>()</u>

ZONING:	<u>RS 1-7 & OR 1-1</u>	COMMUNITY PLAN AREA:	<u>Crossroads</u>
COUNCIL DISTRICT:	<u>7</u>	SCHOOL DISTRICT:	<u>San Diego Unified</u>

SIGNATURE	<u>Kenneth L. Sauder</u>	TITLE	<u>President</u>
	PRINT NAME		DATE

SAN DIEGO HOUSING COMMISSION

APPLICANT INTEREST FORM - AI

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED

NAME, ADDRESS, TITLE/POSITION, TELEPHONE, NATURE OF INTEREST AND PERCENT OF INTEREST FOR PROPOSED OWNERS, OFFICERS AND GENERAL PARTNERS - LIST ALL FOR SHAREHOLDERS, INVESTORS, LIMITED PARTNERS AND OTHERS - LIST ALL WITH A 10% OR HIGHER INTEREST

PROJECT NAME: Village Green
 ADDRESS: 4140-55 Bonillo Drive San Diego CA 92115
ADDRESS CITY STATE ZIP
 OWNERSHIP NAME: Wakeland Village Green Apts., L.P., a CA, tax credit limited partnership DATE: August 29, 2008

1. Wakeland Village Green, LLC to be former general pa
NAME TITLE/POSITION NATURE OF INTEREST
0.01
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
CITY STATE ZIP

2. Wakeland Housing & Development Corpo sole member of # 1, ab
NAME TITLE/POSITION NATURE OF INTEREST
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
CITY STATE ZIP

3. Limited Partner-TBD 0.99
NAME TITLE/POSITION NATURE OF INTEREST
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
CITY STATE ZIP

4.
NAME TITLE/POSITION NATURE OF INTEREST
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
CITY STATE ZIP

5.
NAME TITLE/POSITION NATURE OF INTEREST
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
CITY STATE ZIP

6.
NAME TITLE/POSITION NATURE OF INTEREST
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
CITY STATE ZIP

7.
NAME TITLE/POSITION NATURE OF INTEREST
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
CITY STATE ZIP

8.
NAME TITLE/POSITION NATURE OF INTEREST
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
CITY STATE ZIP

USE ADDITIONAL SHEETS AS NECESSARY

SAN DIEGO HOUSING COMMISSION

APPLICANT INTEREST FORM - AI

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED

NAME, ADDRESS, TITLE/POSITION, TELEPHONE, NATURE OF INTEREST AND PERCENT OF INTEREST FOR PROPOSED OWNERS, OFFICERS AND GENERAL PARTNERS - LIST ALL FOR SHAREHOLDERS, INVESTORS, LIMITED PARTNERS AND OTHERS - LIST ALL WITH A 10% OR HIGHER INTEREST

PROJECT NAME: Village Green Apartments
 ADDRESS: 4140-4150 Bonillo Drive San Diego CA 92115
 ADDRESS CITY STATE ZIP
 OWNERSHIP NAME: Wakeland Village Green Apts., L.P., a CA, tax credit limited partnership DATE: June 23, 2008

1. Loren Adams Intracorp Vice President of Operatio Board Member
 NAME TITLE/POSITION NATURE OF INTEREST
600 B Street, Suite 200 619-544-6963
 STREET/PO BUSINESS TELEPHONE NO.
San Diego CA 92101
 CITY STATE ZIP
 PERCENT INTEREST

2. Robert "Buddy" Bohrer HG Fenton Company Board Member
 NAME TITLE/POSITION NATURE OF INTEREST
619-400-0139
 STREET/PO BUSINESS TELEPHONE NO.
San Diego CA 92108
 CITY STATE ZIP
 PERCENT INTEREST

3. Hank Cunningham CEcD Board Member
 NAME TITLE/POSITION NATURE OF INTEREST
608 Crest Drive 760-331-3408
 STREET/PO BUSINESS TELEPHONE NO.
San Diego CA 92024
 CITY STATE ZIP
 PERCENT INTEREST

4. Lina Eriesson Luce Forward Hamilton & Scripps Officer-Chairperson of E
 NAME TITLE/POSITION NATURE OF INTEREST
600 West Broadway, Suite 2600 619-533-7360
 STREET/PO BUSINESS TELEPHONE NO.
San Diego CA 92101
 CITY STATE ZIP
 PERCENT INTEREST

5. Glen Googins Attorney at Law Board Secretary
 NAME TITLE/POSITION NATURE OF INTEREST
344 F Street, Suite 100 619-426-4409
 STREET/PO BUSINESS TELEPHONE NO.
Chula Vista CA 91910
 CITY STATE ZIP
 PERCENT INTEREST

6. Doug Perkins President, Pacific Gateway Group Board Member
 NAME TITLE/POSITION NATURE OF INTEREST
5703 Oberlin Dr., Suite 209 619-234-3491
 STREET/PO BUSINESS TELEPHONE NO.
San Diego CA 92121
 CITY STATE ZIP
 PERCENT INTEREST

7. Art Rivera Board Member
 NAME TITLE/POSITION NATURE OF INTEREST
350 Nutmeg Street 619-838-0908
 STREET/PO BUSINESS TELEPHONE NO.
San Diego CA 92103
 CITY STATE ZIP
 PERCENT INTEREST

8. Lee Winslett Vice President of Wells Fargo Bank Officer-Treasurer
 NAME TITLE/POSITION NATURE OF INTEREST
401 B Street, Suite 304A 619-699-3037
 STREET/PO BUSINESS TELEPHONE NO.
San Diego CA 92101
 CITY STATE ZIP
 PERCENT INTEREST

USE ADDITIONAL SHEETS AS NECESSARY

**SAN DIEGO HOUSING COMMISSION
DEVELOPMENT FORM - RENTAL INCOME - RI**

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED - CHECK ALL BOXES THAT APPLY

DATE: August 29, 2008

PROJECT TYPE ☐ ACQUISITION ☒ ACQUISITION & REHABILITATION ☒ RENTAL
☐ NEW CONSTRUCTION ☐ REHABILITATION ☐ OWNERSHIP

PROJECT NAME: Village Green
 ADDRESS: 4140-55 Bonifilo Drive San Diego CA 92115
 STREET CITY STATE ZIP

UTILITY INFORMATION [Input X, G, E, T, or L where indicated]

Type (X) in ONE box

- ☒ Apartment
☐ Duplex, Townhouse
☐ House, Mobile Home

Gas (G) or Electricity (E)

FILL IN ALL BOXES G or E

Heat	G	T
Cooking	G	T
Water Heater	G	T
Water/Sewer		L
Basic Electric		T
Stove		L
Refrigerator		L

Paid by Tenant (T) or Owner/Landlord (L)

FILL IN ALL BOXES T or L

INCOME BY UNIT TYPE

COLUMN:

A	B	C	D	E	F	G	H	I	J	K	L	M
UNIT TYPE*	NO. OF UNITS	BED-ROOMS PER UNIT	BATH-ROOMS PER UNIT	SQ FT PER UNIT	CURRENT RENT	MONTHLY HOUSING COST PER UNIT	LESS: MONTHLY UTILITY ALLOW. PER UNIT	EQUALS: MONTHLY Tenant Paid RENT PER UNIT	COMPARE TO: MONTHLY MARKET RENT PER UNIT	AFFORDABILITY LEVEL: PERCENT MEDIAN INCOME	YEARLY GROSS RENTS ALL UNITS	YEARLY MARKET RENTS
A	8	2	1.00	885	\$ 1150	\$ 811	\$ 48	\$ 763	\$ 1,250	50 %	\$ 73,248	\$ 120,000
B	2	3	2.00	1,050	\$ 1375	\$ 901	\$ 58	\$ 843	\$ 1,475	50 %	\$ 20,232	\$ 35,400
C	20	2	1.00	885	\$ 1150	\$ 1,066	\$ 48	\$ 1,018	\$ 1,250	60 %	\$ 244,320	\$ 1,050,000
D	12	3	2.00	1,050	\$ 1375	\$ 1,185	\$ 58	\$ 1,127	\$ 1,475	60 %	\$ 162,288	\$ 212,400
L*	1	2	1.00	885	\$ 1150	\$ 1,150		\$ 1,150		73 %	\$ 13,800	
M	50	2	2.00	885	\$ 1150	\$ 974	\$ 48	\$ 926	\$ 1,250	%	\$ 555,600	\$ 750,000
G				\$	\$	\$	\$	\$	\$	%	\$	\$
H				\$	\$	\$	\$	\$	\$	%	\$	\$
I				\$	\$	\$	\$	\$	\$	%	\$	\$
J				\$	\$	\$	\$	\$	\$	%	\$	\$
K				\$	\$	\$	\$	\$	\$	%	\$	\$
L				\$	\$	\$	\$	\$	\$	%	\$	\$
M				\$	\$	\$	\$	\$	\$	%	\$	\$
N				\$	\$	\$	\$	\$	\$	%	\$	\$
O				\$	\$	\$	\$	\$	\$	%	\$	\$
P				\$	\$	\$	\$	\$	\$	%	\$	\$

* Unit Type- L*: Indicates Resident Manager's unit

TOTAL RENT (YEAR) \$ 1,069,488 \$ 2,167,800
 Comp. to 90% of Market: \$ 1,069,488 \$ 1,951,020

OTHER INCOME

Laundry & Interest Income \$ 13,392
 \$
 \$

TOTAL ANNUAL INCOME \$1,082,880

TOTAL UNITS 93

TOTAL SQ. FT. 40,365

SAN DIEGO HOUSING COMMISSIONDATE: August 29, 2008**DEVELOPMENT FORM - OPERATING EXPENSE - OE**

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED - CHECK ALL BOXES THAT APPLY

PROJECT TYPE: ☐ ACQUISITION ☒ ACQUISITION & REHABILITATION ☒ RENTAL
☐ NEW CONSTRUCTION ☐ REHABILITATION ☐ OWNERSHIP

PROJECT NAME: Village Green
 ADDRESS: 4140-55 Bonillo Drive San Diego CA 92115
 STREET CITY STATE ZIP
 TOTAL NUMBER OF UNIT: 93

OPERATING EXPENSE ITEM	ANNUAL COST	COST PER UNIT	COST PER SQ. FT.
Administrative Expenses			
Office Supplies & Equipment	\$	\$	\$
Telephone	\$ 2,400	\$ 26	\$ 0.06
Training & Travel	\$	\$	\$
Payroll Services	\$ 29,006	\$ 312	\$ 0.72
Resident Services	\$ 24,000	\$ 258	\$ 0.59
Other: Misc. Admin	\$ 4,884	\$ 53	\$ 0.12
Subtotal Percent of Total <u>11%</u>	\$ 60,290	\$ 648	\$ 1.49
Advertising	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total	\$ -	\$ -	\$
Professional Fees			
Property Management	\$ 88,650	\$ 953	\$ 2.20
Auditing Services	\$ 9,600	\$ 103	\$ 0.24
Legal Services	\$ 2,400	\$ 26	\$ 0.06
Other:	\$	\$	\$
Subtotal Percent of Total <u>19%</u>	\$ 100,650	\$ 1,082	\$ 2.49
Utilities			
Gas & Electric	\$ 51,000	\$ 548	\$ 1.26
Water/Sewer	\$ 89,046	\$ 957	\$ 2.21
Other:	\$	\$	\$
Subtotal Percent of Total <u>27%</u>	\$ 140,046	\$ 1,506	\$ 3.47
Contract Services			
Exterminating	\$	\$	\$
Trash Removal	\$ 17,000	\$ 183	\$ 0.42
Security Patrol	\$ 45,000	\$ 484	\$ 1.11
Building/Grounds Maintenance	\$ 63,972	\$ 688	\$ 1.58
Janitorial Services	\$	\$	\$
Repair Services	\$	\$	\$
Elevator & Other Equipment	\$	\$	\$
Garage Operations/Maintenance	\$	\$	\$
Other: Pest Control	\$ 3,348	\$ 36	\$ 0.08
Subtotal Percent of Total <u>25%</u>	\$ 129,320	\$ 1,391	\$ 3.20
Cleaning & Decorating			
Painting Supplies	\$	\$	\$
Grounds Supplies	\$	\$	\$
Other: Site Cleaning	\$ 18,720	\$ 201	\$ 0.46
Subtotal Percent of Total <u>4%</u>	\$ 18,720	\$ 201	\$ 0.46
Taxes & Insurance			
Real Property Tax Assessment	\$ 8,382	\$ 90	\$ 0.21
Property Insurance	\$ 25,648	\$ 276	\$ 0.64
Director's & Officer's Insurance	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total <u>6%</u>	\$ 34,030	\$ 366	\$ 0.84
Other			
SDHC Monitoring Fees	\$ 4,185	\$ 45	\$ 0.10
Other: Adjust for no monitoring fees	\$ (4,185)	\$	\$
Other: Replacement Reserves	\$ 27,900	\$ 300	\$ 0.69
Other: Misc. taxes, licenses & permits	\$ 1,200	13	0.03
Other: Employee Apartments	\$ 13,320	143	0.33
Other:	\$	\$	\$
Subtotal Percent of Total <u>8%</u>	\$ 42,420	\$ 501	\$ 1.05
Total Annual Operating Costs	\$ 525,476	\$ 5,650	\$ 13.02

**SAN DIEGO HOUSING COMMISSION
DEVELOPMENT FORM - DEVELOPMENT COST - DC**

Page 5

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED - CHECK ALL BOXES THAT APPLY

