



HOUSING AUTHORITY REPORT

DATE ISSUED: April 28, 2009 REPORT NO. HAR09-009

ATTENTION: Members of the Housing Authority
For the Agenda of May 5, 2009

SUBJECT: Loan for Veterans Village Phase III
(Council District 2)

REQUESTED ACTION:
Approve a loan for development of 96 transitional housing beds.

STAFF RECOMMENDATION:
Approve a residual receipts loan of up to \$2,300,000 for development of a 96-bed transitional rental housing facility for very low-income military veterans and authorize the President and Chief Executive Officer or designee to execute necessary documents.

SUMMARY:
The developer of the proposed project is Vietnam Veterans of San Diego (VVSD), a 501(c)(3) nonprofit corporation organized in 1981 with the mission of providing housing, substance abuse recovery, mental health services, job training, and job placement assistance to homeless military veterans in San Diego County. VVSD submitted a loan application for Phase III of its Veterans Village development in response to the Housing Commission’s current Notice Of Funding Availability (NOFA) for Construction, Acquisition, and Operation of Affordable Rental Housing dated March 14, 2008.

The following table outlines the development team:

ROLE/FIRM	CONTACT	OWNED BY
Owner- Vietnam Veterans of San Diego	Mr. Phil Landis, Executive Director	VVSD / a 501(c)(3) nonprofit corporation
Developer- Vietnam Veterans of San Diego	Mr. Phil Landis, Chief Executive Officer	VVSD / a 501(c)(3) nonprofit corporation
Financial Consultant – The Trimble Company	Mr. Kent Trimble, President	The Trimble Company, LLC (private)
Architect – Fehlman LaBarre	Mr. Michael LaBarre, Director	Fehlman LaBarre Architecture and Planning (private)

The proposed facility would be constructed on VVSD’s Veterans Village campus, which is located at 4141 Pacific Highway within the North Bay Redevelopment Project Area. The five-

acre complex was assembled with land from several sources including a dilapidated motel previously used as transitional housing by VVSD, city street vacations, and acquisition of commercial properties from private owners.

According to the City of San Diego's FY2005 – FY2009 Consolidated Plan, up to 40 percent of San Diego's population of homeless men are military veterans. The plan identifies the urban population of homeless male and female veterans as a group of residents in critical need of transitional housing with attending supportive services. As San Diego's largest provider of transitional housing for homeless veterans, VVSD helps the City meet its objective of reducing homelessness in San Diego. The organization has received accolades from the U.S. Department of Veterans Affairs (VA) and veterans organizations for the success of its programs. A recent independent study indicated that approximately 70 percent of VVSD graduates were sober and spent no nights homeless six months after leaving Veterans Village.

VVSD currently operates approximately 300 transitional housing beds in San Diego County including the 112-bed Phase I of its Pacific Highway facility. Phase I is a 112-bed dormitory-style structure completed in June 2006 and financed in part with a loan from the Housing Commission (HCR05-94). The 112-bed Phase II, scheduled for completion in May of 2009, mirrors Phase I and was also financed in part by the Housing Commission (HCR06-88). The following table outlines the Housing Commission's total participation in the financing of Veterans Village if the proposed loan for Phase III is approved:

Phase	Units	Description	Housing Commission Funding
I	112 beds	forgivable loan for transitional housing	\$ 675,000
II	112 beds	forgivable loan and grant for transitional housing	\$4,234,526
III	96 beds	residual receipts loan for transitional housing	\$2,300,000
Total	320 beds		\$7,209,526

VVSD would construct sixteen three-bedroom / three-bathroom units to be occupied as rental housing by a maximum of 96 VVSD transitional housing program participants graduating from the early intervention programs of Phase I and Phase II. The project is designed specifically to house recovered program participants who are employed or otherwise capable of paying a share of the rent for a Phase III apartment. Residency in Phase III would be a step up for program participants because it would give them the opportunity to exercise personal responsibility, reestablished during VVSD's treatment phases, in a residential setting emblematic of what they may experience when they leave Veterans Village. The residents would benefit from continued participation in Veterans Village programs offering support in maintaining substance abuse recovery or dealing with other personal issues.

It is estimated that construction of Phase III would begin in the spring of 2009. Each 1,230 square foot apartment in the two-story structure would have a kitchen, eating area, and living room. Although Phase III units will be able to house up to six tenants each (two per bedroom)

VVSD may rent apartment units at a lower density of occupancy (one tenant per bedroom) depending on the needs of the program participants.

Commensurate with the affordability terms of Phase I and Phase II, 65-year rent and occupancy restrictions would be recorded against the Phase III property by the Housing Commission. Based on two occupants per bedroom, 48 beds would be rent-restricted for tenants with annual incomes of 50 percent or less of Area Median Income (AMI), which is currently \$28,900 for one person; and 48 beds would be rent-restricted to tenants with annual incomes of 60 percent or less of AMI (currently \$34,680 for one person). Because the targeted tenant population is characteristically extremely low-income, actual rents would be lower because no tenant would pay more than 30 percent of their annual income in rent. Of the 96 beds, 66 are expected to produce monthly rents of \$164 and 30 are expected to produce monthly rents of \$98. Occupancy of all 96 beds would be restricted at 60 percent of AMI to provide VVSD with the flexibility to accommodate higher income tenants when necessary.

It is expected that after two years, the majority of Phase III residents would achieve and maintain incomes sufficient for them to obtain housing away from the VVSD campus. Although those tenants may not be required to relocate, move outs would be encouraged. Program participants meeting the requirements of their treatment plans and successful in obtaining higher income levels would be eligible to receive financial and other assistance from VVSD to ensure their success in living independently away from Veterans Village. Program graduates living off-site would continue to receive support from VVSD in maintaining control over physical and mental health problems, substance abuse, and other personal issues.

FISCAL CONSIDERATIONS:

The estimated total development cost for Phase III is \$7,595,000 (\$79,115 per bed). The financing includes the costs of land acquisition, demolition of existing structures, and construction of the new units. Because the number of occupants of Phase III would be high and some tenants would be physically disabled, the structures are designed to meet the durability and accessibility standards of commercial buildings. Any cost savings experienced would be divided equally to reduce the amounts of Housing Commission, Redevelopment Agency, and VVSD participation in the financing.

There would be no construction loan for Phase III; all financing would be permanent. A first trust deed would be held by the State Emergency Housing Assistance Program (EHAP) for a forgivable loan of \$1,000,000. The second position debt would be a Redevelopment Agency residual receipts loan of \$1,250,000 funded by California Housing Finance Agency (CalHFA) HELP program funds that require repayment by the Redevelopment Agency. The third position debt would be a residual receipts loan of up to \$2,300,000 from the Housing Commission utilizing HOME and Housing Trust funds. An additional Redevelopment Agency loan of \$863,000 would be funded with local funds. The \$1,000,000 EHAP loan and the \$863,000 Redevelopment Agency loan would not require payments and the principals and accrued interest of these loans would be forgiven at maturity if VVSD complies with the terms of the loan agreements.

An estimated \$300,000 of the Housing Commission loan would be a contingency to supplant a \$300,000 VA grant for construction in the event that the building is not substantially complete on or before December 31, 2009, in compliance with the VA funding commitment. The additional \$300,000 will not be funded by the Housing Commission unless the VA deadline is not met.

Redevelopment Agency financing would be used to purchase property currently leased by VVSD for the Veterans Village campus. The following table outlines the estimated sources of funds for Phase III:

Position	Proposed Sources of Financing	Amount	Terms
1st	Emergency Housing Program (EHAP) loan	\$1,000,000	10 yrs. @ 3% simple int.; forgivable
2nd	Redevelopment Agency loan	\$1,250,000	65 yrs. @ 3% simple int.; residual receipts
3rd	San Diego Housing Commission loan	\$2,000,000	65 yrs. @ 3% simple int.; residual receipts
	Redevelopment Agency loan	\$ 863,000	65 yrs. @ 3% simple int.; forgivable
	Income from rents during construction	\$ 57,000	
	San Diego County grant	\$ 200,000	
	Department of Veterans Affairs (VA) grant	\$ 300,000	
	VVSD Cash Equity	\$1,925,000	
	Total Estimated Development Cost	\$7,595,000	

Until the Redevelopment Agency's \$1,250,000 CalHFA loan is repaid, 50 percent of the residual receipts of the project would be paid to the Redevelopment Agency and 50 percent would be retained by VVSD to pay for operation of the VVSD campus. After repayment of the Redevelopment Agency's CalHFA loan, 50 percent of the residual receipts would be retained by VVSD and used for operation of the Veterans Village campus and 50 percent would be paid to the Housing Commission. Any unpaid principal and interest of the Housing Commission loan would be forgiven at the end of its 65-year term if VVSD complies with the Housing Commission loan agreement.

Upon closing of the Housing Commission loan, VVSD would fund a \$12,000 capitalized reserve for operating expenses and a \$12,000 capitalized reserve for replacement. Thereafter, VVSD would be required to place \$12,000 per year into the replacement reserve account. Expenditures from the reserve accounts would be subject to Housing Commission approval.

Because operating costs, VVSD administrative expenses, and the cost of supportive services are expected to be paid by VA grants for Phase III up to the actual costs of operation, negative cash flow is not expected. The VA grants to VVSD are monitored on an annual basis by the VA and have been renewed since the inception of the Veterans Village facility. Risk to the Phase III project due to a loss of VA rent and per-diem operating subsidies would be somewhat mitigated by Phase III rental income, VVSD's retention of 50 percent of the residual receipts, and the required reserves.

Although it is customary for affordable housing developers to receive a developer fee from the proceeds of permanent financing to pay for corporate overhead and project-related costs, VVSD

did not request a developer fee for Phase III because the organization receives financial support for its administrative activities through grants and charitable contributions.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The Housing Commission recommended this loan on February 20, 2009.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Midway Community Planning Group approved the Phase III project on May 6, 2003, and receives progress reports from the developer.

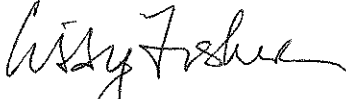
ENVIRONMENTAL REVIEW:

In compliance with the National Environmental Policy Act (NEPA) and HUD Environmental Review Procedures, the California Environmental Quality Act (CEQA) and State CEQA Guidelines, the City of San Diego conducted a CEQA Initial Study and NEPA Environmental Assessment and determined that the project could have a significant environmental effect in the following areas: geology, water quality, hydrology, air quality, health and safety, and historical resources (archeology). Subsequent revisions in the project proposal created the specific measures as identified in Section V of the Mitigated Negative Declaration and Finding of No Significant Impact (FONSI) dated April 24, 2003. The project as revised avoids or mitigates the potentially significant environmental effects previously identified, and the preparation of an Environmental Impact Report (EIR) and Environmental Impact Statement (EIS) is not required. A copy of the Mitigated Negative Declaration is on file at the offices of the San Diego Housing Commission. On November 20, 2008, the City of San Diego certified that a re-evaluation of environmental assessments and other environmental findings is not warranted by this activity pursuant to 24 CFR Part 58.47 a(1) through a(3) of the NEPA guidelines. Furthermore, no conditions are present that prompt any action identified in Section 58.47 b(1) through b(3).

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Key stakeholders include the Redevelopment Agency of the City of San Diego and the Housing Commission as lenders, VVSD as the developer, and the City of San Diego because the proposed housing would reduce homelessness in San Diego.