DATE: August 29, 2008

PROJECT TYPE: ☐ ACQUISITION ☒ ACQUISITION & REHABILITATION ☒ RENTAL
☐ NEW CONSTRUCTION ☐ REHABILITATION ☐ OWNERSHIP

PROJECT NAME: Village Green
ADDRESS: 4140-55 Bonillo Drive San Diego CA 92115
STREET CITY STATE ZIP
Number of Units 93

DEVELOPMENT COST ITEM	PERCENT	AMOUNT
ACQUISITION / LAND COST		
LAND		\$ 2,700,000
BUILDINGS		\$ 10,500,000
SUBTOTAL		\$ 13,200,000
LEGAL/BROKER'S FEE/TITLE		\$
OTHER		\$
TOTAL ACQUISITION / LAND COST		\$ 13,200,000

REHABILITATION / CONSTRUCTION		
SITE WORK		\$ 233,775
DEMOLITION		\$
STRUCTURES		\$ 2,163,485
TOTAL HARD COSTS		\$ 2,397,260
GENERAL REQUIREMENTS	7.0 %	\$ 167,808
CONTRACTOR'S OVERHEAD	2.0 %	\$ 47,945
CONTRACTOR'S PROFIT	7.0 %	\$ 167,808
TOTAL REHABILITATION / CONSTRUCTION		\$ 2,780,821

CONSTRUCTION CONTINGENCY 10.00% % \$ 278,082

BOND PREMIUM \$

CONSTRUCTION LOAN		
CONSTRUCTION INTEREST COST		\$ 407,677
APPLICATION FEE		\$
LOAN ORIGATION FEE		\$ 77,002
OTHER INSPECTION FEE		\$ 10,000
		\$ 494,679

PERMANENT LOAN		
APPLICATION FEE		\$
LOAN ORIGATION FEE		\$ 45,159
OTHER		\$
		\$ 45,159

RELOCATION COST \$ In "Other Costs"

ARCHITECTURAL FEES		
DESIGN		\$ 67,500
SUPERVISION		\$ 7,500
TOTAL ARCHITECTURAL FEES	0.0 %	\$ 75,000

SURVEYS, SOIL BORINGS, & ENGINEERING \$ 15,000

DEVELOPMENT COST ITEM	PERCENT	AMOUNT
LEGAL, PERMIT, & AUDIT		
SDHC'S LEGAL (not to exceed)		\$ 5,000
BORROWER'S LEGAL		\$ 128,102
LENDERS' LEGAL		\$ 30,000
PERMITS		\$ 46,500
TITLE & RECORDING		\$ 35,490
INSURANCE		\$ 71,455
AUDIT		\$ 16,197
TAXES DURING CONSTRUCTION		\$
OTHER		\$
TOTAL LEGAL, PERMIT, & AUDIT		\$ 332,744

OTHER COSTS		
DEVELOPER'S FEE	5.9 %	\$ 1,200,000
CONSULTANT FEE	0.6 %	\$ 130,000
APPRAISAL COSTS		\$
ENVIRONMENTAL STUDY		\$ 15,000
MARKET STUDY		\$ 7,500
MARKETING & RENT-UP		\$ 12,000
SDHC MONITOR SET-UP		\$ 500
SDHC LOAN ORIGATION FEE		\$ 2,000
REPLACEMENT RESERVES MONTHS		\$
OPERATING RESERVES 3 MONTHS		\$ 233,718
REHABILITATION PROJECTS:		\$
SDHC TECHNICAL SERVICES FEE (\$5,000)		\$ 5,000
REAL ESTATE TAXES		\$ 26,000
RELOCATION COST		\$ 568,691
ACQ/PREDEV INTEREST & FEES		\$ 564,900
ASSET MANAGEMENT/RESIDENT SERVICES		\$ 50,000
CDLAC & CTCAC FEES		\$ 96,835
BOND INSSUER FEES & CONSULTANT		\$ 57,927
FURNISHINGS		\$ 15,000
		\$
		\$
		\$
TOTAL OTHER COSTS		\$ 2,985,071

SOFT COSTS CONTINGENCY 3.22 % \$ 109,679

TOTAL DEVELOPMENT COST \$ 20,316,235

**SAN DIEGO HOUSING COMMISSION
DEVELOPMENT FORM - SOURCES AND USES OF FUNDS - SU**
PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED - CHECK ALL BOXES THAT APPLY

Page 6
DATE: #####

PROJECT TYPE: ☐ ACQUISITION ☒ ACQUISITION & REHABILITATION ☒ RENTAL ☐ NEW CONSTRUCTION ☐ REHABILITATION ☐ OWNERSHIP

PROJECT NAME: Village Green
ADDRESS: 4140-55 Bonillo Drive San Diego CA 92115
STREET CITY STATE ZIP

SOURCES

POSITION	TERMS	COMMITMENT	AMORTIZED	DEFERRED	TAX CREDIT	GRANT	EQUITY
1ST <u>Tax-Exempt Bonds/US Ba</u>	<u>35</u> YRS. <u>6.50</u> RATE % <input checked="" type="checkbox"/> N	<u>3/1/2009</u> DATE OR EXPECTED	\$ <u>6,031,798</u>				
2ND <u>Redevelopment Agency</u> (Select one) or Amortized	<u>55</u> YRS. <u>3.00</u> RATE % <input checked="" type="checkbox"/> N	<u>10/1/2008</u> DATE OR EXPECTED	\$ <u>5,788,475</u>				
	<input checked="" type="checkbox"/> Subsidy/Assisted Unit	\$ <u>62,242</u>					
	<input type="checkbox"/> Subsidy/Assisted Bdrrm	\$ <u>28,942</u>					
3RD <u>Housing Commission</u>	<u>55</u> YRS. <u>3.00</u> RATE % <input checked="" type="checkbox"/> N		\$ <u>2,165,067</u>				
<u>Deferred Developer Fee</u>			\$ <u>300,000</u>				
TAX CREDITS <u>Investor-TBD</u>		<u>3/1/2009</u> DATE OR EXPECTED	\$ <u>5,942,895</u>				
EQUITY <u>Solar Rebates + Tax</u>							\$ <u>88,000</u>
TOTAL		\$ <u>20,316,235</u>	\$ <u>6,031,798</u>	\$ <u>7,953,542</u>	\$ <u>5,942,895</u>	\$ <u>388,000</u>	

FUNDING SCHEDULE FOR SOURCES

	TOTAL	CLOSING	CONSTRUCTION PERIOD			COMPLETION	RENT UP
			1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	QTRS 5 & 6
Tax-Exempt Bonds/US Bank	\$ <u>6,031,798</u>	\$ <u>6,484,303</u>	\$ <u>1,149,291</u>	\$ <u>1,290,638</u>	\$ <u>1,696,227</u>		\$ <u>4,588,662</u>
Redevelopment Agency	\$ <u>5,788,475</u>	\$ <u>5,788,475</u>					
San Diego Housing Commission	\$ <u>2,165,067</u>	\$ <u>2,155,067</u>				\$ <u>10,000</u>	
Deferred Developer Fee	\$ <u>300,000</u>						\$ <u>300,000</u>
Investor-TBD	\$ <u>5,942,895</u>	\$ <u>594,290</u>					\$ <u>5,348,606</u>
Solar Rebates + Tax	\$ <u>88,000</u>						\$ <u>88,000</u>
	\$ <u>20,316,235</u>	\$ <u>15,022,135</u>	\$ <u>1,149,291</u>	\$ <u>1,290,638</u>	\$ <u>1,696,227</u>	\$ <u>10,000</u>	\$ <u>1,147,944</u>

INFORMATION ON CONSTRUCTION LOAN

CONSTRUCTION LENDER: U.S. Bank
CONSTRUCTION TIME: 9 (MONTHS)
CONSTRUCTION INTEREST: 4.500 %
COMMITTED: ☒ YES ☐ NO
DATE OF COMMITMENT/EXPECTED: July 21, 2008

SAN DIEGO HOUSING COMMISSION DEVELOPMENT FORM - PRO FORMA - PF

PLEASE PROVIDE ALL KNOWN INFORMATION - CHECK ALL BOXES THAT APPLY

Date: August 29, 2008

PROJECT TYPE: ☐ ACQUISITION ☒ ACQUISITION & REHABILITATION ☒ RENTAL
☐ NEW CONSTRUCTION ☐ REHABILITATION ☐ OWNERSHIP

PROJECT NAME: Village Green
 ADDRESS: 4140-55 Bonillo Drive San Diego CA 92115
 STREET CITY STATE ZIP

Replacement Reserve	\$		LP Asset Mgmt Fee	\$	<u>5,000</u>	GP Management Fee	\$	<u>12,500</u>
Rental Income	\$	<u>1,069,488</u>	Project Income Increase		<u>2.50</u> %	Mortgage Amount	\$	<u>6,031,798</u> %
Other Income	\$	<u>13,392</u>	Operating Exp. Increase		<u>3.50</u> %	Mortgage Rate		<u>6.500</u>
Operating Expenses	\$	<u>525,476</u>	Vacancy Loss		<u>5.00</u> %	Mortgage Term(Years)		<u>35</u>
LP & GP Annual Increase			Deferred Dev. Fee	\$	<u>300,000</u>	Interest on Deff. Dev. Fee		

SDHC Participation	\$	<u>1,852,509</u>	Residual Receipts or	<input checked="" type="checkbox"/>	Interest Rate	<u>3.000</u> %
Percent of Residual to HC		<u>50%</u>	Amortize	<input type="checkbox"/>	Term (Years)	<u>55</u>

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Gross Project Income	\$ <u>1,082,880</u>	\$ <u>1,109,952</u>	\$ <u>1,137,701</u>	\$ <u>1,166,143</u>	\$ <u>1,195,297</u>
Vacancy	\$ <u>54,144</u>	\$ <u>55,498</u>	\$ <u>56,885</u>	\$ <u>58,307</u>	\$ <u>59,765</u>
Effective Gross Income	\$ <u>1,028,736</u>	\$ <u>1,054,454</u>	\$ <u>1,080,816</u>	\$ <u>1,107,836</u>	\$ <u>1,135,532</u>
Operating Expense (OE)	\$ <u>525,476</u>	\$ <u>543,868</u>	\$ <u>562,903</u>	\$ <u>582,605</u>	\$ <u>602,996</u>
Net Operating Income	\$ <u>503,260</u>	\$ <u>510,587</u>	\$ <u>517,913</u>	\$ <u>525,232</u>	\$ <u>532,536</u>
Debt Service (1st)	\$ <u>437,296</u>	\$ <u>437,296</u>	\$ <u>437,296</u>	\$ <u>437,296</u>	\$ <u>437,296</u>
Coverage (1st)	<u>1.15</u>	<u>1.17</u>	<u>1.18</u>	<u>1.20</u>	<u>1.22</u>
Replacemnt Reserve in OE	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flow	\$ <u>65,964</u>	\$ <u>73,290</u>	\$ <u>80,616</u>	\$ <u>87,935</u>	\$ <u>95,240</u>
LP Asset Management Fee	\$ <u>5,000</u>	\$ <u>5,000</u>	\$ <u>5,000</u>	\$ <u>5,000</u>	\$ <u>5,000</u>
GP Management Fee	\$ <u>12,500</u>	\$ <u>12,500</u>	\$ <u>12,500</u>	\$ <u>12,500</u>	\$ <u>12,500</u>
Deferred Dev. Fee Pmt.	\$ <u>48,464</u>	\$ <u>55,790</u>	\$ <u>63,116</u>	\$ <u>70,435</u>	\$ <u>62,195</u>
HC/RA Residual Receipts	\$	\$	\$	\$	\$ <u>7,773</u>
Net Cash Flow	\$	\$	\$	\$	\$ <u>7,773</u>

	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Income	\$ <u>1,225,179</u>	\$ <u>1,255,809</u>	\$ <u>1,287,204</u>	\$ <u>1,319,384</u>	\$ <u>1,352,369</u>
Vacancy	\$ <u>61,259</u>	\$ <u>62,790</u>	\$ <u>64,360</u>	\$ <u>65,969</u>	\$ <u>67,618</u>
Effective Gross Income	\$ <u>1,163,920</u>	\$ <u>1,193,018</u>	\$ <u>1,222,844</u>	\$ <u>1,253,415</u>	\$ <u>1,284,750</u>
Operating Expense (OE)	\$ <u>624,101</u>	\$ <u>645,944</u>	\$ <u>668,552</u>	\$ <u>691,952</u>	\$ <u>716,170</u>
Net Operating Income	\$ <u>539,820</u>	\$ <u>547,074</u>	\$ <u>554,292</u>	\$ <u>561,463</u>	\$ <u>568,580</u>
Debt Service (1st)	\$ <u>437,296</u>	\$ <u>437,296</u>	\$ <u>437,296</u>	\$ <u>437,296</u>	\$ <u>437,296</u>
Coverage (1st)	<u>1.23</u>	<u>1.25</u>	<u>1.27</u>	<u>1.28</u>	<u>1.30</u>
Replacemnt Reserve in OE	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flow	\$ <u>102,523</u>	\$ <u>109,778</u>	\$ <u>116,995</u>	\$ <u>124,167</u>	\$ <u>131,284</u>
LP Asset Management Fee	\$ <u>5,000</u>	\$ <u>5,000</u>	\$ <u>5,000</u>	\$ <u>5,000</u>	\$ <u>5,000</u>
GP Management Fee	\$ <u>12,500</u>	\$ <u>12,500</u>	\$ <u>12,500</u>	\$ <u>12,500</u>	\$ <u>12,500</u>
Deferred Dev. Fee	\$	\$	\$	\$	\$
HC/RA Residual Receipts	\$ <u>42,512</u>	\$ <u>46,139</u>	\$ <u>49,748</u>	\$ <u>53,333</u>	\$ <u>56,892</u>
Net Cash Flow	\$ <u>42,512</u>	\$ <u>46,139</u>	\$ <u>49,748</u>	\$ <u>53,333</u>	\$ <u>56,892</u>

	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Gross Income	\$ <u>1,386,178</u>	\$ <u>1,420,832</u>	\$ <u>1,456,353</u>	\$ <u>1,492,762</u>	\$ <u>1,530,081</u>
Vacancy	\$ <u>69,309</u>	\$ <u>71,042</u>	\$ <u>72,818</u>	\$ <u>74,638</u>	\$ <u>76,504</u>
Effective Gross Income	\$ <u>1,316,869</u>	\$ <u>1,349,791</u>	\$ <u>1,383,536</u>	\$ <u>1,418,124</u>	\$ <u>1,453,577</u>
Operating Expense (OE)	\$ <u>741,236</u>	\$ <u>767,179</u>	\$ <u>794,030</u>	\$ <u>821,821</u>	\$ <u>850,585</u>
Net Operating Income	\$ <u>575,633</u>	\$ <u>582,612</u>	\$ <u>589,505</u>	\$ <u>596,303</u>	\$ <u>602,992</u>
Debt Service (1st)	\$ <u>437,296</u>	\$ <u>437,296</u>	\$ <u>437,296</u>	\$ <u>437,296</u>	\$ <u>437,296</u>
Coverage (1st)	<u>1.32</u>	<u>1.33</u>	<u>1.35</u>	<u>1.36</u>	<u>1.38</u>
Replacemnt Reserve in OE	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flow	\$ <u>138,337</u>	\$ <u>145,315</u>	\$ <u>152,209</u>	\$ <u>159,006</u>	\$ <u>165,695</u>
LP Asset Management Fee	\$ <u>5,000</u>	\$ <u>5,000</u>	\$ <u>5,000</u>	\$ <u>5,000</u>	\$ <u>5,000</u>
GP Management Fee	\$ <u>12,500</u>	\$ <u>12,500</u>	\$ <u>12,500</u>	\$ <u>12,500</u>	\$ <u>12,500</u>
Deferred Dev. Fee	\$	\$	\$	\$	\$
HC/RA Residual Receipts	\$ <u>60,418</u>	\$ <u>63,908</u>	\$ <u>67,354</u>	\$ <u>70,753</u>	\$ <u>74,098</u>
Net Cash Flow	\$ <u>60,418</u>	\$ <u>63,908</u>	\$ <u>67,354</u>	\$ <u>70,753</u>	\$ <u>74,098</u>

**SAN DIEGO HOUSING COMMISSION
ENVIRONMENTAL REVIEW REQUEST**Date: August 29, 2008

PLEASE PROVIDE ALL KNOWN INFORMATION - CHECK ALL BOXES THAT APPLY

PROPOSED PROJECT NAME: Village GreenPROJECT STREET ADDRESS: 4140-55 Bonillo DriveZIP CODE 92115ASSESSOR'S PARCEL NO: 473-220-27, 28, 29ZONING: RS 1-7 & OR 1-1COMMUNITY PLANNING AREA: Crossroads**Attach map page with arrow showing location of site. Attach assessor's parcel map if available. Attach labeled photos if available.**DEVELOPER/SPONSOR OF PROPOSED PROJECT: Wakeland Housing & Development Corp.DEVELOPER'S ADDRESS: 1230 Columbia St. , Suite 950San DiegoCA92101

STREET

CITY

STATE

ZIP

CONTACT PERSON: Jack D. FarrisPHONE: (619) 677-2290FAX: (#) 235-5386**EXISTING USE OF SITE (Check all that apply):**☐ Vacant ☒ Residential ☐ Commercial ☐ Industrial ☐ Other (specify) _____If residential, number of units: ☐ Studio ☐ 1-bedroom ☒ 79 2-bedroom☒ 14 3-bedroom ☐ 4-bedroom ☐ 5-bedroom ☐ 93 TOTALNumber of buildings: ☒ 13Number of stories: ☒ 2

Size of site (acres or square ft): _____

Age of structure(s): ☒ 40 Years**PROPOSED PROJECT TYPE (check all that apply):**☐ New Construction ☐ Rehabilitation: ☐ Major ☐ Minor☐ Acquisition ☒ Acquisition & Rehabilitation ☐ Exterior ☐ Interior

Other (describe) _____

PROPOSED PROJECT DESCRIPTION (be brief, but attach additional sheets if necessary)

(describe differences in use, density, unit sizes, etc. between existing use and proposed use):

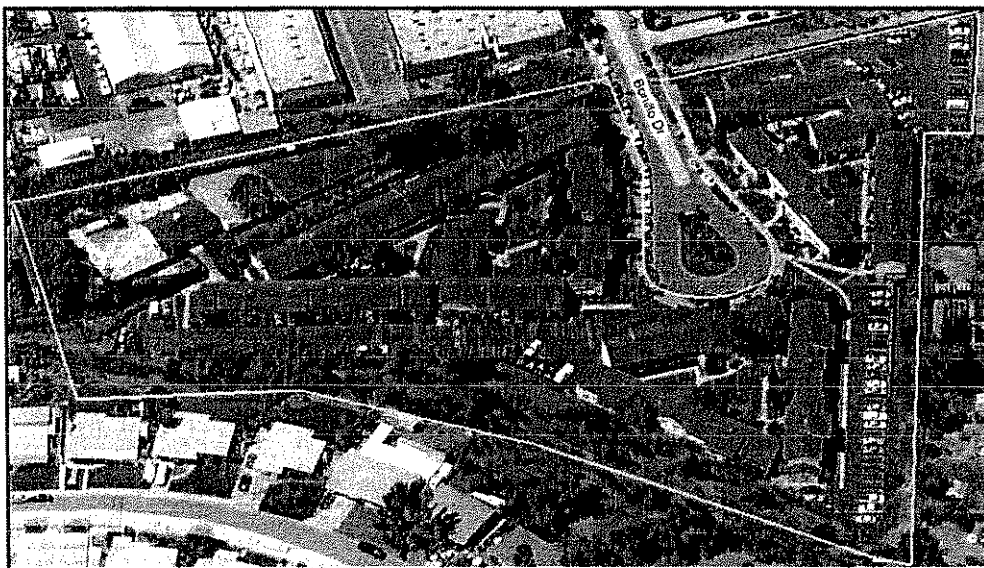
ATTACHMENT 6

RYMAR Appraisal Services Inc.

103 W. Calaveras Street
Altadena CA 91001
Phone: (626) 791-5995
Fax (626) 791-5992
Web www.RYMARappraisalinc.com

A Narrative Appraisal ♦ Summary Report Format

Of
94 Apartment Units Located at
4140, 4150, & 4155 Bonillo Drive
San Diego, Ca 92115



As Of
May 30, 2008

Prepared For
Century Housing Corporation

Prepared By
RYMAR Appraisal Service Inc.
George H. Ruth, CCRA,



COMMERCIAL • INDUSTRIAL • RESIDENTIAL

June 30, 2008

Karen Bennett-Green
Century Housing Corporation
1000 Corporate Pointe
Culver City, CA 90230

RE: 4140, 4150, & 4155 Bonillo Drive, San Diego, Ca 92115
Our file number: 1270D4-4140-08

Dear Ms. Bennett-Green:

At your request and authorization, RYMAR Appraisal Services, Inc. has prepared an appraisal presented in a summary report of the Leased Fee value in the above referenced real property. Per the request of the client, we have provided the Leased Fee value of the subject on an "As Is" basis.

The purpose of this appraisal is to form an opinion of market based upon market conditions prevailing on May 30, 2008. The value opinion is qualified by certain definitions, limiting conditions, and assumptions, which are set forth on their specific pages of the report. Your attention is directed to the "General Assumptions and Limiting Conditions" which are part of this report. Acceptance of, and use of, this appraisal report by the client constitutes acceptance of the assumptions and limiting conditions. No third party use of this appraisal report is authorized. Authorization may be requested from RYMAR Appraisal Services Inc. at 626 791-5995 during business hours. We also point out that the value opinion herein is contingent on the stated assumptions and limiting conditions. The final value opinion is stated under the appraiser's certification at the back of this report.

We do not authorize the out-of-context quoting from or partial reprinting of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of media for public communication without the prior written consent of the appraiser signing this report.

This report was prepared for and our professional fee billed to Century Housing Corporation. It is intended only for use by the client to estimate the value of the real estate offered for a proposed mortgage loan in a Federally Related Transaction.

The subject property was inspected by George H. Ruth, and the report was by George H. Ruth and Enedina Giffin. If you have any questions concerning the report, please contact RYMAR Appraisal Services Inc.

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. Any special assumptions and limiting considerations were especially noted in Section 2 of this report. Your attention is directed to these "General Assumptions and Limiting Conditions" which are part of this report. I suggest that you thoroughly read and familiarize yourself with these, since the appraisal is based upon these assumptions.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI Regulations and Century Housing Corporation's appraisal standards.

Appraisers are required to be licensed or certified and are regulated by the California Office of Real Estate Appraisal, Department of Business and Transportation. (www.orea.ca.gov). George H. Ruth holds the highest certification legally possible in the State of CA. The appraiser's qualifications are included in the addenda.

Please refer to the attached appraisal report, plus exhibits, for documentation of these value estimates contained herein. It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if RYMAR Appraisal Services, Inc. can be of further service, please contact us.

Respectfully submitted,
RYMAR Appraisal Service Inc.



COMMERCIAL • INDUSTRIAL • RESIDENTIAL

Table of Contents

SECTION 1 - SUMMARY OF SALIENT FACTS	5
SECTION 2 – GENERAL ASSUMPTIONS & LIMITING CONDITIONS	6
SECTION 3 – ASSIGNMENT OVERVIEW AND SCOPE OF WORK	13
SECTION 4 – DEFINITIONS	16
ADDITIONAL DEFINITIONS	17
SECTION 5 – PRESENTATION OF DATA COLLECTED	ERROR! BOOKMARK NOT DEFINED.
REGIONAL DATA	ERROR! BOOKMARK NOT DEFINED.
NEIGHBORHOOD DATA	39
	ERROR! BOOKMARK NOT DEFINED.
SITE DESCRIPTION	41
IMPROVEMENTS DESCRIPTION	45
SECTION 6 – HIGHEST AND BEST USE	62
SECTION 7 – VALUATION OF SUBJECT	64
APPRAISAL METHODOLOGY	64
COST APPROACH	66
SALES COMPARISON APPROACH	78
INCOME CAPITALIZATION APPROACH	98
SECTION 8 – RECONCILIATION OF VALUES	102
SECTION 9 – CERTIFICATION OF VALUE OPINION	103
SECTION 10 – ADDENDUMS	105

Section I – Summary of Salient Facts

Report Date	June 30, 2008	
Effective Date of Appraisal	May 30, 2008	
Current Owner:	According to the County Assessor's Office, the current owner of record is Odom Family LP.	
5 Year Sales History:	The subject has been under the current ownership for more than five years.	
Location	The subject property is located at the south end of Bonillo Drive, a cul-de-sac street, immediately south of University Avenue. More generally, the subject property can be described as its address: 4140, 4150, & 4155 Bonillo Drive San Diego, Ca.	
Site Description	The subject site consists of three platted parcel of land, which is located on the east and west sides of Bonillo Drive, as well as at the south end of Bonillo Dr. The site is irregular in shape and contains approximately 295,337 square feet or 6.78 Acres, subject to survey. The site has 641 linear front feet along Bonillo Drive. The site is 80% Level at the front and 20% upslope at the rear.	
Function of Appraisal	To provide an opinion of Market Value	
Reporting Format	Summary	
Property Rights Appraised	Leased Fee	
Improvement Description	An Apartment Complex built in 1976. The improvements are of Average quality and in Average condition. There is 13 buildings with a total gross building area of 86,104.	
Summary Legal Description	PARCELS 1, 2 AND 3 OF PARCEL MAP NO. 7653, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 3, 1978 AS FILE NO. 78-328990 OF OFFICIAL RECORDS.	
Zoning	RS 1-7 & OR 1-1, by San Diego, Ca.	
Present Use	Apartment Complex	
Highest & Best Use	As Vacant: Development for Multi-Family Residential use.	
Highest & Best Use	As Improved: Multi-Family Residential use	
Value Opinions	Cost Approach:	\$12,770,000
	Income Capitalization Approach:	\$13,225,000
	Sales Comparison Approach:	\$13,275,000
Reconciled "AS IS" Value	\$13,225,000	

ATTACHMENT 7

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

1. Name of CONTRACTOR: Wakeland Housing and Development Corporation
2. Address and Zip Code: 1230 Columbia St. Ste. 950
San Diego, CA 92101
3. Telephone Number: 619.235.2296
4. Name of Principal Contact for CONTRACTOR:
JACK FARRIS
5. Federal Identification Number or Social Security Number of CONTRACTOR:
33-0833640
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:

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

☐ A partnership known as: _____
(Name)
Check one
☐ General Partnership (Attach statement of General Partnership)
☐ Limited Partnership (Attach Certificate of Limited Partnership)

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

☐ A Federal, State or local government or instrumentality thereof.