Respectfully submitted,



Cissy Fisher
Assistant Vice President
Housing Development & Finance

Approved by,



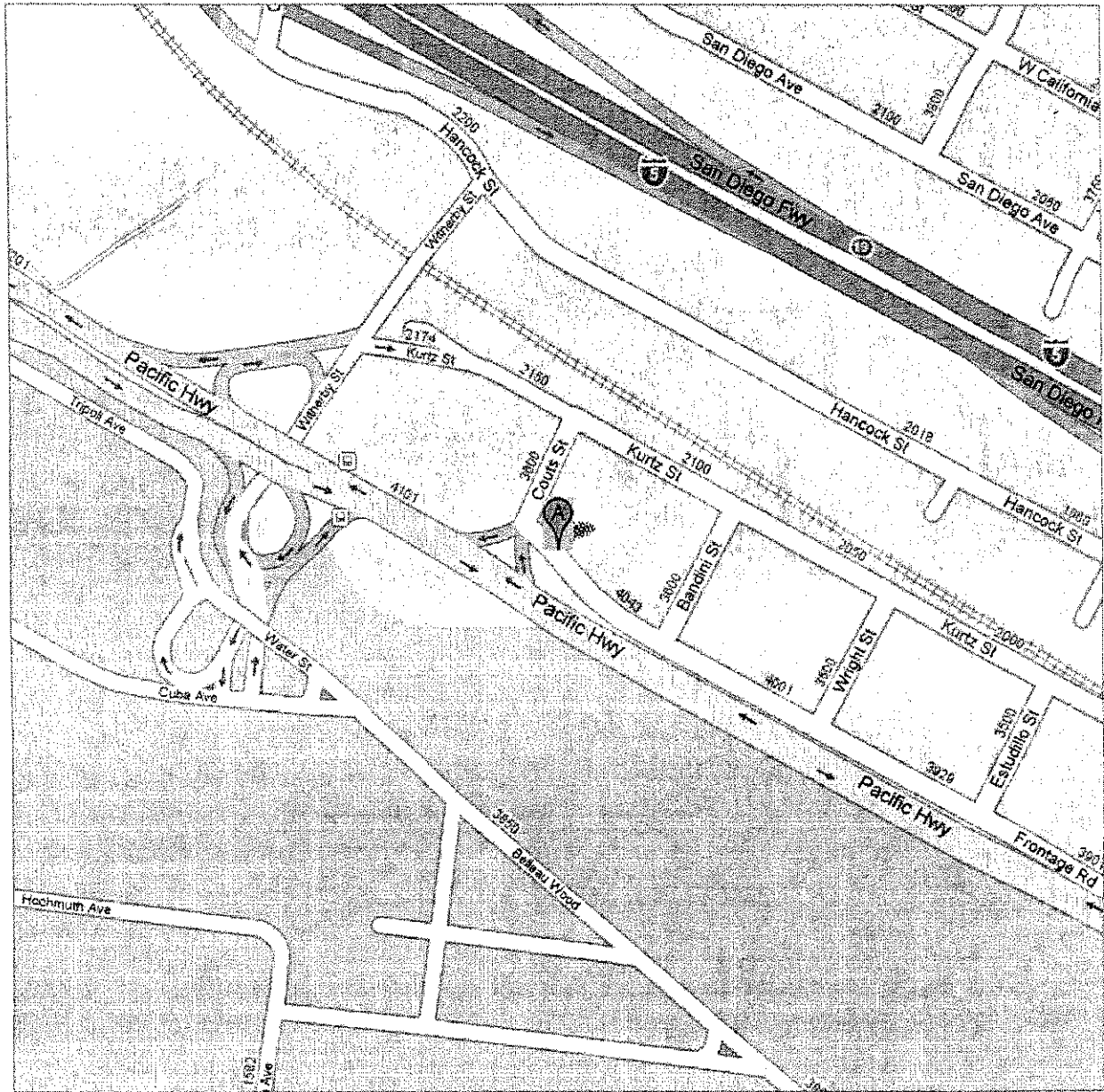
Carrol M. Vaughan
Executive Vice President & Chief
Operating Officer

- Attachments:
1. Location Map
 2. Development Summary
 3. Development Timeline
 4. General Application
 5. Developer Disclosure Statement
 6. Developer Financial Information

Copies available for review during business hours at the Housing Commission offices at 1122 Broadway, San Diego, CA 92101, Main Lobby and at the Office of the City Clerk, 202 C Street, San Diego, CA 92101.

Information: Mr. Dan Cady (619) 578-7594

Address 4141 Pacific Hwy
San Diego, CA 92110



ATTACHMENT - 2

DEVELOPMENT SUMMARY
TRANSITIONAL RENTAL HOUSING
April 28, 2009

Name: Veterans Village of San Diego Phase III
Location: 4141 Pacific Highway
Description: Transitional Rental Housing for Veterans
Sponsor: Vietnam Veterans of San Diego, Inc.

Unit Affordability

Total # of units: 96 beds
Assisted units: 96 beds
Restricted rents: 50 percent to 60 percent of AMI
Percent of AMI: 48 beds restricted at 50 percent or less of AMI
48 beds restricted at 60 percent or less of AMI
Affordability: 65 years

Development Cost

Total development cost: \$ 7,595,000
HC development cost (loan): \$ 2,000,000 to \$2,300,000
Total development cost per unit: \$ 79,115 per bed / 96 beds
HC cost per unit (loan): \$ 20,833 per bed / 96 beds

Sources of Funds

Redevelopment Agency loans \$ 2,113,000
Housing Commission loan \$ 2,000,000
EHAP loan \$ 1,000,000
San Diego County grant \$ 200,000
VA Grant \$ 300,000
Rental Income \$ 57,000
Developer Equity \$ 1,925,000

Pro Forma Summary

Estimated annual income: \$ 505,121 (year 1)
Estimated annual expense: \$ 369,120 (year 1)
Annual debt service: \$ 0
Annual reserves: \$ 12,000

ATTACHMENT - 3

**VETERANS VILLAGE PHASE III
TRANSITIONAL RENTAL HOUSING
ESTIMATED TIMELINE**

May 22, 2009	Housing Commission loan closing
May 22, 2009	Start of construction
October 31, 2010	Completion of construction

**SAN DIEGO HOUSING COMMISSION
GENERAL APPLICATION FORM - Project Overview**

Last revised: November 27, 2007

ATTACHMENT - 4

DATE: April 28, 2009

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

REQUEST FOR: EARLY ASSISTANCE PROJECT FUNDING \$ 2,000,000
 TECHNICAL ASSISTANCE PREDEVELOPMENT LOAN \$ _____
 PROJECT SUPPORT GRANT \$ _____

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

PROJECT CONDITION: UNIMPROVED SITE RESIDENTIAL COMMERCIAL
YEAR BUILT: _____ EXISTING STRUCTURE OTHER (DESCRIBE) demolition and redevelopment

PROJECT NAME: Veterans Village of San Diego Phase III Transitional Rental Housing
ADDRESS: 4141 Pacific Highway San Diego CA 92110
STREET CITY STATE ZIP
LEGAL DESCRIPTION: 450-570-1800
ASSESSORS PARCEL NO. CENSUS TRACT

SITE CONTROL: DEED OPTION OTHER (DESCRIBE) DDA with the Redevelopment Agency

DWELLING UNITS:	<u>96</u>						<u>96</u>	
	<small>0-BEDROOM</small>	<small>1-BEDROOM</small>	<small>2-BEDROOM</small>	<small>3-BEDROOM</small>	<small>4-BEDROOM</small>	<small>5-BEDROOM</small>	<small>TOTAL UNITS</small>	<small>BEDROOMS</small>
HC Assisted Units:	<u>96</u>						<u>96</u>	
	<small>0-BEDROOM</small>	<small>1-BEDROOM</small>	<small>2-BEDROOM</small>	<small>3-BEDROOM</small>	<small>4-BEDROOM</small>	<small>5-BEDROOM</small>	<small>TOTAL UNITS</small>	<small>BEDROOMS</small>

EXISTING USES OF PROPERTY: parking and commercial

DESCRIPTION OF PROPOSED PROJECT: Demolition of commercial structures and existing site improvements and construction of a 96-bed transitional rental housing facility for low-income and very low-income homeless military veterans.

NO. OF BUILDINGS: 1

APPLICANT/BORROWER:
NAME: Vietnam Veterans of San Diego, Inc. CONTACT PERSON: Mr. Phil Landis, CEO
ADDRESS: 4141 Pacific Highway San Diego CA 92110
STREET CITY STATE ZIP
TELEPHONE: (619) 497-0142 FAX NO. (619) 497-0753 E-mail address: landis@vvsd.net

LEGAL DESCRIPTION OF APPLICANT:
 FOR PROFIT CORPORATION NONPROFIT CORPORATION PARTNERSHIP INDIVIDUAL OWNER
 CHDO OTHER _____
DESCRIBE

TAXPAYER IDENTIFICATION NUMBER: 95-3649525

CURRENT OWNER/SELLER INFORMATION:
NAME: Redevelopment Agency of the City of San Diego LEGAL DESCRIPTION: _____
ADDRESS: _____
STREET CITY STATE ZIP
TELEPHONE: _____ FAX NO. _____

ZONING: IL3-1 COMMUNITY PLAN AREA: Midway - Pacific Highway
COUNCIL DISTRICT: 2 SCHOOL DISTRICT: San Diego Unified

SIGNATURE _____ PRINT NAME _____ TITLE _____ 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: Veterans Village of San Diego Phase III Transitional Rental Housing
 ADDRESS: 4141 Pacific Highway San Diego CA 92110
ADDRESS CITY STATE ZIP
 OWNERSHIP NAME: _____ DATE: April 28, 2009

1. Phil Landis Chief Executive Officer corporate officer
NAME TITLE/POSITION NATURE OF INTEREST
4141 Pacific Highway 619-393-2025
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
San Diego CA 92110
CITY STATE ZIP

2. Harry Guess Chief Financial Officer corporate officer
NAME TITLE/POSITION NATURE OF INTEREST
4141 Pacific Highway 619-393-2089
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
San Diego CA 92110
CITY STATE ZIP

3. Andre Simpson Chief Operations Officer corporate officer
NAME TITLE/POSITION NATURE OF INTEREST
4141 Pacific Highway 619-393-2027
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
San Diego CA 92110
CITY STATE ZIP

4. David Siegler Vice President Grants & Programs corporate officer
NAME TITLE/POSITION NATURE OF INTEREST
4141 Pacific Highway 619-393-2077
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
San Diego CA 92110
CITY STATE ZIP

5. Jim Hickman Vice President Facilities corporate officer
NAME TITLE/POSITION NATURE OF INTEREST
4141 Pacific Highway 619-393-2069
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
San Diego CA 92110
CITY STATE ZIP

6. Eugene Auerbach Chair board member
NAME TITLE/POSITION NATURE OF INTEREST
7585 Eads Avenue 858-735-7888
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
San Diego CA 92037
CITY STATE ZIP

7. Victor E. Bianchini Vice-Chair board member
NAME TITLE/POSITION NATURE OF INTEREST
1199 Pacific Highway #806 619-248-0001
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
San Diego CA 92101
CITY STATE ZIP

8. Will Hays Secretary board member
NAME TITLE/POSITION NATURE OF INTEREST
5883 Adobe Falls Road 619-463-0169
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
San Diego CA 92120
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: Veterans Village of San Diego Phase III Transitional Rental Housing
 ADDRESS: 4141 Pacific Highway San Diego CA 92110
ADDRESS CITY STATE ZIP
 OWNERSHIP NAME: _____ DATE: April 28, 2009

9. David Bain board member board member
NAME TITLE/POSITION NATURE OF INTEREST
3678 Keating Street 619-232-3200
STREET/PO BUSINESS TELEPHONE NO.
San Diego CA 92110
CITY STATE ZIP

10. William A. Kowba board member board member
NAME TITLE/POSITION NATURE OF INTEREST
1231 Green Orchard Place 619-725-8190
STREET/PO BUSINESS TELEPHONE NO.
Encinitas CA 92024
CITY STATE ZIP

11. Joe Ciokon board member board member
NAME TITLE/POSITION NATURE OF INTEREST
13768 Sycamore Tree Lane 619-544-9600
STREET/PO BUSINESS TELEPHONE NO.
Poway CA 92064
CITY STATE ZIP

12. John Smith board member board member
NAME TITLE/POSITION NATURE OF INTEREST
10452 Moorpark Street 619-205-1406
STREET/PO BUSINESS TELEPHONE NO.
Spring Valley CA 91978
CITY STATE ZIP

13. Jonathan Tibbitts board member board member
NAME TITLE/POSITION NATURE OF INTEREST
4215 Ridgeway 619-298-9680
STREET/PO BUSINESS TELEPHONE NO.
CITY STATE ZIP

14. Anthony Moya board member board member
NAME TITLE/POSITION NATURE OF INTEREST
550 West C Street Suite 800 619-699-4927
STREET/PO BUSINESS TELEPHONE NO.
San Diego CA 92101
CITY STATE ZIP

15. James Waters board member board member
NAME TITLE/POSITION NATURE OF INTEREST
300 West Broadway Suite 700 619-531-4040
STREET/PO BUSINESS TELEPHONE NO.
San Diego CA 92101
CITY STATE ZIP

16. Harold Koenig board member board member
NAME TITLE/POSITION NATURE OF INTEREST
4933 Marlborough Drive 619-885-1181
STREET/PO BUSINESS TELEPHONE NO.
San Diego CA 92116
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: Veterans Village of San Diego Phase III Transitional Rental Housing
 ADDRESS: 4141 Pacific Highway San Diego CA 92110
ADDRESS CITY STATE ZIP
 OWNERSHIP NAME: _____ DATE: April 28, 2009

<u>Linda Drabek</u> <small>NAME</small>	<u>board member</u> <small>TITLE/POSITION</small>	<u>board member</u> <small>NATURE OF INTEREST</small>
<u>10849 Caminito Colorado</u> <small>STREET/PO</small>	<u>858-217-7046</u> <small>BUSINESS TELEPHONE NO.</small>	 <small>PERCENT INTEREST</small>
<u>San Diego</u> <u>CA</u> <u>92131</u> <small>CITY STATE ZIP</small>		

_____ <small>NAME</small>	_____ <small>TITLE/POSITION</small>	_____ <small>NATURE OF INTEREST</small>
_____ <small>STREET/PO</small>	_____ <small>BUSINESS TELEPHONE NO.</small>	_____ <small>PERCENT INTEREST</small>
_____ <small>CITY STATE ZIP</small>		

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_____ <small>CITY STATE ZIP</small>		

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_____ <small>STREET/PO</small>	_____ <small>BUSINESS TELEPHONE NO.</small>	_____ <small>PERCENT INTEREST</small>
_____ <small>CITY STATE ZIP</small>		

_____ <small>NAME</small>	_____ <small>TITLE/POSITION</small>	_____ <small>NATURE OF INTEREST</small>
_____ <small>STREET/PO</small>	_____ <small>BUSINESS TELEPHONE NO.</small>	_____ <small>PERCENT INTEREST</small>
_____ <small>CITY STATE ZIP</small>		

_____ <small>NAME</small>	_____ <small>TITLE/POSITION</small>	_____ <small>NATURE OF INTEREST</small>
_____ <small>STREET/PO</small>	_____ <small>BUSINESS TELEPHONE NO.</small>	_____ <small>PERCENT INTEREST</small>
_____ <small>CITY STATE ZIP</small>		

USE ADDITIONAL SHEETS AS NECESSARY

**SAN DIEGO HOUSING COMMISSION
DEVELOPMENT FORM - OPERATING EXPENSE - OE**

DATE: April 28, 2009

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

Last revised: November 27, 2007

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

PROJECT NAME: Veterans Village of San Diego Phase III Transitional Rental Housing
 ADDRESS: 4141 Pacific Highway San Diego CA 92110
STREET CITY STATE ZIP
 TOTAL NUMBER OF UNITS: 96

OPERATING EXPENSE ITEM	ANNUAL COST	COST PER UNIT	COST PER SQ. FT.
Administrative Expenses			
Office Supplies & Equipment	\$ 3,800	\$ 40	\$ 0.17
Telephone	\$ 8,000	\$ 83	\$ 0.37
Training & Travel	\$ 1,000	\$ 10	\$ 0.05
Payroll Services	\$	\$	\$
Program Services	\$ 245,000	\$ 2,552	\$ 11.22
Other:	\$	\$	\$
Subtotal Percent of Total <u>70%</u>	\$ 257,800	\$ 2,685	\$ 11.81
Marketing Expenses			
Advertising	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total _____	\$ -	\$ -	\$
Professional Fees			
Property Management	\$	\$	\$
Auditing Services	\$ 6,000	\$ 63	\$ 0.27
Legal Services	\$ 500	\$ 5	\$ 0.02
Other:	\$	\$	\$
Subtotal Percent of Total <u>2%</u>	\$ 6,500	\$ 68	\$ 0.30
Utilities			
Electric	\$ 20,000	\$ 208	\$ 0.92
Gas	\$ 10,000	\$ 104	\$ 0.46
Water/Sewer	\$ 10,000	\$ 104	\$ 0.46
Other:	\$	\$	\$
Subtotal Percent of Total <u>11%</u>	\$ 40,000	\$ 417	\$ 1.83
Contract Services			
Exterminating	\$	\$	\$
Trash Removal	\$ 5,000	\$ 52	\$ 0.23
Security Patrol	\$	\$	\$
Building/Grounds Maintenance	\$ 30,000	\$ 313	\$ 1.37
Janitorial Services	\$	\$	\$
Repair Services	\$ 6,000	\$ 63	\$ 0.27
Elevator & Other Equipment	\$ 7,000	\$ 73	\$ 0.32
Garage Operations/Maintenance	\$	\$	\$
Other: trash removal	\$	\$	\$
Subtotal Percent of Total <u>13%</u>	\$ 48,000	\$ 500	\$ 2.20
Cleaning & Decorating			
Painting Supplies	\$	\$	\$
Grounds Supplies	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total _____	\$ -	\$ -	\$
Taxes & Insurance			
Real Property Tax Assessment	\$	\$	\$
Property Insurance	\$ 7,500	\$ 78	\$ 0.34
Director's & Officer's Insurance	\$	\$	\$
Other: liability insurance	\$ 5,000	\$ 52	\$ 0.23
Subtotal Percent of Total <u>3%</u>	\$ 12,500	\$ 130	\$ 0.57
Other			
SDHC Monitoring Fees	\$ 4,320	\$ 45	\$ 0.20
Other:	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total <u>1%</u>	\$ 4,320	\$ 45	\$ 0.20
Total Annual Operating Costs	\$ 369,120	\$ 3,845	\$ 16.91

PROJECT TYPE: ACQUISITION ACQUISITION & REHABILITATION RENTAL NUMBER OF UNITS 96
 NEW CONSTRUCTION REHABILITATION OWNERSHIP

PROJECT NAME: Veterans Village of San Diego Phase III Transitional Rental Housing
 ADDRESS: 4141 Pacific Highway San Diego CA 92110
STREET CITY STATE ZIP

SOURCES

POSITION	TERMS	COMMITMENT	AMORTIZED	DEFERRED	TAX CREDIT	GRANT	EQUITY
1ST <u>EHAP</u>	<u>10</u> YRS. <u>3.00</u> % RATE	<u>N</u> Y/N DATE OR EXPECTED	\$ <u>1,000,000</u>	\$ <u>1,000,000</u>			
2ND <u>Redevelopment Agency</u>	<u>65</u> YRS. <u>3.00</u> % RATE	<u>N</u> Y/N DATE OR EXPECTED	\$ <u>1,250,000</u>	\$ <u>1,250,000</u>			
(Select one) <u>Residual Receipts</u> or <u>Amortized</u>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<u>Subsidy/Assisted Bed</u> \$ <u>20,833</u> <u>Subsidy/Assisted Bdr</u> \$ <u> </u>					
3RD <u>SDHC</u>	<u>65</u> YRS. <u>3.00</u> % RATE	<u>N</u> Y/N DATE OR EXPECTED	\$ <u>2,000,000</u>	\$ <u>2,000,000</u>			
<u>Redevelopment Agency</u>	<u>65</u> YRS. <u>3.00</u> % RATE	<u>Y</u> Y/N DATE OR EXPECTED	\$ <u>863,000</u>	\$ <u>863,000</u>			
TAX CREDITS		<input type="checkbox"/> Y/N DATE OR EXPECTED			\$ <u> </u>		
EQUITY <u>developer cash and grants</u>		<input checked="" type="checkbox"/> Y/N DATE OR EXPECTED					\$ <u>2,482,000</u>
TOTAL			\$ <u>7,595,000</u>	\$ <u>5,113,000</u>			\$ <u>2,482,000</u>

FUNDING SCHEDULE FOR SOURCES

	TOTAL	CLOSING	CONSTRUCTION PERIOD			COMPLETION 4TH QUARTER	RENT UP QTRS 5 & 6
			1ST QUARTER	2ND QUARTER	3RD QUARTER		
EHAP	\$ 1,000,000	\$ 1,000,000	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Redevelopment Agency	\$ 1,250,000	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u>625,000</u>	\$ <u>625,000</u>	\$ <u> </u>
SDHC	\$ 2,000,000	\$ 2,000,000	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Redevelopment Agency	\$ 863,000	\$ 863,000	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
	\$ -	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
developer cash and grants	\$ 2,482,000	\$ <u> </u>	\$ <u>1,000,000</u>	\$ <u>900,000</u>	\$ <u>313,723</u>	\$ <u>268,277</u>	\$ <u> </u>
TOTAL	\$ 7,595,000	\$ 3,863,000	\$ 1,000,000	\$ 900,000	\$ 938,723	\$ 893,277	\$ -

INFORMATION ON CONSTRUCTION LOAN

CONSTRUCTION LENDER: none
 CONSTRUCTION TIME: (MONTHS)
 CONSTRUCTION INTEREST: %
 COMMITTED: YES NO
 DATE OF COMMITMENT/EXPECTE:

**SAN DIEGO HOUSING COMMISSION
DEVELOPMENT FORM - PRO FORMA - PF**

Last revised: November 27, 2007

PLEASE PROVIDE ALL KNOWN INFORMATION - CHECK ALL BOXES THAT APPLY

Date: April 28, 2009

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

PROJECT NAME: Veterans Village of San Diego Phase III Transitional Rental Housing
 ADDRESS: 4141 Pacific Highway San Diego CA 92110
STREET CITY STATE ZIP