☐ Other (explain) _____
7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:

- a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
- * b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
- c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
- d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

Name, Address and
Zip Code _____

Position Title (if any) and
percent of interest or description
of character and extent of interest

(Attach extra sheet if necessary)

* Board of Directors list attached.

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months. If yes, please explain in detail.

- The following individuals left the Board in the last 12 months:

Craig Fukuyama
Lawrence Nutter

- The following individuals joined our Board in the last 12 months:

Robert Bohrer
Hank Cunningham

10. Is it anticipated that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.

NO

11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8 which gives such person or entity more than a computed 10% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR):

Name, Address and
Zip Code _____

Position Title (if any and
extent of interest _____

NA

12. Names, addresses and telephone numbers (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 8 or Item 11 above:

See attached Board of Directors list

13. Is the CONTRACTOR a subsidiary of or affiliated with any other corporation or corporations, any other firm or any other business entity or entities of whatever nature. If yes, list each such corporation, firm or business entity by name and address, specify its relationship to the CONTRACTOR, and identify the officers and directors or trustees common to the CONTRACTOR and such other corporation, firm or business entity.

NO

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

Financial Statements attached

15. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project:

This project will utilize tax exempt bonds, 4% tax credit equity and public subsidy in the form of a soft second loan.

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

- a. In banks/savings and loans:

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

Amount: \$ _____

NA

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

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

Amount: \$ _____

NA

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

Description

Market Value Mortgages or Liens

\$

\$

NA

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

Washington Mutual

Catherine Fredinburg
17877 Von Karman Ave.
4th Floor - IRB4CL1
Irvine, CA 92614

Wells Fargo

Sally Lang
~~Wells Fargo~~ MAC # E2231-053
2030 Main St., Ste. 500
Irvine, CA 92614

Low Income Investment Fund

Amber Carter
800 S. Figueroa St., Ste. 760
Los Angeles, CA 90017

18. Has the CONTRACTOR or any of the CONTRACTOR's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past 10 years?
☐ Yes ☒ No

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

19. Has the CONTRACTOR or anyone referred to above as "principals of the CONTRACTOR" been convicted of any felony within the past 10 years? ☐ Yes ☒ No

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

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

Type Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
-----------	---------------------	--------------------	----------------	----------------

NA

21. If the CONTRACTOR, or a parent corporation, a subsidiary, an affiliate, or a principal of the CONTRACTOR is to participate in the development as a construction contractor or builder, provide the following information:

- a. Name and addresses of such contractor or builder:

NA

- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract? ☐ Yes ☐ No

If yes, please explain, in detail, each such instance:

NA

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

General description of such work:

NA

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

- d. Construction contracts or developments now being performed by such contractor or builder:

Identification of
Contract or Development

Location

Amount

Date to be
Completed

NA

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

Awarding Agency

Amount

Date Opened

NA

22. Provide a detailed and complete statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

NA

23. Does any member of the governing body of the San Diego Housing Commission ("COMMISSION"), Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of the COMMISSION, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor? ___ Yes X No

If yes, explain.

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

NA

25. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation? ___ Yes X No

If yes, explain:

26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverages: List the amount of coverage (limits) currently existing in each category:

- a. General Liability, including Bodily Injury and Property Damage Insurance [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

Check coverage(s) carried:

- ☐ Comprehensive Form
- ☐ Premises - Operations
- ☐ Explosion and Collapse Hazard
- ☐ Underground Hazard
- ☐ Products/Completed Operations Hazard
- ☐ Contractual Insurance
- ☐ Broad Form Property Damage
- ☐ Independent Contractors
- ☐ Personal Injury

Insurance Agent:
Cavignac & Associates
450 B St., Ste. 1800
San Diego, CA 92101-8005
Contact: Matt Siakoff
619-744-0549

- b. Automobile Public Liability/Property Damage [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

Check coverage(s) carried:

- ☐ Comprehensive Form
☐ Owned
☐ Hired
☐ Non-Owned

- c. Workers Compensation [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

- d. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

- e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

- f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the COMMISSION setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the COMMISSION, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the COMMISSION, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the COMMISSION, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

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

Government Entity
Making Complaint

Date

Resolution

NA

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

NO

32. Please list all licenses obtained by the CONTRACTOR through the State of California and/or the United States of America which are required and/or will be utilized by the CONTRACTOR and/or are convenient to the performance of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT, or RENDITION OF SERVICES. State the name of the governmental agency granting the license, type of license, date of grant, and the status of the license, together with a statement as to whether the License has ever been revoked:

Governmental <u>Agency</u>	Description <u>License</u>	License <u>Number</u>	Date Issued <u>(original)</u>	Status <u>(current)</u>	Revocation <u>(yes/no)</u>
-------------------------------	-------------------------------	--------------------------	----------------------------------	----------------------------	-------------------------------

NA

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

NA

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

NA

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

	Entity Involved	Status	Dollar
<u>Date</u>	(i.e., CITY, COMMISSION, etc.)	(Current, delinquent, repaid, etc.)	<u>Amount</u>

See attachment

36. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, been the subject of a complaint filed with the Contractor's State License Board (CSLB)? ☐ Yes ☒ No

If yes, explain:

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

___ Yes ☒ No

If yes, explain:

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

Name: Cissy Fisher

Address: 1122 Broadway, Ste. 300 San Diego, CA 92101

Phone: 619-578-7585

Project Name and Description: Beyer courtyards 60 units of lower income housing

Name: Debbie Fountain

Address: 2965 Roosevelt St. Ste. B Carlsbad CA 92008-2389

Phone: 760-434-2935

Project Name and Description: Vista Las Flores 28 units of affordable housing

Name: Eri Kameyama

Address: 225 Broadway, Ste. 1100

Phone: 619-236-9148

Project Name and Description: Lillian Place 74 units of affordable housing

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

NA

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

NA

<p style="text-align: center;">WAKELAND HOUSING AND DEVELOPMENT BOARD OF DIRECTORS</p>
--

Loren Adams

Board Member

Vice Pres of Operations/Development at
Intracorp
600 B Street, Suite 2000
San Diego, CA 92101
Ph. # (619) 544-6963

Robert "Buddy" Bohrer

Board Member

HG Fenton Company
7577 Mission Valley Road
Suite 200
San Diego, CA 92108
Ph. # (619) 400-0139

Hank Cunningham

Board Member

CEcD
608 Crest Drive
Encinitas, CA 92024
Ph # (760) 331-3408

Lina Ericsson

Officer - Chairperson

Luce Forward Hamilton & Scripps
600 West Broadway, Suite 2600
San Diego, CA 92101
Ph. # (619) 533-7360

Glen Googins

Board Secretary

Attorney at Law
344 F Street, Suite 100
Chula Vista, CA 91910
Ph # (619) 426-4409

Doug Perkins

Board Member

President
Pacific Gateway Group.
5703 Oberlin Dr, Suite 209
San Diego, CA 92121
Ph. # (619) 234-3491

Art Rivera

Board Member

350 Nutmeg Street
San Diego, CA 92103
Ph # (619) 838-0908

Lee Winslett

Officer -Treasurer

Vice President of Wells Fargo Bank
Community Lending Division
401 B Street, Suite 304A
San Diego, CA 92101
Ph. # (619) 699-3037

Attachment

List of all Contracts with, Developments for or with, Loans with, Projects with, Grants from, Sales of Real Property to, the Commission, Authority, and/or the City within the last five (5) years

<u>Date</u>		<u>Entity Involved</u>	<u>Status</u>	<u>Dollar Amount</u>
2006	Del Sol Apartments	SDHC	Current	\$4,126,000
2004	Lillian Place	Redev. Agency	Current	\$7,289,000
2004	Beyer Courtyards	SDHC	Current	\$4,200,000
2001	Vista Terrace Hills	SDHC	Current	\$1,290,000
2001	Coronado Terrace	SDHC	Current	\$1,270,000
2000	Canyon Rim	SDHC	Current	\$1,565,000
2000	Stratton	SDHC	Current	\$1,565,000

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

By providing the "Personal Information", (if any) as defined in Section 1798.3(a) of the Civil Code of the State of California (to the extent that it is applicable, if at all), requested herein and by seeking a loan from, a grant from, a contract with, the sale of real estate to, the right to develop from, and/or any and all other entitlements from the SAN DIEGO HOUSING COMMISSION ("COMMISSION"), the HOUSING AUTHORITY OF THE CITY OF SAN DIEGO ("AUTHORITY") and/or the CITY OF SAN DIEGO ("CITY"), the CONTRACTOR consents to the disclosure of any and all "Personal Information" and of any and all other information contained in this Public Disclosure Statement. CONTRACTOR specifically, knowingly and intentionally waives any and all privileges and rights that may exist under State and/or Federal Law relating to the public disclosure of the information contained herein. With respect to "Personal Information", if any, contained herein, the CONTRACTOR, by executing this disclosure statement and providing the information requested, consents to its disclosure pursuant to the provisions of the Information Practices Act of 1977, Civil Code Section 1798.24(b). CONTRACTOR is aware that a disclosure of information contained herein will be made at a public meeting or meetings of the COMMISSION, the AUTHORITY, and/or the CITY at such times as the meetings may be scheduled. CONTRACTOR hereby consents to the disclosure of said "Personal Information", if any, more than thirty (30) days from the date of this statement at the duly scheduled meeting(s) of the COMMISSION, the AUTHORITY and/or the CITY. CONTRACTOR acknowledges that public disclosure of the information contained herein may be made pursuant to the provisions of Civil Code Section 1798.24(d).

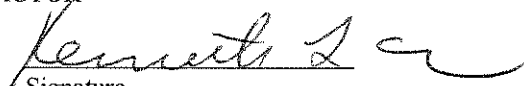
CONTRACTOR represents and warrants to the COMMISSION, the AUTHORITY and the CITY that by providing the information requested herein and waiving any and all privileges available under the Evidence Code of the State of California, State and Federal Law, (to the extent of this disclosure that the information being submitted herein), the information constitutes a "Public Record" subject to disclosure to members of the public in accordance with the provisions of California Government Section 6250 et seq.

CONTRACTOR specifically waives, by the production of the information disclosed herein, any and all rights that CONTRACTOR may have with respect to the information under the provisions of Government Code Section 6254 including its applicable subparagraphs, to the extent of the disclosure herein, as well as all rights of privacy, if any, under the State and Federal Law.

Executed this 16th day of July, 2008, at San Diego, California.

CONTRACTOR:

By:


Signature

President

Title

CERTIFICATION

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

By: Kenneth L. Sauder

By: _____

Title: President

Title: _____

Dated: July 16, 2008

Dated: _____

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

JURAT

State of California

County of _____

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 20____

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

Signature of Notary

SEAL

DISCLOSE.PUB

CALIFORNIA JURAT WITH AFFIANT STATEMENT

☒ See Attached Document (Notary to cross out lines 1-6 below)

☐ See Statement Below (Lines 1-5 to be completed only by document signer[s], *not* Notary)

1

2

3

4

5

6

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this

16th day of July, 2008, by
Date Month Year

(1) Kenneth L. Sauder
Name of Signer

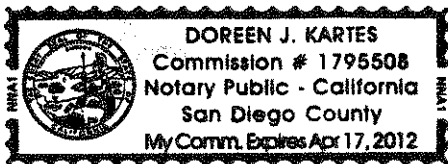
proved to me on the basis of satisfactory evidence
to be the person who appeared before me (.) (.)

(and

(2) _____
Name of Signer

proved to me on the basis of satisfactory evidence
to be the person who appeared before me.)

Signature Doreen J. Kartes
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

*Though the information below is not required by law, it may prove
valuable to persons relying on the document and could prevent
fraudulent removal and reattachment of this form to another document.*

Further Description of Any Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

RIGHT THUMBPRINT
OF SIGNER #1

Top of thumb here

RIGHT THUMBPRINT
OF SIGNER #2

Top of thumb here

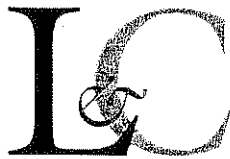
ATTACHMENT 8

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006



WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

	<u>Page</u>
Independent Auditor's Report	1
Consolidated Statements of Financial Position	2 - 3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows	5 - 6
Notes to Consolidated Financial Statements	7 - 23
 <u>Supplementary Schedules:</u>	
Consolidating Schedule of Financial Position	24
Consolidating Schedule of Activities	25



Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

1843 Hotel Circle South
Suite 300
San Diego, California
92108-3397
619.294.7200
619.294.7077 fax
www.leaf-cole.com
leafcole@leaf-cole.com

Steven W. Northcote, C.P.A.
Michael S. Schreiber, C.P.A.
Michael J. Zizzi, C.P.A.
Julie A. Firl, C.P.A.
Nicholas M. Gines, C.P.A.