Replacement Reserve	\$ 12,000	LP Asset Mgmt Fee	\$	GP Management Fee	\$
Rental Income	\$ 165,168	Project Income Increase	2.50 %	Mortgage Amount	\$ %
Other Income	\$ 339,953	Operating Exp. Increase	3.50 %	Mortgage Rate	
Operating Expenses	\$ 369,120	Vacancy Loss	5.00 %	Mortgage Term (Years)	
LP & GP Annual Increase	%	Deferred Dev. Fee	\$	Interest on Deff. Dev. Fee	%

Redevelopment Agency	\$ 1,250,000	Residual Receipts	<input checked="" type="checkbox"/>	Interest Rate	3.000 %
Residual Receipts to RA	50%	or	<input type="checkbox"/>	Term (Years)	65
		Amortize	<input type="checkbox"/>		

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Gross Project Income	\$ 505,121	\$ 517,749	\$ 530,693	\$ 543,960	\$ 557,559
Vacancy	\$ 25,256	\$ 25,887	\$ 26,535	\$ 27,198	\$ 27,878
Effective Gross Income	\$ 479,865	\$ 491,862	\$ 504,158	\$ 516,762	\$ 529,681
Operating Expense	\$ 369,120	\$ 382,039	\$ 395,411	\$ 409,250	\$ 423,574
Net Operating Income	\$ 110,745	\$ 109,822	\$ 108,748	\$ 107,512	\$ 106,107
Debt Service (1st)	\$	\$	\$	\$	\$
Coverage (1st)					
Replacement Reserve	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Cash Flow	\$ 98,745	\$ 97,822	\$ 96,748	\$ 95,512	\$ 94,107
LP Asset Management Fee	\$ -	\$	\$	\$	\$
GP Management Fee	\$ -	\$	\$	\$	\$
Deferred Dev. Fee Pmt.	\$	\$	\$	\$	\$
Residual Receipts Payment	\$ 49,372	\$ 48,911	\$ 48,374	\$ 47,756	\$ 47,054
Net Cash Flow	\$ 49,372	\$ 48,911	\$ 48,374	\$ 47,756	\$ 47,054

	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Income	\$ 571,498	\$ 585,785	\$ 600,430	\$ 615,441	\$ 630,827
Vacancy	\$ 28,575	\$ 29,289	\$ 30,022	\$ 30,772	\$ 31,541
Effective Gross Income	\$ 542,923	\$ 556,496	\$ 570,409	\$ 584,669	\$ 599,286
Operating Expense	\$ 438,399	\$ 453,743	\$ 469,624	\$ 486,061	\$ 503,073
Net Operating Income	\$ 104,524	\$ 102,753	\$ 100,785	\$ 98,608	\$ 96,213
Debt Service (1st)	\$	\$	\$	\$	\$
Coverage (1st)					
Replacement Reserve	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Cash Flow	\$ 92,524	\$ 90,753	\$ 88,785	\$ 86,608	\$ 84,213
LP Asset Management Fee	\$	\$	\$	\$	\$
GP Management Fee	\$	\$	\$	\$	\$
Deferred Dev. Fee	\$	\$	\$	\$	\$
Residual Receipts Payment	\$ 46,262	\$ 45,377	\$ 44,392	\$ 43,304	\$ 42,106
Net Cash Flow	\$ 46,262	\$ 45,377	\$ 44,392	\$ 43,304	\$ 42,106

	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Gross Income	\$ 646,598	\$ 662,763	\$ 679,332	\$ 696,315	\$ 713,723
Vacancy	\$ 32,330	\$ 33,138	\$ 33,967	\$ 34,816	\$ 35,686
Effective Gross Income	\$ 614,268	\$ 629,624	\$ 645,365	\$ 661,499	\$ 678,037
Operating Expense	\$ 520,680	\$ 538,904	\$ 557,766	\$ 577,287	\$ 597,493
Net Operating Income	\$ 93,587	\$ 90,720	\$ 87,599	\$ 84,212	\$ 80,544
Debt Service (1st)	\$	\$	\$	\$	\$
Coverage (1st)					
Replacement Reserve	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Cash Flow	\$ 81,587	\$ 78,720	\$ 75,599	\$ 72,212	\$ 68,544
LP Asset Management Fee	\$	\$	\$	\$	\$
GP Management Fee	\$	\$	\$	\$	\$
Deferred Dev. Fee	\$	\$	\$	\$	\$
Residual Receipts Payment	\$ 40,794	\$ 39,360	\$ 37,800	\$ 36,106	\$ 34,272
Net Cash Flow	\$ 40,794	\$ 39,360	\$ 37,800	\$ 36,106	\$ 34,272

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

1. Name of CONTRACTOR: Vietnam Veterans of San Diego (VVSD), dba
Veterans Village of San Diego

2. Address and Zip Code: 4141 Pacific Hwy, San Diego, 92110

3. Telephone Number: 619-497-0142

4. Name of Principal Contact for CONTRACTOR: Phil Landis, CEO

5. Federal Identification Number or Social Security Number of CONTRACTOR:
95-364-9525

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)

District
Director

P.O. Box 2350 Los Angeles, Calif. 90053

Vietnam Veterans of San Diego
4141 Pacific Hwy
San Diego, CA92110-2030

Person to Contact:

Gilda Lewis

Telephone Number:

(213) 894-2336

Refer Reply to:

EO(1202)93

Date:

DEC 02 1983

RE: Vietnam Veterans of San Diego
EIN: 95-3649525

Gentlemen:

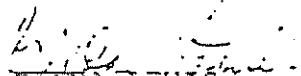
This letter is in response to your request for a copy of the determination letter for the above named organization.

Our records indicate that this organization was recognized to be exempt from Federal income tax in December 1981 as described in Internal Revenue Code Section 501(c)(3). It is further classified as an organization that is not a private foundation as defined in Section 509(a) of the code, because it is an organization described in Section 509(a)(2).

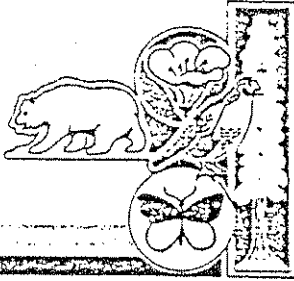
The exempt status for the determination letter issued in December 1981 continues to be in effect.

If you need further assistance, please contact our office at the above address or telephone number.

Sincerely,


GILDA LEWIS

Disclosure Assistant



State
of
California

OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

SEP - 8 1981



March Fong Eu

Secretary of State

1054001

ENDORSED
FILED
In the office of the Secretary of State
of the state of California

SEP 4 1981

MARCH FONG ELL, Secretary of State
Margaret L. Montgomery
Deputy

ARTICLES OF INCORPORATION

OF

VIETNAM VETERANS OF SAN DIEGO

A Nonprofit Public Benefit Corporation

The undersigned, desiring to form a corporation under the laws of the State of California, declares:

FIRST: The name of the corporation is:

VIETNAM VETERANS OF SAN DIEGO

SECOND: This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for a public and charitable purpose. The charitable and public purposes of VIETNAM VETERANS OF SAN DIEGO are to aid and assist veterans of the Vietnam War.

THIRD: The name and address in this state of the corporation's initial agent for service of process is:

Jack Lyon
3737 Camino Del Rio South
Suite 408
San Diego, California 92108

FOURTH: The name of the unincorporated association which is being incorporated is VIETNAM VETERANS OF SAN DIEGO

FIFTH: The unincorporated association whose name is set forth in Article Fourth of these Articles of Incorporation is being incorporated by filing these Articles.

SIXTH: The corporation shall have a Board of Directors of not less than five (5), nor more than fifteen (15) persons; the exact number and manner in which the Directors shall be chosen for and removed from office shall be stated in the By-Laws.

The authorized number, if any, and the qualifications of the members of the corporation, the filling of vacancies, the different classes of membership, if any, the property, voting and other rights and privileges of members, and their liabilities to dues and assessments and the method of collection, and the termination and transfer of memberships shall be as stated in the By-Laws. The officers may be members of the Board of Directors. The qualification, powers, duties, compensation, tenure in office, manner in which they shall be chosen for and removed from office, and the manner of filling a vacancy shall be stated in the By-Laws.

SEVENTH: (a) The property of this corporation is irrevocably dedicated to a charitable and public purpose and no part of the net income or assets of this organization shall ever inure to the benefit of any private person.

(b) Upon the dissolution and/or winding up of the corporation, its assets remaining after payments of or provision for payment of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operating exclusively for a charitable and public purpose and which has established its tax-exempt status under Internal Revenue Code Section 501(c).

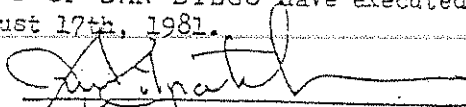
(c) If this corporation holds any assets in trust, such assets shall be disposed of in such a manner as may be decreed by the Superior Court of the County in which the corporation has its principal place of business, on petition therefore by the Attorney General or by any person concerned in the liquidation, in a proceeding to which the Attorney General is a party.

EIGHTH: (a) No substantial part of the activities of this corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, nor shall this corporation participate in or intervene in any political campaign on behalf of any candidate for public office.

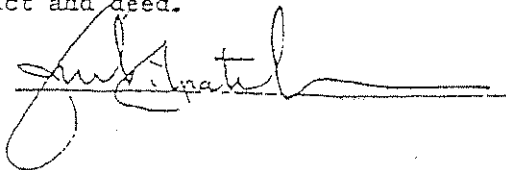
(b) A quorum of the Board of Directors shall be constituted by two thirds of the total number of all Directors authorized by the By-Laws to be seated on the Board of Directors.

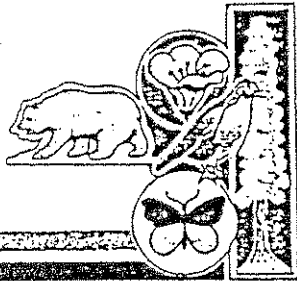
(c) In all matters dealing with the real property assets of this corporation wherein such assets are to be sold or otherwise devised or pledged by the corporation for any purpose whatever, a vote of the Board of Directors authorizing such sale, devise or pledge shall be of a number equal to, or in excess of, two thirds of that number necessary to compose a quorum.

IN WITNESS WHEREOF, the undersigned being the Incorporators of VIETNAM VETERANS OF SAN DIEGO have executed these Articles of Incorporation on August 17th, 1981.


G. M. Kilpatrick

I hereby declare that I am the person who executed the foregoing articles of incorporation, which execution is my act and deed.





State
of
California

OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

OCT 30 1981



March Fong Eu

Secretary of State

ENDORSED
FILED
in the office of the Secretary of State
of the State of California

OCT 30 1981

MARCH FONG EU, Secretary of State

By JAMES E. HARRIS
Deputy

CERTIFICATE OF AMENDMENT

OF

ARTICLES OF INCORPORATION

OF

VIETNAM VETERANS OF SAN DIEGO

A Nonprofit Public Benefit Corporation

Jack Lyon and Paul Grasso certify that:

1. They are the President and the Secretary, respectively, of VIETNAM VETERANS OF SAN DIEGO, a nonprofit corporation, a California corporation.

2. Article Second of the Articles of Incorporation of this corporation is amended to read as follows:

SECOND: This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for a public and charitable purpose. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954.