Members

*American Institute of Certified Public Accountants
California Society of Certified Public Accountants*

Independent Auditor's Report

To the Board of Directors
Wakeland Housing and Development Corporation
(A California Not-For-Profit Corporation)
1230 Columbia Street, Suite 950
San Diego, California 92101

We have audited the accompanying consolidated statements of financial position of Wakeland Housing and Development Corporation (A California Not-For-Profit Corporation) and subsidiaries as of June 30, 2007 and 2006, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wakeland Housing and Development Corporation and subsidiaries as of June 30, 2007 and 2006, and the consolidated changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Leaf & Cole, LLP

San Diego, California
August 28, 2007

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2007 AND 2006

ASSETS

	<u>2007</u>	<u>2006</u>
<u>Current Assets:</u> (Notes 1, 2, 3 and 4)		
Cash and cash equivalents	\$ 2,168,313	\$ 1,313,204
Accounts receivable, net	287,560	229,056
Contributions receivable	78,987	-0-
Notes receivable	444,120	577,351
Accrued interest receivable	-0-	3,655
Prepaid expenses	<u>64,666</u>	<u>47,625</u>
Total Current Assets	<u>3,043,646</u>	<u>2,170,891</u>
<u>Noncurrent Assets:</u> (Notes 1, 2, 3, 5, 6, 7, 8 and 9)		
Accounts receivable, net	1,145,285	1,100,000
Accrued interest receivable	10,288	9,631
Contributions receivable	56,535	-0-
Operating reserve	-0-	161,166
Funded reserves	2,066,516	2,004,959
Investment in partnerships	498	592
Property and equipment, net	<u>15,574,493</u>	<u>28,536,608</u>
Total Noncurrent Assets	<u>18,853,615</u>	<u>31,812,956</u>
 TOTAL ASSETS	 <u>\$21,897,261</u>	 <u>\$33,983,847</u>

The accompanying notes are an integral part of the financial statements.

LIABILITIES AND NET ASSETS

	<u>2007</u>	<u>2006</u>
<u>Current Liabilities:</u> (Note 1)		
Accounts payable and accrued expenses	\$ 283,792	\$ 135,942
Accrued interest payable	86,769	158,557
Deferred revenue	102	77,407
Security deposits	4,810	32,364
Current portion of notes payable	<u>150,000</u>	<u>637,400</u>
Total Current Liabilities	<u>525,473</u>	<u>1,041,670</u>
<u>Noncurrent Liabilities:</u> (Notes 7, 9 and 11)		
Accrued interest payable	651,561	483,684
Share of deficiency in partnerships	392,695	101,188
Notes payable, less current portion above	<u>16,149,171</u>	<u>29,171,549</u>
Total Noncurrent Liabilities	<u>17,193,427</u>	<u>29,756,421</u>
Total Liabilities	<u>17,718,900</u>	<u>30,798,091</u>
<u>Commitments and Contingencies</u> (Notes 10, 12, 13, 14 and 15)		
<u>Net Assets</u> (Notes 1 and 11)		
Unrestricted	4,042,839	3,185,756
Temporarily restricted	<u>135,522</u>	<u>-0-</u>
Total Net Assets	<u>4,178,361</u>	<u>3,185,756</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$21,897,261</u>	<u>\$33,983,847</u>

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	2007			2006	
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Total
Revenue and Support:					
Rental income	\$2,432,038	\$	\$2,432,038	\$2,584,443	\$2,584,443
Developer fee	910,875		910,875	1,399,583	1,399,583
Asset management	559,774		559,774	465,339	465,339
Contributions	120,000	135,522	255,522	63,000	63,000
Resident services	252,965		252,965	202,827	202,827
Grants	186,421		186,421	164,558	164,558
Interest income	132,099		132,099	102,600	102,600
Share of income from partnerships	108		108	(1,569)	(1,569)
Other income	100		100	1,253	1,253
Gain/loss on disposal	(2,188)		(2,188)		-0-
Total Revenue and Support	<u>4,592,192</u>	<u>135,522</u>	<u>4,727,714</u>	<u>4,982,034</u>	<u>4,982,034</u>
Expenses:					
Program Services: (Note 1)					
Asset management	2,370,830		2,370,830	2,291,403	2,291,403
Development	465,151		465,151	698,566	698,566
Resident services	<u>356,707</u>		<u>356,707</u>	<u>253,505</u>	<u>253,505</u>
Total Program Services	<u>3,192,688</u>	<u>-0-</u>	<u>3,192,688</u>	<u>3,243,474</u>	<u>3,243,474</u>
Supporting Services:					
Management and general	497,579		497,579	515,812	515,812
Fundraising	<u>44,842</u>		<u>44,842</u>	<u>34,125</u>	<u>34,125</u>
Total Supporting Services	<u>542,421</u>	<u>-0-</u>	<u>542,421</u>	<u>549,937</u>	<u>549,937</u>
Total Program and Supporting Services	<u>3,735,109</u>	<u>-0-</u>	<u>3,735,109</u>	<u>3,793,411</u>	<u>3,793,411</u>
Change in Net Assets	857,083	135,522	992,605	1,188,623	1,188,623
Net Assets at Beginning of Year	<u>3,185,756</u>	<u>-0-</u>	<u>3,185,756</u>	<u>1,997,133</u>	<u>1,997,133</u>
NET ASSETS AT END OF YEAR	<u>\$4,042,839</u>	<u>\$135,522</u>	<u>\$4,178,361</u>	<u>\$3,185,756</u>	<u>\$3,185,756</u>

The accompanying notes are an integral part of the financial statements.

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 992,605	\$ 1,188,623
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	192,762	321,948
Amortization	7,564	14,363
Share of income from partnerships	(108)	1,569
Loss on disposal of assets	2,188	-0-
(Increase) Decrease in:		
Accounts receivable	(127,381)	(1,163,315)
Contribution receivable	(135,522)	-0-
Accrued interest receivable	2,998	5,526
Prepaid expenses	(36,680)	(18,215)
Increase (Decrease) in:		
Accounts payable and accrued expenses	136,970	49,048
Accrued interest payable	165,658	231,838
Deferred revenue	(74,079)	47,278
Security deposits	881	28,769
Net Cash Provided by Operating Activities	<u>1,127,856</u>	<u>707,432</u>
<u>Cash Flows From Investing Activities:</u>		
Investment sales	-0-	98,444
Decrease (Increase) in notes receivable	133,231	(312,473)
Operating reserve deposit	(1,612)	(161,166)
Funded reserves deposits	(1,466,179)	(2,939,325)
Funded reserves withdrawals	1,404,622	2,878,056
Partnership distributions	561	569
Purchases of property and equipment	(885,785)	(14,183,183)
Repayment of Del Sol Apartments, L.P. intercompany receivable	<u>675,620</u>	<u>-0-</u>
Net Cash Used by Investing Activities	<u>(139,542)</u>	<u>(14,619,078)</u>

(Continued)

The accompanying notes are an integral part of the financial statements.

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>Cash Flows From Financing Activities:</u>		
Principal payments on notes payable	\$ (972,313)	\$ (340,000)
Proceeds from notes payable	954,971	14,515,708
Cash conveyed to Del Sol Apartments, L.P.	<u>(115,863)</u>	<u>-0-</u>
Net Cash (Used) Provided by Financing Activities	<u>(133,205)</u>	<u>14,175,708</u>
Net Increase in Cash and Cash Equivalents	855,109	264,062
Cash and Cash Equivalents at Beginning of Year	<u>1,313,204</u>	<u>1,049,142</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$2,168,313</u>	<u>\$ 1,313,204</u>
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash paid during the year for interest	\$ <u>555,880</u>	\$ <u>801,070</u>
<u>Noncash Investing and Financing Activities:</u>		
During the year ended June 30, 2007, the Corporation conveyed its interest in Del Sol Apartments, L.P. as follows:		
Property and equipment, net	\$13,729,746	
Operating reserve	162,778	
Cash and cash equivalents	115,863	
Accounts receivable, net	23,592	
Prepaid expenses	19,639	
Deferred revenue	(3,226)	
Security deposits	(28,435)	
Accounts payable	(65,998)	
Accrued interest payable	(69,569)	
Intercompany payable	(675,620)	
Notes payable	(13,500,000)	
Discontinued operations	<u>291,230</u>	
	<u>\$ -0-</u>	
During the year ended June 30, 2006, the City of Carlsbad forgave a loan payable related to an abandoned project in Carlsbad:		
Construction-in-progress		<u>\$ 174,779</u>
Notes payable		<u>\$ (174,779)</u>

The accompanying notes are an integral part of the financial statements.

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 1 - Organization and Nature of Activities and Significant Accounting Policies:

Organization and Nature of Activities

Wakeland Housing and Development Corporation (the "Corporation") is a California Not-For-Profit Corporation. Its mission is to provide low and moderate income persons, elderly persons and disabled persons with affordable housing by acquiring and/or developing low and moderate income housing and providing ancillary support activities.

Town Square Row Homes, LLC was established in September 2000 to acquire, develop, improve and sell the six units that comprise Town Square Row Homes located in National City, California. The Corporation owns 100% of Town Square Row Homes, LLC. At June 30, 2002, all six units had been sold.

Poinsettia Mobile Home Park was originally acquired in June 2003 by Poway Manufactured Home Communities, LLC. The Corporation was the sole member of Poway Manufactured Home Communities, LLC. In November 2003, Poinsettia Mobile Home Park transferred into the Corporation. In May 2004, Poway Manufactured Home Communities, LLC was dissolved. In November 2005, Poinsettia Mobile Home Park was transferred from the Corporation into Poinsettia Parks, LLC. The Corporation is the sole member of Poinsettia Parks, LLC.

Del Sol Apartments, L.P. was established in December 2005 to acquire, rehabilitate, develop, own, maintain, operate, manage, and lease a 93 unit multifamily residential apartment complex located in San Ysidro, California. The Corporation was a 1% limited partner and Wakeland Del Sol, LLC, was a 99% managing general partner. The Corporation is the sole member of Wakeland Del Sol, LLC. In August 2006, the Corporation conveyed 99.99% of their interest to a limited partner and Wakeland Del Sol, LLC retained 0.01% interest as the managing general partner. For the month ended July 31, 2007, the revenue and expenses of Del Sol Apartments, L.P. have been included in the consolidated statement of activities. At June 30, 2007, Del Sol Apartments, L.P. is no longer included in the consolidated statement of financial position.

Wakeland Del Sol, LLC was established in February 2006 to serve as the managing general partner of Del Sol Apartments, L.P. that acquired, financed, rehabilitated, owns and operates a multifamily apartment complex intended for rental to residents of low income and to engage in any activities reasonably related thereto. The Corporation is the sole member of Wakeland Del Sol, LLC.

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 1 - Organization and Nature of Activities and Significant Accounting Policies: (Continued)

Organization and Nature of Activities (Continued)

The following is a brief description of the Corporation's programs:

Development

The Corporation develops affordable housing through acquiring and rehabilitating existing multifamily residential housing. Its mission is to maintain or convert these properties to affordable housing. The Corporation also develops affordable housing by acquiring and entitling land for the construction of new buildings.

Asset Management

The asset management department administers all placed in service real estate in the Corporation's diverse portfolio, which consists of over 5,000 housing units. The department oversees all property tax abatement activities, monitors regulatory mandates, provides property management oversight, develops operating budgets and capital improvement plans and administers the resident services programs.

Resident Services

The resident services department is responsible for all onsite day-to-day program implementation. The department provides initial set up, ongoing assessment, develops community partners; while facilitating award winning and comprehensive programs for youth, adults and seniors.

Significant Accounting Policies

Consolidated Financial Statements

The financial statements include the accounts of Wakeland Housing and Development Corporation, Town Square Row Homes, LLC, Poinsettia Parks, LLC, Del Sol Apartments, L.P. and Wakeland Del Sol, LLC. All material intercompany transactions have been eliminated in consolidation.

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 1 - Organization and Nature of Activities and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Method of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The financial statements are presented in accordance with Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations", which requires the Corporation to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Estimates

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

Contributions

Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Accounts Receivable

Bad debts are recognized on the allowance method based on management's evaluation of outstanding accounts receivable. The allowance for doubtful accounts was \$-0- and \$6,924 at June 30, 2007 and 2006, respectively.

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 1 - Organization and Nature of Activities and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Investments

The Organization follows Statement of Financial Accounting Standards No. 124 "Accounting for Certain Investments Held by Not-For-Profit Organizations" whereby investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position.

Investments in Limited Partnerships

The Corporation owns a general partner interest in limited partnerships accounted for on the equity method. The partner interests range from .005% to 1%.

Property and Equipment

Property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Corporation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment is depreciated on the straight-line method over the assets estimated useful lives as follows:

Improvements	15 - 27.5 years
Building	27.5 years
Computer equipment	5 years
Office equipment	5 - 7 years

Depreciation expense was \$192,762 and \$321,948 for the years ended June 30, 2007 and 2006, respectively.

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 1 - Organization and Nature of Activities and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Amortization

Bond discounts and bond closing costs, included in property and equipment, are recorded at cost and are amortized on the straight-line method. Amortization expense totalled \$7,564 and \$14,363 for the years ended June 30, 2007 and 2006, respectively.

Compensated Absences

Accumulated unpaid vacation and other employee benefit amounts are accrued when incurred and included in accounts payable and accrued expenses.

Deferred Revenue

Rental revenues are deferred until the fiscal year in which revenues are earned. Deferred revenues totalled \$102 and \$71,157 at June 30, 2007 and 2006, respectively.

Developer fees received in advance are deferred and recognized over the periods earned. Deferred developer fees totalled \$-0- and \$6,250 at June 30, 2007 and 2006, respectively.

Allocated Expenses

Expenses have been allocated by function among program and supporting services classifications on the basis of internal records and estimates made by the Corporation's management.

Income Tax Status

The Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code and contributions to it are tax deductible within the limitations prescribed by the Code. The Corporation is not a private foundation.

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 1 - Organization and Nature of Activities and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Concentration of Credit Risk

The Corporation maintains its cash in bank deposit accounts which, at times, may /exceed federally insured limits. The Corporation has not experienced any losses in such accounts. The Corporation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Reclassification

The Corporation has reclassified certain prior year information to conform with current year presentations.

Note 2 - Accounts Receivable:

Accounts receivable consist of the following at June 30:

	<u>2007</u>	<u>2006</u>
Beyer Boulevard, L.P.	\$724,625	\$1,103,000
Lillian Place, L.P.	450,000	-0-
Vista Terrace Hills Preservation, L.P.	58,110	46,136
Del Sol Apartments, LP	57,827	16,395
Coronado Terrace Preservation, L.P.	27,510	32,780
Fairfield Whisperwood, L.P.	19,564	2,281
City of Poway	19,000	-0-
Poway Redevelopment Agency	16,033	61,440
Westgate Courtyards, L.P.	10,952	11,375
Canyon Rim LP	8,724	9,622
Walden Glen LP	7,561	3,725

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 2 - Accounts Receivable: (Continued)

	<u>2007</u>	<u>2006</u>
The Stratton LP	\$ 5,941	\$ 6,044
Poway Royal Estates	5,643	2,023
Westchester Park, L.P.	3,397	4,764
Thornbridge L.P.	3,330	-0-
Sienna Vista, L.P.	2,978	14,932
MG Creekside Apartments, L.P.	2,413	2,185
Other	2,377	-0-
Watercrest L.P.	2,000	-0-
Pacific Vista Las Flores, L.P.	1,759	1,759
Trinity Escondido 1, L.P.	1,601	5,750
Las Colinas Associates, L.P.	1,500	-0-
Rent receivable - Poinsettia Parks, LLC	<u>-0-</u>	<u>2,220</u>
Total	<u>\$1,432,845</u>	<u>\$1,329,056</u>
	<u>2007</u>	<u>2006</u>
Financial Statement Presentation:		
Current	\$ 287,560	\$ 229,056
Noncurrent	<u>1,145,285</u>	<u>1,100,000</u>
	<u>\$1,432,845</u>	<u>\$1,329,056</u>

Note 3 - Contributions Receivable:

Contributions receivable consist of the following at June 30:

	<u>2007</u>	<u>2006</u>
Receivable in less than one year	\$ 80,000	\$-0-
Receivable in one to five years	<u>60,000</u>	<u>-0-</u>
Total	140,000	-0-
Less: Discounts to net present value	<u>(4,478)</u>	<u>-0-</u>
Net Contributions Receivable	<u>\$135,522</u>	<u>\$-0-</u>

Pledges receivable due in one to five years are discounted at 4.18%. Management believes all contributions receivable are collectible, therefore no allowance for doubtful accounts has been established at June 30, 2007.

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 4 - Notes Receivable:

Notes receivable consist of the following at June 30:

	<u>2007</u>	<u>2006</u>
The Corporation holds an unsecured note receivable from Lillian Place, L.P., a California Limited Partnership, which was used to fund predevelopment costs on the project in an amount not to exceed \$550,000 with interest at a rate of 6% per annum. Principal and interest are due and payable at the close of escrow on the construction loan. At June 30, 2007 and 2006 accrued interest receivable was \$-0- and \$-0-, respectively.	\$442,475	\$300,152
The Corporation holds an unsecured note receivable from Beyer Boulevard Apartments, L.P., a California Limited Partnership, which was used to fund predevelopment costs on the project in an amount not to exceed \$300,000 with interest at a rate of 6% per annum. Principal and interest are due and payable at the close of escrow on the construction loan. At June 30, 2007 and 2006 the accrued interest receivable was \$-0- and \$3,655, respectively.	<u>1,645</u> <u>\$444,120</u>	<u>277,199</u> <u>\$577,351</u>

Note 5 - Operating Reserve:

In accordance with the provisions of the note payable held by Washington Mutual Bank on Del Sol Apartments, L.P., restricted funds are held by Washington Mutual Bank to be used for an operating reserve. The fund shall be released at the point the property has achieved and will maintain until the maturity date, a debt service coverage ratio of at least 1.10 to 1.00. During the year ended June 30, 2007, the Corporation conveyed its interest in Del Sol Apartments, L.P. At June 30, 2007 and 2006, the balance in the operating reserve was \$-0- and \$161,166, respectively.

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 6 - Funded Reserves:

In accordance with the provisions of the note payable to the City of Poway, funded reserves are held by a financial institution to be used for reserves, including a debt service fund, a debt service reserve fund, a revenue fund, an operating fund, a surplus fund, a park improvement fund, a service fee fund, an administrative fund and a repairs and replacement fund. Funded reserves consist of the following at June 30:

	<u>2007</u>	<u>2006</u>
Open ended money market mutual funds	\$ 248,038	\$ 244,237
Guaranteed investment contracts	<u>1,818,478</u>	<u>1,760,722</u>
	<u>\$2,066,516</u>	<u>\$2,004,959</u>

The guaranteed investment contracts are recorded at fair value, earn interest at 3.49% and mature January 1, 2017. At June 30, 2007 and 2006, the accrued interest receivable on the funded reserves was \$10,288 and \$9,631, respectively.

Note 7 - Investment in Limited Partnerships:

The Corporation owns a general partner interest in limited partnerships accounted for on the equity method. The following are the balances in the Corporation's partnership capital accounts as of June 30:

	<u>2007</u>	<u>2006</u>
Investment in Partnerships:		
Westgate Courtyards, L.P. (0.005%)	\$441	\$409
Beyer Boulevard Apartments, L.P. (.01%)	57	100
Fairfield Bristol, L.P. (0.02%)	-0-	83
Fairfield Raintree, L.P. (0.02%)	-0-	-0-
Fairfield Belmont, L.P. (0.02%)	-0-	-0-
Lillian Place, L.P. (0.005%)	<u>-0-</u>	<u>-0-</u>
	<u>\$498</u>	<u>\$592</u>

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 7 - Investment in Limited Partnerships: (Continued)

	<u>2007</u>	<u>2006</u>
Share of Deficiency in Partnerships:		
Del Sol Apartments, L.P. (0.01%)	\$288,347	\$ -0-
FF Hills, L.P. (0.02%)	76,143	75,767
Pacific Vista Las Flores, L.P. (0.05%)	9,088	9,122
Sienna Vista, L.P. (0.10%)	4,111	3,923
Trinity Escondido 1, L.P. (1.00%)	3,616	3,568
Westchester Park, L.P. (0.10%)	2,705	2,439
MG Creekside Apartments, L.P. (0.10%)	2,020	1,488
Canyon Rim LP (0.02%)	1,833	1,622
Walden Glen LP (0.02%)	1,168	1,078
The Stratton LP (0.02%)	1,050	935
Fairfield Creekview, L.P. (0.02%)	594	99
Vista Terrace Hills Preservation, L.P. (0.01%)	411	411
Fairfield Wyndover, L.P. (0.02%)	343	177
Fairfield Trestles, L.P. (0.02%)	317	150
Fairfield Raintree, L.P. (0.02%)	269	-0-
Fairfield Highlander, L.P. (0.02%)	227	122
Coronado Terrace Preservation, L.P. (0.01%)	190	199
Fairfield Bristol, L.P. (0.02%)	172	-0-
Fairfield Whisperwood, L.P. (0.02%)	88	88
Lillian Place, L.P. (0.005%)	3	-0-
Fairfield Turnleaf L.P. (0.02%)	-0-	-0-
Fairfield Sagewood, L.P. (0.02%)	-0-	-0-
Thornbridge L.P. (0.1%)	-0-	-0-
Watercrest L.P. (0.1%)	-0-	-0-
Las Colinas Associates L.P. (0.1%)	-0-	-0-
	<u>\$392,695</u>	<u>\$101,188</u>

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 7 - Investment in Limited Partnerships: (Continued)

The Corporation provided development, management, and resident services to these partnerships for which it earned the following amounts for the years ended June 30:

	<u>2007</u>			<u>2006</u>		
	<u>Developer</u>	<u>Asset</u>	<u>Resident</u>	<u>Developer</u>	<u>Asset</u>	<u>Resident</u>
	<u>Fees</u>	<u>Management</u>	<u>Services</u>	<u>Fees</u>	<u>Management</u>	<u>Services</u>
		<u>Fees</u>			<u>Fees</u>	
Beyer Boulevard Apartments, L.P.	\$	\$ 11,180	\$24,360	\$1,125,000	\$ 3,000	\$ 2,000
Canyon Rim LP		56,882	29,446		59,017	28,443
Coronado Terrace Preservation, L.P.		82,074	25,993		66,745	25,800
Del Sol Apartments, L.P.	263,375	57,763				
Fairfield Creekview, L.P.	22,500		5,250	45,000		
Fairfield Belmont, L.P.	50,000					
Fairfield Bristol, L.P.	25,000			50,000		
Fairfield Raintree, L.P.	31,250					
Fairfield Sagewood, L.P.	68,750			56,250		
Fairfield Trestles, L.P.				18,750		
Fairfield Whisperwood, L.P.		14,657	3,900		4,907	
Las Colinas Associates, L.P.		4,500				
Lillian Place, L.P.	450,000		7,500	50,000		
MG Creekside Apartments, L.P.		27,205	17,421		26,124	16,746
Pacific Vista Las Flores, L.P.		7,035	6,000		19,656	2,720
Sienna Vista, L.P.		21,408	5,820		22,315	5,790
The Stratton LP		35,630	18,690		33,402	18,552
Thornbridge L.P.		6,000				
Trinity Escondido I, L.P.		1,250	9,069		9,750	22,002
Vista Terrace Hills Preservation, L.P.		113,101	24,663		103,568	24,480
Walden Glen LP		24,337	17,979		17,055	15,174
Watercrest L.P.		6,000				
Westgate Courtyards, L.P.		20,070	16,586		32,042	3,776
Westchester Park, L.P.		19,662	15,627		18,870	14,202
Fairfield Highlander, L.P.				14,583		
Other		<u>51,020</u>	<u>24,661</u>	<u>40,000</u>	<u>48,888</u>	<u>23,142</u>
	<u>\$910,875</u>	<u>\$559,774</u>	<u>\$252,965</u>	<u>\$1,399,583</u>	<u>\$465,339</u>	<u>\$202,827</u>

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 8 - Property and Equipment:

Property and equipment consist of the following at June 30:

	<u>2007</u>	<u>2006</u>
Land	\$11,305,847	\$13,870,847
Improvements	3,208,778	3,178,801
Building	670,033	11,605,033
Construction-in-progress	889,926	414,707
Computer equipment	94,912	76,222
Office equipment	<u>50,346</u>	<u>37,302</u>
	16,219,842	29,182,912
Less: Accumulated depreciation	<u>(645,349)</u>	<u>(646,304)</u>
Property and Equipment, Net	<u>\$15,574,493</u>	<u>\$28,536,608</u>

The Corporation reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flows expected to be generated by the rental property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amounts of real estate exceeds the fair value of such property. There were no impairment losses recognized in 2007 and 2006.

Note 9 - Notes Payable:

A secured note payable is held by the Poway Redevelopment Agency, a public body, corporate and politic, in the amount of \$5,112,231 and accrues interest at rates between 3% - 7% per annum. Interest rates are based on the schedule included in the loan documents. Payments on the note begin on May 15, 2008 provided that the required payment shall not exceed net cash flow from Poinsettia Mobile Home Parks during the previous year. All unpaid principal and interest is due and payable on May 15, 2037. This note is secured by a Deed of Trust on Poinsettia Mobile Home Park. Accrued interest payable totalled \$651,561 and \$483,684 at June 30, 2007 and 2006, respectively.

	<u>2007</u>	<u>2006</u>
	\$5,112,231	\$5,112,231

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 9 - Notes Payable: (Continued)

	<u>2007</u>	<u>2006</u>
A secured note payable is held by the City of Poway, a California municipal corporation duly organized and existing under the laws of the State of California, in the original amount of \$10,615,000 and accrues interest at rates between 1.8% - 5.5% per annum. Interest rates are based on the schedule included in the loan documents. Payments on the note began on May 1, 2004 and to ensure payments, the Corporation agrees to pay to the Trustee commencing on July 15, 2003, all net operating revenues received on or prior to the 13 th of the month and not otherwise remitted in the prior month. All unpaid principal and interest is due and payable on May 1, 2038. This note is secured by a Deed of Trust on Poinsettia Mobile Home Park. Accrued interest payable totalled \$86,769 and \$87,494 at June 30, 2007 and 2006, respectively.	\$10,075,000	\$10,220,000
An unsecured loan payable is held by a financial institution, in the amount of \$250,000. The loan accrues interest at an initial fixed rate equal to 2.0% per annum for the first ten years from the date of the initial disbursement and interest is payable quarterly. The outstanding principal balance of the loan and accrued, but unpaid interest, is due and payable ten years from the date of initial disbursement, October 22, 2012. Accrued interest payable totalled \$-0- at June 30, 2007 and 2006, respectively.	250,000	250,000
An unsecured loan payable is held by a financial institution in the amount of \$250,000. The loan accrues interest at a fixed rate equal to 2.0% per annum from the date of the initial disbursement and interest is payable quarterly. The outstanding principal balance of the loan and accrued, but unpaid interest, is due and payable three years from the date of initial disbursement, November 25, 2009. Accrued interest payable totalled \$-0- and \$1,250 at June 30, 2007 and 2006, respectively.	250,000	250,000
A secured note payable was held by Washington Mutual Bank, in the amount of \$11,160,000, with interest payable monthly at a rate of 6.0% per annum. All unpaid principal and interest was due and payable on March 1, 2008. The note was secured by a Deed of Trust on Del Sol Apartments, L.P. Accrued interest payable totalled \$-0- and \$55,800 at June 30, 2007 and 2006, respectively.	-0-	11,160,000
A secured note payable was held by the Low Income Investment Fund, a California Nonprofit Public Benefit Corporation, in the amount of \$2,340,000, with interest payable monthly at a rate of 6.833% per annum. All unpaid principal and interest was due and payable on March 1, 2008. The note was secured by a Deed of Trust on Del Sol Apartments, L.P. Accrued interest payable totalled \$-0- and \$14,013 at June 30, 2007 and 2006, respectively.	-0-	2,340,000

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 9 - Notes Payable: (Continued)

2007

2006

An unsecured note payable was held by the Low Income Investment Fund, a California Nonprofit Public Benefit Corporation, with interest at a rate of 7.00% per annum. Interest and principal was due on August 1, 2006. Accrued interest payable totalled \$-0- at June 30, 2007 and 2006, respectively.