Notwithstanding any other provisions of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law); or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law).

There is still much to be done. The horrors of Agent Orange have yet to satisfactorily settled by all concerned. During the upcoming year we, the VVSD, plan to push for legislature on the state level to establish a commission to deal with this problem within the State of California and also nationally.

At the present time we are also deeply committed to opening a rehabilitation center here in San Diego for those Vietnam Veterans suffering from the effects of substance abuse/post traumatic stress disorders related to their service in Vietnam.

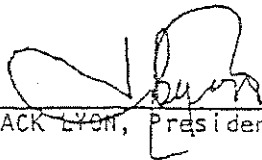
We face the coming year with a sense of determination knowing we have a long row to hoe but also knowing that we have overcome tougher situations in the past.

We are, at this time, in the embryonic stages of a fundraising campaign to provide us with the operating expenses necessary to continue our present programs as they are and to help fund our proposed rehabilitation center. We have delved into the area of government assistance but have come away empty-handed due to present budgetary restrictions. We are therefore seeking assistance from the San Diego community to help us to reach our goal.

We are appealing for contributions from local business concerns and individuals interested in the plight of the Vietnam Veteran. As a non-profit, tax exempt organization we can offer you, not only an opportunity to assist the Vietnam Veteran in his return to a useful life within society, but also a tax deduction.

On behalf of the approximately 106,000 Vietnam Veterans residing in San Diego county I would like to thank you for your consideration. If you would like further information or a more complete informative copy of our rehab center proposal please feel free to contact us.

Sincerely,



JACK LYON, President, VVSD


JL/sk

3. Article Seventh, paragraph (b) of the Articles of Incorporation of this corporation is amended to read as follows:


(b) Upon the winding up and dissolution of this corporation, after paying or adequately providing for the debts and obligations of the corporation, the remaining assets shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable, education, or religious and/or scientific purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

4. The foregoing amendment of articles of incorporation has been duly approved by the board of directors.

5. The foregoing amendment to the Articles of Incorporation have been duly approved by the required vote of members.



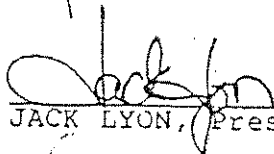
JACK LYON, President



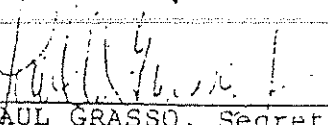
PAUL GRASSO, Secretary

The undersigned declare under penalty of perjury that the matters set forth in the foregoing certificate are true of their own knowledge.

Executed at San Diego, California on October 29, 1981.



JACK LYON, President



PAUL GRASSO, Secretary

___ 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)

6. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:

September 8, 1981

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. **Attached**
- 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	Position Title (if any) and percent of interest or description
-------------------	--

Zip Code _____ of character and extent of interest

(Attach extra sheet if necessary)

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. **NA**

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.

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:

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.

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:

Please see budgets submitted to SDHC

Veterans Village of San Diego
Board of Directors / Officers / Facilities
July 30, 2008

Directors

Gene Auerbach
Chairman
Director
U.S. Navy
Unit C
7585 Eads Avenue
San Diego, CA 92037
Cell: 858-735-7888
Hm. 858-454-7241
Email: eugene.e.auerbach@saic.com
TARP west Coast Coordinator -
SAIC
Bldg 2
Campus Point

Victor E. Bianchini
Vice Chairman
USMC
Phone : 619-795-2373
Cell: 619-248-0001
Fax: 619-595-3197
Email: judgebianchini@cox.net
1199 Pacific Highway # 806
San Diego, CA 92101
Term Began: January 30, 2007
Orientation:
Term Ends: January 30, 2010

Will Hays
Secretary of the Board
U.S. Navy
5883 Adobe Falls Rd.
San Diego, CA 92120
Hm: 619-265-7377
Wk: 619-668-4300 x4316
Fax: 619-463-0169
whays@cox.net
Associate Vice President
Of Investments - Morgan Stanley
5464 Grossmont Center Dr.
La Mesa, CA 91942
Term Began: Mar. 1993 (continuous)
Orientation: Apr. 1993
Term Expires: Feb. 2009

David Bain
Director
3678 Keating St.
San Diego, CA 92110
Cell: 619-990-9995
Hm: 619-255-7822
Hm. Fx: 619-255-8065
Wk: 619-232-3200 x111
Fax: 619-232-2070
dbain@pacship.com

Owner - Pacific Ship Repair &
Fabrication, Inc.
1625 Rigel St.
San Diego, CA 92113
Term Began: Aug. 2003
Orientation: Sept. 2003
Term Expires: July 2000

RADM Bruce Boland (Ret.)
Director
U.S. Navy
5205 Le Barron Rd.
San Diego, CA 92115
Cell: 619-840-4140
Hm: 619-286-7480
eandhsd@cox.net
President - E & B Associates, Inc.
Term Began: Oct. 2002
Orientation: Nov. 2002
Term Expires: July 2008

Joe Ciokon
Director
U.S. Navy
13768 Sycamore Tree Lane
Poway, CA 92064
Cell: 619-743-1907
Hm: 858-486-2846
Wk: 619-544-9600 x 252
Fax: 619-544-9188
ioetsu@cox.net
Public Affairs Officer
USS MIDWAY Museum
910 No Harbor Drive
San Diego, CA 92101
Term Began: Nov. 1991
Orientation: Nov. 1991
Term Expires: Nov. 2009

John Smith
Director
US Army
10452 Moorpark St.
Spring Valley, CA 91978
Cell: 619-571-3022
Wk: 619-205-1406
Hm: 619-670-9972
Fax: 619-205-1338
lsteav@cox.net
wk: john.smith@cdva.ca.gov
Dir. Of Public Affairs
Chula Vista Veterans Home
700 Naples St.
Chula Vista, CA 91911
Term Began: June 2004
Term Expires: May 2010
Orientation: Sept 27 2004

Jonathan Tibbitts
Director
US Navy
4215 Ridgeway
San Diego, CA 92116
Cell: 619-944-4137
Wk: 619-298-9680
Hm: 619-284-0551
Fx: 619-281-4067
jtibbon@adnc.com
Retired, PE
Off: 4452 Park Blvd. # 202
San Diego, CA 92116
Term Began: Aug 2004
Term Expires: July 2010
Orientation: Sept 27 2004

Anthony Moya
Director
Wk: 619-699-4927
Home: (619) 696-0935
moya@lhbbslaw.com
Attorney
Term Began: November 29, 2005
Orientation: January 30, 2006
Term Ends: November 29, 2008

James Waters
Director
Wk: 619-531-4040
Email: Jim.waters@sdcda.org
Deputy District Attorney
Office of the District Attorney
Hall of Justice
300 W. Broadway Street, Ste. 700
San Diego, CA 92101
Term Began: November 29, 2005
Orientation: January 30, 2006
Term Ends: November 29, 2008

Harold M. Koenig
Director
U.S. Navy
Phone: 619-281-9377
Cell: 619-885-1181
Email: eaglesct@cox.net
4933 Marlborough Drive
San Diego, CA 92116
Term Began: May 23, 2006
Orientation: July 20, 2006
Term Ends: May 23, 2009

Linda Drabek
Director
U.S. Navy
Phone: 858-271-7046
Fax: 858-271-7046

Email: Lcdrabek@aol.com
10849 Caminito Colorado
San Diego, CA 92131
Term Began: May 23, 2006
Orientation: July 20, 2006
Term ends: May 23, 2009

William A. Kowba
Director
U.S. Navy
1231 Green Orchard Place
Encinitas, CA 92024
Home: 760-753-0798
Work: 619-725-8190
Email: bkowba@aol.com
Chief Financial Officer, San
Diego Unified School District
Term Began: July 29, 2008
Term Ends: July 29, 2011
Orientation:

Officers

CEO

Phil Landis
U.S. Army
P.O. Box 28067
San Diego, CA 92198
Cell: 619-857-4444
Hm: 858-451-7445
Fax: 619-497-0263
Phil.Landis@vvsd.net

David Siegler
VP -Grants and Special Projects
3128 Mercer Lane
San Diego, CA 92122
Cell: 858-231-2064
Hm: 858-457-5336
Wk: 619-393-2077
david.siegler@vvsd.net

Andre Simpson
VP/Chief Operating Officer
4141 Pacific Highway
San Diego, CA 92110
Cell: 619-843-9429
Work: 619-393-2027
Andre.simpson@vvsd.net

Facilities

Veterans Rehabilitation Center
Corporate Office
4141 Pacific Hwy.
San Diego, CA 92110
Front Desk: 619-497-0142
Front Office Fax: 619-497-0263
Finance Office Fax: 619-497-0753

New Resolve
1207 S. Escondido Blvd.

Escondido, CA 92025
Phone: 760-745-7829
Fax: 760-740-2090

Adobe Villas
1540 S. Escondido Blvd.
Escondido, CA 92025
Phone: 760-740-2092
Mahedy House
866 24th St.
San Diego, CA 92102
Message Phone: 619-702-5239

Veterans Employment & Training -
South County (VETS)
1111 Bay Blvd.
Chula Vista, CA 91911
Phone: 619-423-3414
Fax: 619-424-1144

Focus Program
1034 North Magnolia
El Cajon, CA 92020
Phone: 619-667-9975
Fax: 619-442-1101

Solutions IV Program -
St. Vincent de Paul Village
1501 Imperial Ave.
San Diego, CA 92101
Phone: 619-233-8500 x4850 / 4851
Fax: 619-235-9707

Welcome Home Family Program
286 Euclid Ave. # 209
San Diego, CA 92114
Phone: 619-264-7401

Oceanside HVRP Program
3762 C Mission Ave.
Oceanside, CA 92054
Phone: 760-721-7071
Fax: 760-721-1157

East County Employment
1068 Broadway Ave.
El Cajon, CA 92021
Phone: 619-442-8960
Fax: 619-442-8976

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

a.

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

Amount: \$ 1 Million
Wells Fargo LOC 4365 Executive Drive, 17th Floor, SD, 92121

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

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

Amount: \$ _____

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

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
	\$ _____	\$ _____

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

Roland Cormier, Asst. V.P.
Wells Fargo, 92121 Phone: 858-622-6923

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:

<u>Bond</u> <u>Type</u>	<u>Project</u> <u>Description</u>	<u>Date of</u> <u>Completion</u>	<u>Amount</u> <u>of Bond</u>	<u>Action on</u> <u>Bond</u>
----------------------------	--------------------------------------	-------------------------------------	---------------------------------	---------------------------------

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:
Not Applicable.

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:

- 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:

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:

to be	Identification of	Date
	<u>Contract or Development</u>	<u>Location</u>
	<u>Amount</u>	<u>Completed</u>

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

<u>Awarding Agency</u>	<u>Amount</u>	<u>Date Opened</u>
------------------------	---------------	--------------------

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 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:

VVSD has completed 224 beds for homeless veterans which provide early drug treatment at 4141 Pacific Highway with the help of the San Diego Housing Commission and the Redevelopment Agency.

25. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation?
 Yes 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: See Certificates Attached.

Joe Esparza, President - All Cal. Insurance
801 Riverside Ave, Ste 105 Roseville, CA 95678 916-784-0158

- 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 *Special Form*
- Independent Contractors
- Personal Injury

- 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:

<u>Government Entity</u>	<u>Date</u>	<u>Resolution</u>
<u>Making Complaint</u>		

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:

<u>Governmental</u>	<u>Description</u>	<u>License</u>	<u>Date Issued</u>	<u>Status</u>	<u>Revocation</u>
<u>Agency</u>	<u>License</u>	<u>Number</u>	<u>(original)</u>	<u>(current)</u>	
<u>(yes/no)</u>	Residential License	370010BN	7/01/08	Yes	
Dept. Alcohol & Drug Programs	Drug Treatment				

State of California

Department of Alcohol and Drug Programs

License and Certification

In accordance with applicable provisions of the Health and Safety Code of California and its rules and regulations, and standards, the Department of Alcohol and Drug Programs hereby licenses and certifies:

VIETNAM VETERANS OF SAN DIEGO

to operate and maintain an adult residential alcohol and/or drug abuse/recovery or treatment facility using the following name and location:

**VETERANS VILLAGE OF SAN DIEGO REHABILITATION CENTER
4115, 4125, 4137 AND 4141 PACIFIC HIGHWAY
SAN DIEGO, CALIFORNIA 92110**

This license and certification extends to the following services:

**RESIDENTIAL ALCOHOL AND/OR OTHER DRUG SERVICES;
INDIVIDUAL SESSIONS; RECOVERY OR TREATMENT PLANNING;
GROUP SESSIONS; AND EDUCATIONAL SESSIONS**

Limitations or conditions are listed as follows:

Treatment/Recovery Capacity: **185**

Total Occupancy for **4137 Pacific Highway, Building 1** is limited to: **80**

Total Occupancy for **4141 Pacific Highway, Building 4** is limited to: **105**

4115 Pacific Highway, Building 3 is the Dining Hall

4125 Pacific Highway, Building 2 is the Counseling Center

(Increase in Treatment/Recovery Capacity and Total Occupancy effective as of 07/01/2008)

MALES AND FEMALES

License/Certification Number:

370010BN

Effective Date: **07/01/2008**

Expiration Date: **06/30/2010**



Ann MacSwell

Authorized Representative

Complaints regarding services provided in this facility should be directed to:
Complaint Coordinator, Program Compliance Branch
1700 K Street, Sacramento, California 95811-4037
(916) 322-2911 FAX: (916) 324-4505 E-mail: LCBcomp@adp.state.ca.us

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.

None

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.

VVSD has worked successfully with SDHC for over a decade creating hundreds of new beds and services to help homeless veterans obtain housing, sobriety, and jobs.

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:

<u>Date</u>	<u>Entity Involved (i.e., CITY COMMISSION, etc.)</u>	<u>Status (Current, delinquent repaid, etc.)</u>	<u>Dollar Amount</u>
	SDHC Forgivable Loan Phase 1 Bldg 1 – 112 West beds completed at 4141 Pacific Hwy		\$675 K
	SDHC Forgivable Loan Bldgs 112 East Wing Beds completed at 4141 Pacific Hwy		\$2.2 million
	Family Program	Operational Funding	\$57,000/Yr

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 X 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 X No

If yes, explain:

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

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

Name: Lydia Goularte, Asst Project Mgr, City of San Diego Redevelopment,
Address: __Division City Planning & Community Investment, 1200 3rd Ave, Ste
1400 MS 56D_
Phone: 619-236-6539_____

Project Name and Description: VVSD Early Transitional Housing

Name: Clay King, Chief, Social Work_____

Address: VA Medical Center, 3350 La Jolla Village Dr. San Diego, CA 92161_____

Phone: 858-552-7548_____

Project Name and Description: VA Grant & Per Diem Homeless Programs at
VVSD._____

Name: Cissy Fisher,
Cissy Fisher, Vice President, Professional Development Director of Housing Finance &
Development Department San Diego Housing Commission 1122 Broadway, Suite 300. San Diego, CA
92101, Phone: (619) 578-7356_ _____

Project Name and Description: VVSD Early Transitional 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.

VVSD has completed 224 beds for homeless veterans which provide early drug treatment at 4141 Pacific Highway with the help of the San Diego Housing Commission and the Redevelopment Agency.

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

Cornerstone CMS, Inc. Jack Haney. Mr. Haney has over 40 years of construction experience in San Diego County and is a principle of Cornerstone CMS.

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 28 day of January, 2000, at San Diego, California.

CONTRACTOR

By:

Thick Andis
Signature

President & CEO
Title

CERTIFICATION

The CONTRACTOR, Vietnam Vets San Diego, 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: Mark Landis

By: Dave Seef

Title: PRESIDENT/CEO

Title: V.P.

Dated: 1/28/2009

Dated: 1/28/09

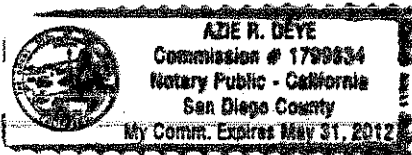
WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious or fraudulent statement or entry, in any matter within the jurisdiction or any department or agency of the United States, shall be fined not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

ATTEST:

State of California

County of SAN DIEGO

Subscribed and sworn to before me this 28 day of JANUARY, 2009.



[Signature]
Signature of Notary

Azie R. Deye
Name of Notary

SEAL

VIETNAM VETERANS OF SAN DIEGO
dba VETERANS VILLAGE OF SAN DIEGO

FINANCIAL STATEMENTS

JUNE 30, 2008

VIETNAM VETERANS OF SAN DIEGO
dba VETERANS VILLAGE OF SAN DIEGO
FINANCIAL STATEMENTS AND AUDIT REPORTS

JUNE 30, 2008

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NORTH COUNTY
13928 Misty Oak Rd.
Valley Center, CA 92082
Tel: (760) 749-6696

DOUGLAS G. GRIFFIN
CERTIFIED PUBLIC ACCOUNTANT

SAN DIEGO
3838 Camino Del Rio N., Ste. 165
San Diego, CA 92108
Tel. (619) 284-9953
Fax (619) 284-7399
doug@douglasgriffin.com

The Board of Directors
VIETNAM VETERANS OF SAN DIEGO
dba VETERANS VILLAGE OF SAN DIEGO
4141 Pacific Highway
San Diego, CA 92110

INDEPENDENT AUDITOR'S REPORT

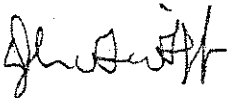
I have audited the accompanying statements of financial position of Vietnam Veterans of San Diego dba Veterans Village of San Diego (a nonprofit corporation) as of June 30, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards, and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vietnam Veterans of San Diego dba Veterans Village of San Diego as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards", I have also issued a report dated October 31, 2008 on my consideration of Vietnam Veterans of San Diego dba Veterans Village's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements of Vietnam Veterans of San Diego dba Veterans Village of San Diego taken as a whole. The accompanying schedules of revenues and expenses for operations, and support, revenue and expenses by fund and schedule of expenditures of federal awards are presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the 2008 audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



San Diego, California
October 31, 2008

VIETNAM VETERANS OF SAN DIEGO
 dba VETERANS VILLAGE OF SAN DIEGO
 COMPARATIVE STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2008 AND JUNE 30, 2007

	2008	2007
ASSETS		
Current assets		
Cash in bank	\$ 381,726	\$ -
Money market mutual fund	333,249	-
Treasury money market fund	181,543	64,169
Fund control (Vision)	205,413	-
Grants receivable	751,148	851,305
Allowance for doubtful accounts	(3,552)	(5,000)
Inventory, at cost	8,461	7,862
Other receivables	92,357	2,673
Prepaid expenses and deposits	111,072	86,152
Total current assets	<u>2,061,417</u>	<u>1,007,161</u>
Construction in progress	4,110,401	1,056,978
Property and equipment	14,329,952	14,122,385
Less accumulated depreciation	(1,248,998)	(978,149)
Net property and equipment	<u>13,080,954</u>	<u>13,144,236</u>
TOTAL ASSETS	<u>\$ 19,252,772</u>	<u>\$ 15,208,375</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 157,347	\$ 208,378
Accrued vacation, salaries and related payroll costs	245,446	170,111
Pension payable	4,079	9,053
Credit card liability	0	5,740
Deferred revenue	348,787	25,269
Bank lines of credit	312,000	20,000
Current portion of long-term debt	55,335	44,869
Total current liabilities	<u>1,122,993</u>	<u>483,420</u>
Forgivable grant-loans	6,921,804	3,549,377
Long-Term debt	<u>547,231</u>	<u>592,305</u>
Total Liabilities	8,592,028	4,625,102
NET ASSETS		
Unrestricted	10,603,959	10,529,779
Temporarily restricted	<u>56,785</u>	<u>53,494</u>
Total Net Assets	<u>10,660,744</u>	<u>10,583,273</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 19,252,772</u>	<u>\$ 15,208,375</u>

See accompanying notes to financial statements

VIETNAM VETERANS OF SAN DIEGO
dba VETERANS VILLAGE OF SAN DIEGO
COMPARATIVE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008 AND JUNE 30, 2007

	2008	2007
UNRESTRICTED NET ASSETS		
Unrestricted Revenues		
Grant revenue	\$ 5,075,774	\$ 5,113,403
Grant revenue - Vision project	420,000	100,000
Rent revenue	155,043	148,060
Food stamp revenue	39,640	40,392
Contributions	217,263	1,907,621
Donated goods and services	1,099,793	917,921
Interest	11,275	5,437
Other revenue (expense)	(4,323)	(71,731)
Total Unrestricted Support	7,014,465	8,161,103
NET ASSETS RELEASED FROM RESTRICTIONS		
Expiration of use restrictions	53,494	38,538
TOTAL UNRESTRICTED REVENUES	7,067,959	8,199,641
EXPENSES		
Program services	6,835,580	6,410,697
Supporting Services		
Management and general	142,816	89,155
Fund raising	15,382	13,581
Total Expenses	6,993,778	6,513,433
INCREASE IN UNRESTRICTED NET ASSETS	74,181	1,686,208
TEMPORARILY RESTRICTED NET ASSETS		
Contributions - Stand Down	56,785	53,494
Net assets released from restrictions		
Contributions - Stand Down	(53,494)	(38,538)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	3,291	14,956
INCREASE IN NET ASSETS	77,472	1,701,164
NET ASSETS AT BEGINNING OF YEAR	10,583,273	8,882,109
NET ASSETS AT END OF YEAR	\$ 10,660,744	\$ 10,583,273

See accompanying notes to financial statements

VIETNAM VETERANS OF SAN DIEGO
 dba VETERANS VILLAGE OG SAN DIEGO
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2008 and June 30, 2007