\$ -0-

\$ 242,400

As unsecured note payable was held by Washington Mutual Bank, in the original amount of \$500,000, with interest payable quarterly at a rate of 3% per annum. All unpaid principal and interest was due and payable on November 24, 2009. Accrued interest payable totalled \$-0- at June 30, 2007 and 2006, respectively.

-0-

476,042

An unsecured loan payable is held by the City of Chula Vista in the original amount of \$200,000. The loan is noninterest bearing and is to be used specifically for costs related to predevelopment multifamily apartment units in the City of Chula Vista. Repayment of this loan has not been determined by the Corporation and City of Chula Vista.

50,001

-0-

An unsecured note payable is held by Low Income Investment Fund, a California Nonprofit Public Benefit Corporation, with interest at a rate of 7.75% per annum. Interest and principal is due on October 1, 2008. Accrued interest payable totalled \$-0- at June 30, 2007 and 2006, respectively.

296,099

-0-

An unsecured note payable is held by Washington Mutual Bank, in the original amount of \$500,000, with interest and principal payable quarterly at a rate of 3% per annum. All unpaid principal and interest is due and payable on July 1, 2010. The note requires that the Corporation shall at all times maintain at least \$500,000 in unrestricted, immediately available cash. Accrued interest payable totalled \$-0- at June 30, 2007 and 2006, respectively.

500,000

-0-

Notes Payable

16,533,331

30,050,673

Less: Bond discount

(234,160)

(241,724)

Total Note Payable

16,299,171

29,808,949

Less: Current Portion

(150,000)

(637,400)

Total Notes Payable

\$16,149,171

\$29,171,549

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

Note 9 - Notes Payable: (Continued)

Future principal payments on the notes payable are as follows at June 30, 2007:

2008	\$ 150,000
2009	451,098
2010	910,000
2011	165,000
2012	175,000
Thereafter	<u>14,682,232</u>
	<u>\$16,533,331</u>

Note 10 - Line-of-Credit:

During the year ended June 30, 2007, the Organization renewed an unsecured business line-of-credit agreement with a financial institution under which the Organization may borrow up to \$100,000. Advances under this agreement bear interest at Wall Street Journal prime rate plus 1.25% (9.5% at June 30, 2007) and mature June 28, 2008. There were no balances outstanding under this line-of-credit at June 30, 2007 or 2006.

Note 11 - Restrictions on Net Assets:

Temporarily restricted net assets consist of the following at June 30:

	<u>2007</u>	<u>2006</u>
Capacity Building	<u>\$135,522</u>	<u>\$-0-</u>

Note 12 - Pledged Revenues:

The City of Poway issued 2003 Housing Revenue Bonds in the amount of \$10,615,000 less a bond discount of \$264,416. The proceeds of the sale of the Bonds were used to fund a loan to Poway Manufactured Home Communities, LLC (Poway MHC), which was used to finance the acquisition of certain real property constituting the Poinsettia Mobile Home Park and any structures, site improvements, facilities, and fixtures. The proceeds were also used to finance certain facilities, replacements and improvements beneficial to the project, fund a debt service reserve fund and a repair and replacement fund, and pay certain costs of issuance. At June 30, 2007 and 2006, the funded reserves were \$2,066,516 and \$2,004,959, respectively, and accrued interest receivable was \$10,288 and \$9,631, respectively.

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2007

	Wakeland Housing and Development Corporation	Town Square Row Homes, LLC	Poinsettia Parks, LLC	Del Sol Apartments L.P.	Wakeland Del Sol, LLC	Eliminations	Consolidated
Current Assets:							
Cash and cash equivalents	\$1,988,588	\$13,534	\$ 166,191	\$	\$	\$	\$ 2,168,313
Accounts receivable, net	243,945				57,763	(14,148)	287,560
Contributions receivable	78,987						78,987
Notes receivable	444,120						444,120
Prepaid expenses	61,647		3,019				64,666
Intercompany receivable	4,050		303,589			(307,639)	-0-
Total Current Assets	<u>2,821,337</u>	<u>13,534</u>	<u>472,799</u>	<u>-0-</u>	<u>57,763</u>	<u>(321,787)</u>	<u>3,043,646</u>
Noncurrent Assets:							
Accounts receivable, net	1,145,285						1,145,285
Accrued interest receivable			10,288				10,288
Contributions receivable	56,535						56,535
Funded reserves			2,066,516				2,066,516
Investment in partnerships	498						498
Property and equipment, net	942,038		14,632,455				15,574,493
Total Noncurrent Assets	<u>2,144,356</u>	<u>-0-</u>	<u>16,709,259</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>18,853,615</u>
TOTAL ASSETS	<u>\$4,965,693</u>	<u>\$13,534</u>	<u>\$17,182,058</u>	<u>\$-0-</u>	<u>\$ 57,763</u>	<u>\$(321,787)</u>	<u>\$21,897,261</u>
Current Liabilities:							
Accounts payable and accrued expenses	\$ 261,165	\$	\$ 36,775	\$	\$	\$ (14,148)	\$ 283,792
Accrued interest payable			86,769				86,769
Deferred revenue			102				102
Intercompany payable	303,589				4,050	(307,639)	-0-
Security deposits			4,810				4,810
Current portion of notes payable			150,000				150,000
Total Current Liabilities	<u>564,754</u>	<u>-0-</u>	<u>278,456</u>	<u>-0-</u>	<u>4,050</u>	<u>(321,787)</u>	<u>525,473</u>
Noncurrent Liabilities:							
Accrued interest payable			651,561				651,561
Share of deficiency in partnerships	104,348				288,347		392,695
Notes payable	1,346,100		14,803,071				16,149,171
Total Noncurrent Liabilities	<u>1,450,448</u>	<u>-0-</u>	<u>15,454,632</u>	<u>-0-</u>	<u>288,347</u>	<u>-0-</u>	<u>17,193,427</u>
Total Liabilities	<u>2,015,202</u>	<u>-0-</u>	<u>15,733,088</u>	<u>-0-</u>	<u>292,397</u>	<u>(321,787)</u>	<u>17,718,900</u>
Commitments and Contingencies							
Net Assets	<u>2,950,491</u>	<u>13,534</u>	<u>1,448,970</u>	<u>-0-</u>	<u>(234,634)</u>	<u>-0-</u>	<u>4,178,361</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$4,965,693</u>	<u>\$13,534</u>	<u>\$17,182,058</u>	<u>\$-0-</u>	<u>\$ 57,763</u>	<u>\$(321,787)</u>	<u>\$21,897,261</u>

WAKELAND HOUSING AND DEVELOPMENT CORPORATION
(A CALIFORNIA NOT-FOR-PROFIT CORPORATION)
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

	Wakeland Housing and Development Corporation	Town Square Row Homes, LLC	Poinsettia Parks, LLC	Del Sol Apartments L.P.	Wakeland Del Sol, LLC	Eliminations	Consolidated
Revenue and Support:							
Rental income	\$	\$	\$2,347,422	\$ 84,616	\$	\$	\$2,432,038
Developer fee	910,875						910,875
Asset management	832,207				57,763	(330,196)	559,774
Contributions	255,522						255,522
Resident services	276,294					(23,329)	252,965
Grants	186,421						186,421
Interest income	40,396		90,743	960			132,099
Share of income from partnerships	137				(29)		108
Other income	100						100
Gain/(Loss) on disposal	(2,188)						(2,188)
Total Revenue and Support	<u>2,499,764</u>	<u>-0-</u>	<u>2,438,165</u>	<u>85,576</u>	<u>57,734</u>	<u>(353,525)</u>	<u>4,727,714</u>
Expenses:							
Program Services:							
Asset management	418,524		1,952,306				2,370,830
Development	637,216			128,432		(300,497)	465,151
Resident services	<u>356,707</u>						<u>356,707</u>
Total Program Services	<u>1,412,447</u>	<u>-0-</u>	<u>1,952,306</u>	<u>128,432</u>	<u>-0-</u>	<u>(300,497)</u>	<u>3,192,688</u>
Supporting Services:							
Management and general	179,368		344,525	22,664	4,050	(53,028)	497,579
Fundraising	<u>44,842</u>						<u>44,842</u>
Total Supporting and Services	<u>224,210</u>	<u>-0-</u>	<u>344,525</u>	<u>22,664</u>	<u>4,050</u>	<u>(53,028)</u>	<u>542,421</u>
Total Program and Supporting Services	<u>1,636,657</u>	<u>-0-</u>	<u>2,296,831</u>	<u>151,096</u>	<u>4,050</u>	<u>(353,525)</u>	<u>3,735,109</u>
Change in Net Assets Before Discontinued Operations	863,107	-0-	141,334	(65,520)	53,684	-0-	992,605
Discontinued Operations - Del Sol Apartments, L.P.	<u>(2,912)</u>			<u>291,230</u>	<u>(288,318)</u>		<u>-0-</u>
Change in Net Assets	860,195	-0-	141,334	225,710	(234,634)	-0-	992,605
Net Assets at Beginning of Year	<u>2,090,296</u>	<u>13,534</u>	<u>1,307,636</u>	<u>(225,710)</u>			<u>3,185,756</u>
NET ASSETS AT END OF YEAR	<u>\$2,950,491</u>	<u>\$13,534</u>	<u>\$1,448,970</u>	<u>\$ -0-</u>	<u>\$ (234,634)</u>	<u>\$ -0-</u>	<u>\$4,178,361</u>

Statement of Financial Position
March 31, 2008

	Year To Date	
	03/31/08	06/30/07
Assets		
Current Assets		
Cash and Cash Equivalents		
Petty Cash	\$200	\$0
Operating - Union Bank	211,510	47,167
FSA Account	4,667	1,670
Money Market - Union Bank	132,527	557,213
Investment Account - Union Bank	1,794,507	1,378,459
Market Rate - Wells Fargo	4,125	4,079
Total Cash	2,147,556	1,988,588
Accounts Receivable	371,779	219,238
Grants Receivable	0	19,000
Contributions Receivable	0	78,987
Prepaid Expenses	18,337	48,206
Total Current Assets	2,537,672	2,354,018
Fixed Assets		
Computer Hardware	60,282	51,204
Acc. Depr. Computer Hardware	(36,759)	(28,176)
Computer Software	30,793	29,443
Acc. Depr. Computer Software	(20,186)	(17,778)
Equipment	7,228	7,228
Acc. Depr. Equipment	(5,990)	(4,906)
Furniture & Fixtures	27,227	5,946
Acc. Depr. Furniture & Fixtures	(5,618)	(2,830)
Leasehold Improvements	54,929	25,363
Acc. Depr. Leasehold Impr	(5,129)	(2,218)
Telephone System	27,043	0
Acc. Depr. Telephone System	(1,127)	0
Total Fixed Assets	132,693	63,276
Other Assets		
Investments in Partnerships	264	498
Predevelopment - New Projects	110,531	59,198
Related Party Receivables	1,840,367	1,273,441
Security Deposits	16,551	13,442
Contributions Receivable - Non Current	56,535	56,535
Developer Fee Receivable	2,000,410	1,145,285
Total Other Assets	4,024,658	2,548,399
Total Assets	\$6,695,023	\$4,965,694
Liabilities & Equity		
Current Liabilities		
Accounts Payable	19,570	150,165
Accrued Expenses	120,186	52,474
Accrued Vacation	52,326	52,326
Deferred Revenue	2,706	0
Accrued 401K	5,432	4,755
FSA Liability	5,714	1,445
Other Current Liabilities	18,421	0
Total Current Liabilities	224,355	261,166
Long Term Liabilities		
Interest Payable	1,250	0
Deficiency in Partnerships	104,348	104,348
Project Development Liabilities		
Note Payable - LIIF Line of Credit	916	296,099
Note Payable - Poinsettia - Waterfall	22,503	303,589
Note Payable - City of Chula Vista	0	50,001
Note Payable - Red Capital - Parkside	990,433	0
Note Payable - WAMU	379,851	500,000
Note Payable - US Bank	500,000	0
Loans Payable - Wells Fargo	850,000	500,000
Total Development Liabilities	2,743,703	1,649,689
Total Long Term Liabilities	2,849,301	1,754,037
Total Liabilities	3,073,657	2,015,203
Unrestricted	3,485,844	2,814,959
Temporarily Restricted	135,522	135,522
Total Net Assets	3,621,366	2,950,491
Total Liabilities & Net Assets	\$6,695,023	\$4,965,694