	2008			2007		
	Program Services	Supporting Services Management & General	Fund Raising	Program Services	Supporting Services Management & General	Fund Raising
Salaries	\$ 2,632,444	\$ 56,338	\$ -	\$ 2,511,088	\$ 19,832	\$ 835
Payroll tax & benefits	600,023	-	-	566,732	4,614	126
Building rent	240,731	1,802	-	212,974	1,719	-
Equipment rental	81,768	2,229	-	90,464	(7,231)	-
Repairs and maintenance	145,638	142	-	105,268	1,512	-
Insurance	66,737	142	293	65,719	-	-
Utilities	173,460	-	88	183,503	-	767
Telephone	76,044	1,967	-	67,138	1,716	-
Food and kitchen supplies	315,197	14,849	-	254,190	24,933	-
Participant support expenses	477,165	8,391	-	635,745	4,346	-
Contract services	127,888	-	-	127,234	-	-
Diagnostic testing	33,990	-	-	29,752	-	-
Legal and accounting	60,582	14,433	-	55,315	-	-
Fund raising	1,000	-	12,972	-	-	11,495
Other expenses	1,945	20,296	-	-	-	-
Supplies and postage	125,798	-	-	91,460	31,357	358
Training and Travel	46,862	9,819	-	51,049	(3,207)	-
Minor equipment purchased	59,304	-	-	79,271	-	-
Property taxes	4,722	-	-	172	160	332
Special events	3,545	12	-	13,443	2,630	-
Interest - bank charges	44,394	12,065	2,030	48,898	6,775	-
Licenses and permit	37,008	190	-	6,369	-	-
Redevelopment expenses	-	-	-	297,830	-	-
Depreciation	310,925	-	-	291,360	-	-
Advertising expenses	14,434	143	-	19,275	-	-
Capitalized expenses	(29,402)	-	-	(313,149)	-	-
Indirect cost allocated	82,557	-	-	-	-	-
Donated expenses	1,100,822	-	-	919,581	-	-
Total Expenses	\$ 6,835,580	\$ 142,816	\$ 15,382	\$ 6,410,697	\$ 89,155	\$ 13,581
						\$ 6,513,433

See accompanying notes to financial statements

VIETNAM VETERANS OF SAN DIEGO
dba VETERANS VILLAGE OF SAN DIEGO
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008 AND JUNE 30, 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 77,472	\$ 1,701,164
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	310,925	291,360
(Increase) Decrease in operating assets		
Accounts and grants receivable	100,157	62,056
Inventory	(599)	7,192
Prepaid expenses and deposits	(24,922)	10,449
Allowance for doubtful accounts	(1,448)	(5,000)
Other assets	(89,684)	
Fund control	(205,413)	255,408
Increase (Decrease) in operating liabilities:		
Credit card liability	(5,470)	(121)
Accounts payable and accrued expenses	(51,031)	(155,843)
Accrued vacation and related payroll	74,334	5,296
Other accrued expenses	(3,974)	-
Deferred revenue	323,518	(249,265)
Net Cash Provided by Operations	503,865	1,922,696
CASH FLOWS FROM INVESTING ACTIVITIES		
Net book adjustment for asset disposed	160,250	202,049
Purchase of property and equipment	(203,892)	(700,193)
Acquisition of donated land		(1,749,000)
Increase in construction in progress	(3,257,693)	(7,216,631)
Transfer of construction in progress	-	7,216,631
Net Cash Used by Investing Activities	(3,301,335)	(2,247,144)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of mortgages payable	(34,608)	(290,197)
Proceeds/(Payment) on line of credit	292,000	20,000
Proceeds from mortgage payable		277,757
Proceeds from forgivable loans	3,372,427	313,100
Net Cash Provided by Financing Activities	3,629,819	320,660
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	832,349	(3,788)
BEGINNING CASH AND CASH EQUIVALENTS	64,169	67,957
ENDING CASH AND CASH EQUIVALENTS	\$ 896,518	\$ 64,169
SUPPLEMENTAL DISCLOSURE OF CASH FLOW		
Taxes paid	\$ -	\$ -
Interest paid	\$ 58,489	\$ 55,673

See accompanying notes to financial statements

VIETNAM VETERANS OF SAN DIEGO
dba VETERANS VILLAGE OF SAN DIEGO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

1. SIGNIFICANT ACCOUNTING POLICIES

Method of Recognizing Income

The financial statements of the Organization are presented on the accrual method of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred. Revenue from government cost reimbursement type grants is generally recorded when the costs are billed to the granting agency. Contract advances are recorded as deferred revenue and are recognized as revenue when the related costs are expended.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Agency are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization 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. Restrictions are considered to expire when all conditions of the grant have been met for the applicable fiscal year.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experiences and management's analysis of specific promises made.

Financial Statement Presentation

The Organization follows Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit-Organizations," Under SFAS No. 117, the Organization is required 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. In addition, the Organization is required to present a statement of cash flows.

Contributions

The Organization also follows SFAS No. 116, "Accounting for Contributions Received and Contributed Made". In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Property, Furniture and Equipment

Property, furniture and equipment are stated at cost. Major renewals and improvements are capitalized and charged to expense through depreciation charges. Repairs and maintenance are charged to expense as incurred. Depreciation is provided on a straight-line basis over the estimated useful lives of depreciable assets (5 to 39 years).

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents are the total of cash in bank and the treasury money market fund in the amount of \$896,518 as of June 30, 2008 and \$64,169 as of June 30, 2007.

Inventory

Inventory consists of miscellaneous kitchen food and supplies and is valued at the lower of average cost or market.

Donated Goods and Services

The Organization records certain donated goods and services at fair value. The donated goods and services are those used as matching funds under certain government grants. Donated services are recorded only if the services enhance fixed assets or are performed by specialists or professionals.

Income Taxes

The Agency has obtained exemption from federal and state income taxes as a Code 501(c) (3) organization. Accordingly, no provision for income taxes is shown in the financial statements.

Estimates

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

2. ORGANIZATION OPERATIONS

Vietnam Veterans of San Diego dba Veterans Village of San Diego ("The Organization") is a non-profit corporation that assists veterans and certain non-veterans in San Diego County. The Organization operates various programs funded by government contracts. The programs cover a wide range of social services including drug and alcohol rehabilitation, mental and emotional health counseling, job education and training and transitional housing for homeless veterans.

The accounts receivable and grants receivable are due from the federal government and various state, local, and private agencies.

3. CASH HELD IN BANK

The Organization maintains a U.S. treasury money market fund and a money market mutual fund account at its bank in the amount of \$181,543 and \$333,249 respectively which are not federally insured. In addition, \$206,574 of the bank account balances are in excess of the \$100,000 FDIC limit.

The following is a summary of cash and cash equivalents as of June 30, 2008:

Cash in Bank	\$ 381,726
Money Market Mutual Fund	333,249
Treasury Money Market Fund	181,543
Total	<u>\$ 896,518</u>

4. GRANTS AND CONTRACTS

The Organization receives financial assistance from numerous federal, state and local government agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed expenditures resulting from such audits could become a liability of the General Fund or other applicable funds. In the opinion of Organization Management, no material reimbursement of funds will be required as a result of expenditures disallowed.

The following is a summary of the grants as of June 30, 2008:

Grantor	Type of Grant	Expiration Date	Grant Amount
<u>Operating Contracts</u>			
VEAP Southeast	Veterans Training Program	3/31/2010	\$ 500,000
VEAP Metro	Veterans Training Program	12/31/2008	\$ 500,000
VEAP Labor Council	Veterans Employment Assistance Program	5/31/2010	\$ 84,000
HVRP IVTP	Homeless Veterans Project	9/30/2007	\$ 650,000
HVRP Southeast	Homeless Veterans Project	3/31/2010	\$ 400,000
HVRP North City	Homeless Veterans Project	6/30/2008	\$ 600,000
VA ADTP-Per Diem	Supportive Housing	9/30/2008	\$ 36,500
VA Founders Program	Supportive Housing	3/31/2009	\$ 103,111
VA New Resolve-Per Diem	Supportive Housing	3/31/2009	\$ 289,224
VA Metro-Per Diem	Supportive Housing	3/31/2009	\$ 624,485
VA Family Program-Per Diem	Supportive Housing	3/31/2009	\$ 65,030
VA West Residential	Supportive Housing	3/31/2009	\$ 525,059
VA CMI	Veterans Rehabilitation	9/30/2009	\$ 450,000
VA Women Homeless Vets	Supportive Housing	9/30/2009	\$ 245,000
St. Vincent's VA Grant	Supportive Housing	3/31/2008	\$ 226,763
St. Vincent's HUD SOL V	Supp. Serv. Homeless St. Vincent	1/31/2009	\$ 49,319
St. Vincent's HUD SOL I	Supp. Serv. Homeless 24th Street	4/30/2009	\$ 84,000
H.U.D. Metro	Supportive Housing	3/31/2009	\$ 202,850
H.U.D. New Resolve	Supportive Housing	3/31/2009	\$ 209,600
H.U.D. El Cajon Focus	Supportive Housing	3/31/2010	\$ 64,430
H.U.D. El Cajon Disab	Supportive Housing	3/31/2009	\$ 150,000
Mental Health Systems	Parolee Partnership Prog.-Residential-PH	6/30/2008	\$ 96,450
Mental Health Systems	Parolee Partnership Prog.-New Resolve	6/30/2008	\$ 25,922
Mental Health Systems	Parolee Partnership-NR-SL	6/30/2009	\$ 14,520
Mental Health Systems	SASCA-Substance abuse- Residential - PH	6/30/2009	\$ 150,240
Mental Health Systems	SASCA-Substance abuse- Outpatient- New Resolve	6/30/2009	\$ 3,955
Mental Health Systems	SASCA- Sober Living- New Resolve	6/30/2009	\$ 7,945
Recently Separated	Veterans Training Program	3/31/2008	\$ 250,000
San Diego County	Prop.36 Treatment Pgm-Residential	6/30/2009	\$ 239,550
San Diego County	County Prop. 36 Drug Testing	6/30/2009	\$ 16,825
San Diego County	Alcohol & Drug services	6/30/2009	\$ 328,580
San Diego County	Prop. 36 Dual Diagnosis	6/30/2009	\$ 90,000
San Diego County	County OTP	6/30/2009	\$ 140,000
Welcome Home Fam. Prog.	SD Housing Comm.	6/30/2009	\$ 57,000
Winter Shelter	Homeless Veterans Shelter-Operations	4/2/2008	\$ 216,000
Winter Shelter	Homeless Veterans Shelter-Construction	4/14/2008	\$ 28,000
Family Health Center	Homeless Veterans - Medical care	12/31/2008	\$ 63,500
Warrior Tradition	CA Com Foundation	3/14/2011	\$ 940,217
County of San Diego	Vision Project	6/30/2008	\$ 50,000
SDHC	Vision Project	6/30/2008	\$ 745,575

5. PROPERTY AND EQUIPMENT

A summary of the property and equipment amounts as of June 30, 2008 is as follows:

	Imperial	24th St.	Pacific Highway	New Resolve	Other	Totals
Vehicles	\$ -	\$ -	\$ 134,317	\$ 17,473	\$ -	\$ 151,790
Furniture & Eq.	6,479		766,527	44,526	19,010	836,542
Bldg & Lease Imp.	298,869	41,420	-	369,775		710,064
Building	202,696	208,439	7,854,554	447,307	138,975	8,851,971
Land	60,308	67,750	3,504,027	147,500	-	3,779,585
Subtotal	568,352	317,609	12,259,425	1,026,581	157,985	14,329,952
Less Accum. Dep.	(92,615)	(70,681)	(805,316)	(264,483)	(15,903)	(1,248,998)
Net Ppty & Eq.	\$ 475,737	\$ 246,928	\$ 11,454,109	\$ 762,098	\$ 142,082	\$ 13,080,954

VVSD acquires property for Veteran Rehabilitation Services using grants from various federal, state and local funding sources subject to operating requirements imposed by donor agencies. Continued operations of the sites for specified charitable purposes over various required number of years is a condition for making grants non-refundable. If operations were ceased, some equity funding grants would have to be repaid.