Wakeland Housing & Development
Statement of Activities
For the Nine Months Ending March 31, 2008

	Actual		Budget	Full Year
	March	YTD	YTD	Budget
Revenue				
Developer Fees				
Belmont			\$50,000	\$50,000
Country Club Apartments				300,000
Los Vecinos		300,000	300,000	300,000
Raintree			62,500	62,500
Windstone			14,583	14,583
Del Sol		855,125	855,125	855,125
Parkside Terrace		300,000	300,000	300,000
Total Developer Fees		1,455,125	1,582,208	1,882,208
Asset Management Fee				
Bristol			5,400	8,100
Canyon Rim	5,011	46,470	43,200	57,600
Coronado Terrace	4,585	47,824	41,265	55,020
Creekside Apartments	2,359	21,186	20,250	27,000
Las Colinas	750	6,750	6,750	9,000
Muirlands	3,356	30,643	31,950	42,600
Pacific Vista Las Flores	2,591	6,781	4,950	6,600
Poinsettia	2,496	22,467	21,771	29,028
Poinsettia Waterfall				100,000
Poway Royal		28,463	17,420	17,420
Raintree	1,882	1,882	12,600	18,000
Sagewood			8,550	11,400
Sienna Vista	2,014	18,112	14,400	19,200
The Stratton	3,066	27,266	25,200	33,600
Thornbridge	1,000	9,000	9,000	12,000
Turnleaf			11,200	15,400
Vista Terrace	18,842	98,641	87,165	116,220
Walden Glen	1,929	16,686	16,200	21,600
Watercrest	1,000	9,000	9,000	12,000
Westchester Park	1,531	15,020	14,400	19,200
Westgate	1,815	16,386	15,750	21,000
Windstone	1,018	(3,144)	6,300	8,400
Whisperwood	883	7,891	6,750	9,000
Beyer	1,000	9,000	9,000	12,000
Lillian	622	5,492	9,000	12,000
Total Asset Management Fees	57,751	441,817	447,471	693,388
Resident Services				
Beyer Blvd	1,500	12,300	11,700	15,600
Bristol	625	4,875	11,700	15,600
Canyon Rim	2,457	22,595	21,636	28,848
Coronado Terrace	2,370	20,204	19,931	26,574
Creekside	1,494	13,128	12,557	16,727
Del Sol	1,604	9,482	6,250	10,000
Las Colinas	1,200	3,600		
Lillian Place	1,288	11,364	11,250	15,000
Muirlands	1,000	13,500	15,750	21,000
Pacific Vista Las Flores	500	4,500	4,500	6,000
Poinsettia	1,995	18,053	17,952	24,039
Poway Royal	6,886	30,823	6,045	6,045
The Stratton	1,655	14,379	14,319	19,092
Sienna Vista	500	4,440	4,500	6,000
Thornbridge	500	1,500		
Turnleaf			1,647	2,196
Raintree	750	2,250		
Vista Terrace	2,477	19,854	18,909	25,212
Walden Glen	1,399	12,267	12,105	16,140
Watercrest	500	1,500		
Westchester Park	1,399	12,000	12,105	16,140
Westgate	1,500	13,050	12,825	17,100
Whisperwood	650	5,850	5,850	7,800
Windstone	650	5,850	5,850	7,800
Sagewood	500	1,500	7,200	9,600
Total Resident Services	35,198	258,843	234,580	312,513
Grants				
Other			3,333	6,666
Bank of America				15,000
City of Poway		44,945	44,833	54,833
Union Bank			85,000	95,000
Washington Mutual		40,000		20,000
Wells Fargo				10,000
LISC Section 4 HUD		11,250	16,875	22,500
LISC Section 4 HUD #2		8,250	12,375	16,500
Total Grants		104,445	162,416	240,499

Statement of Activities
For the Nine Months Ending March 31, 2008

	Actual		Budget	Full Year
	March	YTD	YTD	Budget
In-Kind Revenue		\$33,298		
Miscellaneous	134	134		
Total Revenue	93,083	2,293,662	2,426,676	3,128,609
Expenses				
Salaries and Employee Expenses				
Salaries Expense	91,442	715,568	756,646	1,026,256
Bonus Expense	2,500	47,000	51,910	51,910
Payroll Taxes	7,051	49,624	80,370	108,912
Payroll Fees	1,442	5,571	6,300	8,400
Employee Benefits	12,297	85,445	103,724	138,006
Total Salaries and Employee Expenses	114,732	903,208	998,950	1,333,484
Organizational Operating				
Automobile Expense and Mileage	672	7,641	12,600	16,800
Bank Service Charges	28	241	450	600
Computer Expense	1,667	11,685	10,800	14,400
Consulting	3,000	16,473	900	1,200
Depreciation and Amortization Expense	2,398	18,901	16,854	22,991
Dues and Subscriptions	163	4,592	4,050	5,400
Fees and Licenses	691	3,395	2,250	3,000
Finance Charges		(28)		
Housing Solutions		185	9,000	9,000
Insurance Expense	1,802	15,031	16,875	22,500
Moving Expense		66,362	96,550	96,550
Office Supply	327	5,624	11,700	15,600
Office Expense	623	13,185	10,800	14,400
Parking Expense	3,025	23,250	23,800	31,960
Postage and Delivery	488	4,019	4,050	5,400
Printing and Reproduction	158	293		
Professional Fees	2,151	39,422	36,000	48,000
Rent Expense	16,188	97,291	109,500	154,500
Repair & Maintenance		1,599	4,500	6,000
Telephone Expense	2,111	16,027	10,800	14,400
Temporary Personnel	4,855	30,240	22,500	30,000
Travel and Entertainment	144	11,776	9,900	13,200
Utilities	556	3,249		
Water	153	794	900	1,200
Total Operating Expense	41,200	391,248	414,779	527,101
Marketing and Org. Development				
Conferences and Seminars	725	4,508	6,300	8,400
Contributions	250	8,000	7,000	10,000
Internet/Website Expense	186	1,481	2,250	3,000
Marketing/Public Relations	400	17,706	13,500	18,000
Meetings Expense	597	3,886	4,500	6,000
Promotions		300		
Training	299	4,756	2,700	3,600
Total Marketing and Organizational Development	2,456	40,638	36,250	49,000
Project Development and Management				
Project Development		70,310	1,350	1,800
Total Project Development and Mgmt		70,310	1,350	1,800
Resident Services Expense				
Salaries	11,195	78,286	69,814	93,855
Payroll Taxes	1,079	8,993	10,240	13,776
Other Resident Services Expense	14,803	129,499	115,138	151,901
Total Resident Services	27,077	216,776	195,192	259,532
Total Expense	185,465	1,622,179	1,646,521	2,170,917
Other Revenue (Expense):				
Interest Income	1,779	27,764	20,443	30,580
Interest Expense	(9,021)	(28,372)	(12,813)	(19,375)
Total Other Revenue (Expense)	(7,241)	(608)	7,630	11,205
Increase (Decrease) in Net Assets	(\$99,623)	\$670,876	\$787,785	\$968,897
Net Assets Beginning of Period	3,720,989	2,950,491		
Net Assets End of Period	\$3,621,366	\$3,621,366		

Wakeland Housing & Development
Statement of Cash Flows
For the Nine Months Ending March 31, 2008

	March	Year to Date
Cash Flow from Operating Activities		
Change in Net Assets		
Adjustments to Reconcile Net Income	(\$99,623)	\$670,876
to Net Cash Provided by Operations		
Depreciation & Amortization		
Share of loss in Partnerships	2,398	18,901
(Increase) Decrease in:		
Accounts Receivable		
Grants Receivable	265,410	(152,541)
Contributions Receivable		14,522
Developer Fee Receivable		83,465
Prepaid Expenses		(855,125)
(Increase) Decrease in:	3,522	29,869
Accounts Payable and Accrued Expenses		
Accrued Interest Payable	93,382	(57,938)
Deferred Revenue	(417)	1,250
Security Deposits	(9,151)	2,706
		(3,109)
Net cash provided by Operating Activities	255,522	(247,124)
Cash Flow from Investing Activities		
Purchases of Property & Equipment	(455)	(55,596)
Leasehold Improvements	(978)	(29,567)
Increase in Related Party Receivables	524,880	(566,926)
Other Assets	(5,873)	(54,254)
Net cash provided by Investing Activities	517,574	(706,344)
Cash Flow from Financing Activities		
Notes Payable		
Notes Payable - Other	(189,516)	1,375,100
Net cash provided by Financing Activities	(189,516)	1,112,435
Net cash increase (decrease) for period	583,579	158,968
Cash at beginning of period	1,563,977	1,988,588
Cash at end of period	2,147,556	2,147,556

Unaudited

ATTACHMENT 9

HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM

Summary

General Description: The multifamily housing bond program provides below-market financing (based on bond interest being exempt from income tax) for developers willing to set aside a percentage of project units as affordable housing. Multifamily housing revenue bonds are also known as “private activity bonds” bonds because the projects are owned by private entities, often including nonprofit sponsors and for-profit investors.

Bond Issuer: Housing Authority of the City of San Diego. There is no direct legal liability to the City, the Housing Authority or the Housing Commission in connection with the issuance or repayment of bonds; there is no pledge of the City’s or the Housing Authority’s faith, credit or taxing power. The bonds do not constitute a general obligation of the issuer because security for repayment of the bonds is limited to specific private revenue sources, such as project revenues. The developer is responsible for the payment of costs of issuance and all other costs under each financing.

Affordability: The minimum requirement is that at least 20% of the units are affordable at 50% of Area Median Income (AMI). Alternatively, a minimum of 10% of the units may be affordable at 50% AMI with an additional 30% of the units affordable at 60% AMI. The Housing Commission requires the affordability restriction to be in place for a minimum of 15 years. In practice, projects financed by multifamily housing bonds are affordable for a minimum of 30 years. Bonds may also be combined with other financing sources to create deeper affordability and longer terms of restriction.

Rating: Generally “AAA” or its equivalent with a minimum rating of “A” or, under conditions that meet IRS and Housing Commission requirements, bonds may be unrated for private placement with institutional investors (typically, large banks). Additional security is normally achieved through the provision of outside credit support (credit enhancement) by participating financial institutions that underwrite the project loans and guarantee the repayment of the bonds. The credit rating on the bonds reflects the credit quality of the credit enhancement provider.

Approval Process:

- **Inducement Resolution:** The bond process is initiated when the issuer (Housing Authority) adopts the Inducement Resolution to establish the date from which project costs may be reimbursable from bond proceeds (if bonds are later issued) and to authorize staff to work with the financing team to perform a due diligence process. The Inducement Resolution does not represent a commitment by the Housing Commission, the Housing Authority, or the developer to proceed with the financing.

- TEFRA Hearing and Resolution (Tax Equity and Fiscal Responsibility Act of 1982): To assure that projects making use of tax-exempt financing meet appropriate governmental purposes and provide reasonable public benefits, the IRS Code requires that a public hearing be held and that the issuance of bonds be approved by representatives of the governmental unit with jurisdiction over the area in which the project is located (City Council). This process does not make the City financially or legally liable for the bonds or the project.

[Note: It is uncommon for the City Council to be asked to take two actions at this stage in the bond process---one in their capacity as the City Council (TEFRA hearing and resolution) and another as the Housing Authority (bond inducement). Were the issuer (Housing Authority) a more remote entity, the TEFRA hearing and resolution would be the only opportunity for local elected officials to weigh in on the project.]

- Application for Bond Allocation: The issuance of these “private activity bonds” (bonds for projects owned by private developers, including projects with nonprofit sponsors and for-profit investors) requires an allocation of bond issuing authority from the State of California. To apply for an allocation, an application approved by the Housing Authority and supported by an adopted inducement resolution and by proof of credit enhancement (or bond rating) must be filed with the California Debt Limit Allocation Committee (CDLAC). In addition, evidence of a TEFRA hearing and approval must be submitted prior to the CDLAC meeting.
- Final Bond Approval: The Housing Authority retains absolute discretion over the issuance of bonds through adoption of a final resolution authorizing the issuance. Prior to final consideration of the proposed bond issuance, the project must comply with all applicable financing, affordability, and legal requirements and undergo all required planning procedures/reviews by local planning groups.
- Funding and Bond Administration: All monies are held and accounted for by a third party trustee. The trustee disburses proceeds from bond sales to the developer in order to acquire and/or construct the housing project. Rental income used to make bond payments is collected from the developer by the trustee and disbursed to bond holders. If rents are insufficient to make bond payments, the trustee obtains funds from the credit enhancement provider. No monies are transferred through the Housing Commission or the Housing Authority and the trustee has no standing to ask the issuer for funds.

Bond Disclosure: The offering document (typically a Preliminary Offering Statement or bond placement memorandum) discloses relevant information regarding the project, the developer, and the credit enhancement provider. Because the Housing Authority is not responsible for bond repayment, there are no financial statements or summaries about the Housing Authority or the City included as part of the offering document. The offering document includes a paragraph that states that the Housing Authority is a legal entity with the authority to issue multifamily housing bonds and that the Housing Commission acts on the behalf of the Housing Authority to issue the bonds. The offering document also includes a paragraph stating that there is no pending or

threatened litigation that would affect the validity of the bonds or curtail the ability of the Housing Authority to issue the bonds. This is the extent of disclosure required of the Housing Authority, the Housing Commission, or the City. However, it is the obligation of members of the Housing Authority to disclose any material facts known about the project, not available to the general public, which may have an impact on the viability of the project.