6. LEASES

The Organization leased its Pacific Highway headquarters consisting of general office space and motel-type housing facilities until May 5, 2007.

In September of 2000 the property in which the Organization's headquarters was located was condemned by the City of San Diego as part of a land reorganization related to the federal military base closure program. This coincided with the end of the lease term for that property, September 14, 2000.

Effective September 14, 2000, the City of San Diego entered into a month-to-month lease with Vietnam Veterans of San Diego. This agreement continued until the Organization obtained all the funding to complete phase one of the Vision project (see note 11). In August 2004, the City of San Diego transferred title of this property to the Redevelopment Agency of the City of San Diego (the "Agency"). The Agency has transferred the title of the land for Phase I to the Organization and on May 4, 2007 transferred title to the land for Phase II. In the interim period, the Organization obtained a three year lease for \$130 per month beginning September 4, 2004 and ending September 15, 2007. The lease was terminated by the Agency on September 15, 2007.

The Organization holds seven long-term operating leases for various program facilities. These are summarized as follows:

<u>Location</u>	<u>Monthly Rent</u>	<u>Expiration Date</u>
Kurtz Street	\$ 9,471	7/1/2013
Family Program-Office	\$ 2,054	Month to month
No. City-Oceanside	\$ 1,704	7/31/2009
East County-El Cajon	\$ 1,025	1/1/2011
South Bay	\$ 1,500	6/30/2009
Escondido-Office	\$ 3,500	4/30/2010

The minimum future rentals under the above described leases are:

<u>Fiscal year ending:</u>		
2009	\$	165,000
2010	\$	121,256
2011	\$	84,423
2012	\$	72,252
2013	\$	72,252

Total rent expense under these and operating leases was \$242,532 for the year ended June 30, 2008.

7. RETIREMENT PLAN

On January 1, 1999 the organization adopted a 403(b) tax deferred annuity plan. All full-time employees are eligible and may defer up to 20% of salary with a maximum of \$15,000 per year deferral. The organization may make discretionary contributions to the plan based on salaries. The contribution rate for the year ended June 30, 2008 was 3%. All employer contributions are 100% vested. The total employer contribution for the year ended June 30, 2008 was \$60,142.

8. LONG-TERM DEBT

As of June 30, 2008 the long-term debt of the Organization is as follows:

<u>Description</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Mo. Payment</u>	<u>Total Principal</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Mortgage on Kurtz Street Ppty						
Serv-Pac	10/1/2023	8.000%	\$ 2,802	\$ 295,719	\$ 9,447	\$ 286,272
Mortgage on 24th Street Ppty:						
Wells Fargo	3/15/2017	7.250%	3,314	256,090	21,668	234,422
Toshiba	2/24/2012	0.000%	313	15,525	3,756	11,769
Leaf Financia	8/10/2009	18.530%	846	10,574	8,921	1,653
Credit Lease Tr	5/11/2010	7.947%	1,376	24,658	11,543	13,115
Total Long-Term Debt				\$ 602,566	\$ 55,335	\$ 547,231

Assets with a carrying value of approximately \$818,976 have been pledged as collateral for the above loans.

Maturities of long-term debt over the next five years are as follows:

Fiscal year ending:	Maturities
2008	\$ 55,335
2009	50,097
2010	50,772
2011	37,420
2012	40,321
Later years	423,956
Total	<u>\$ 602,566</u>

9. LINES OF CREDIT

The Organization maintains two revolving lines of credit with its bank in the amount of \$350,000 and \$1,000,000. The interest rate on the first line of credit is the bank prime rate; plus .5%. The rate at June 30, 2008 was 5.50%. There was a \$35,000 balance due on this line as of June 30, 2008. The second line of credit is to be used only for the Vision project and is collateralized by a first trust deed on the Escondido New Resolve property. The interest rate on this line is prime rate plus an interest rate spread based on the appraised/tax evaluation value of the property. The rate at June 30, 2008 was 5.25%. There was a \$ 277,000 balance due in this line as of June 30, 2008. These lines of credit are also collateralized by a security interest in the general assets of the Organization.

10. DONATED GOODS, SERVICES AND LABOR

During the year ended June 30, 2008 revenue of \$1,098,900 was recognized for donated goods, services and labor. The total consists of \$164,500 for donated goods and services and \$934,400 for donated labor. The Stand Down Program and the Pacific Highway facility recorded \$756,450 of donated labor. This labor represents specialized skills. \$342,631 of donated labor for Stand Down and general fund was not recorded in the financial statements because it was not specialized skills.

The New Resolve Project recorded \$107,700 of donated labor for therapist counseling and other volunteer services.

11. VISION PROJECT

The Organization is currently renovating its Pacific Highway grounds and buildings (Vision Project). Phase I of the renovation was new construction to build a 112 bed transitional housing facility, dining, counseling center and office space. The City of San Diego (the City) has approved a Conditional Use Permit, CUP, for the adjacent street property and the City has donated title of the Street property to the Organization. The donation was recorded as an asset (land) and a related contribution to the Vision project at an appraised value of \$1,650,000 as of December 29, 2004. Construction at this site is completed and in operation.

Phase 2 of the Vision project is to make improvements to the headquarters offices and the existing 87 bed facility including an increase to the total number of beds to 112. The City of San Diego has approved the Disposition and Development Agreement, ("DDA"). This agreement is between the Organization and the City of San Diego Redevelopment Agency (the "Agency"). In August, 2004 the City transferred title of the Organization's Pacific Highway headquarters offices, consisting of general office space and housing facilities to the Agency. The City has donated the title of the Phase II land to the Organization on May 4, 2007. The donation was recorded as an asset (land) and a related contribution to the Vision project at an appraised value of \$ 1,749,000 as of May 4, 2007. Phase II is scheduled to be completed and occupied on or before May 1, 2009 (see note 14.)

If the Organization fails to develop, maintain or use the property as agreed upon, the property will transfer back to the Agency. Phase II construction has been financed by a \$ 4,234,526 forgivable loan from San Diego Housing Commission. This loan is divided in three parts: 1) Phase II Grant Note of \$ 745,575 is a special HUD EDI funding , 2) Phase II forgivable Note for \$ 2,768,951 and 3) Phase II Balloon Note of \$ 720,000 with 3% percent interest for 65 years. Phase III construction will also be financed by another grant from Redevelopment Agency for \$ 4,350,000 of which approximately \$2,900,000 will be used to purchase the existing leased land and building on Kurtz Street and the remainder will be used for the construction of transitional housing.

The Organization also received a grant from the Department of Housing and Community Development for \$1,000,000 for the construction of Phase II.

Phase 3 of the Vision project is the acquisition and construction of additional property located near the Organization's headquarters. This property will be used to build two bedroom transitional housing units, counseling facilities, a donation warehouse and required parking. The Organization has already acquired some of this property.

The Organization has been awarded grants and loans to be used for the development costs associated with this project. For the year ended June 30, 2008, the amounts received and paid during the year and cumulative for the Vision Project's development costs are as follows:

	<u>Amount</u>	<u>6/30/2008 Receipt</u>	<u>Cumulative Receipt</u>
North Bay Development Agency-grant	\$ 575,000	\$ -	\$ 575,000
Dept of Veteran's Affairs-grant	\$ 828,000	\$ -	\$ 828,000
Centre City Development Corp-grant	\$ 1,250,000		\$ 1,250,000
Centre City Development Corp-loan	\$ 1,000,000		\$ 1,000,000
Emergency Housing & Assistance-loan	\$ 1,000,000	\$ 100,000	\$ 1,000,000
Emergency Housing & Assistance-loan	\$ 1,000,000	\$ 932,377	\$ 932,377
Dept of Veteran's Affairs-grant	\$ 620,000		\$ 581,960
Dept of Veteran's Affairs-grant	\$ 57,000	\$ -	\$ 57,000
County of San Diego	\$ 215,000	\$ 50,000	\$ 215,000
FHLB of San Francisco - Loan	\$ 896,000		\$ 896,000
Dept of Housing & Urban Dev -grant	\$ 72,168		\$ 72,168
San Diego Housing Commission - Loan	\$ 675,000		\$ 675,000
San Diego Housing Commission - Loan	\$ 745,575	\$ 667,199	\$ 745,575
San Diego Housing Commission - Loan	\$ 3,488,951	\$ 1,672,852	\$ 1,672,852
Dept of Veteran's Affairs-grant	\$ 1,170,000	\$ 320,000	\$ 320,000
Various other funding sources	\$ 50,000	\$ 50,000	\$ 50,000
	<u>\$ 13,642,694</u>	<u>\$ 3,782,428</u>	<u>\$ 10,870,932</u>

12. FORGIVABLE GRANTS-LOANS

Centre City Development Corporation (CCDC)

In conjunction with Phase I of the Vision Project, the Organization has signed a note with the Centre City Development Corporation (a division of the City of San Diego Redevelopment Agency) in the amount of \$1,000,000. The term of the note is 55 years and has an initial interest rate of 6%, which was subsequently reduced to zero. The note and any related interest is only payable upon non-compliance by the Organization, including the required continued operation as a rehabilitation facility. It is forgivable after 55 years if all covenants have been complied with. The Organization intends to follow all covenants set forth. As of June 30, 2008 no payments are due on this note.

Emergency Housing and Assistance Program (EHAP)

The organization has received two \$1,000,000 EHAP deferred loan awards from Emergency Housing and Assistance Program. These are forgivable loans. Repayment of these loans and related interest will be deferred as long as the Development is used for a emergency shelter or transitional housing. In the event of departure from above condition, the State will terminate the loan and will require immediate repayment of all outstanding principal and accrued interest. The Organization does not intend to change their use. This loan carries an interest of 3.0% and is collateralized by a first deed of trust against the Development Property. As of June 30, 2008 the Organization has received \$1,932,377 as proceeds from these loans.

San Diego Housing Commission (SDHC)

The organization has received a \$ 675,000 Housing Commission forgivable loan. This is a 65 year forgivable loan. Repayment and related interest for this loan will be deferred as long as the property is used for homeless veterans and includes other income restrictions set forth in the loan provisions. The organization has the full intention to comply with the loan provisions. This loan carries an interest of 3% and is collateralized by a second deed of trust against the Development Property. As of June 30, 2008 the organization has received the total loan in the amount of \$675,000.

Federal Home Loan Bank of San Francisco

The agency received \$ 896,000 of a Construction Grant from the Federal home loan bank of San Francisco conditioned as a forgivable loan. The loan term is for 15 years. This loan will be forgivable in 15 years as long as the loan proceeds are used for the provisions set forth by the Affordable Housing Commission. The Organization intends to follow all loan provisions. As of June 30, 2008 the organization has received \$896,000.

San Diego Housing Commission (SDHC)

The Organization has received \$ 4,234,526 of a Construction forgivable loan award from the San Diego Housing Commission. The above loan is divided in two parts: 1) \$745,575 HUD EDI Funding , 2) Balloon note for \$3,488,951. The loan term is for 65 years with 3% interest. This loan will be forgivable in 65 years as long as the loan proceeds are used for the provisions set forth by the Housing Commission. The Organization intends to follow all loan provisions. As of June 30, 2008 the organization has received in total \$2,418,427.

Forgivable loans balance as of June 30, 2008:

City of San Diego Redevelopment Agency	\$ 1,000,000
Emergency Housing & Assistance Program	\$ 1,000,000
San Diego Housing Commission	\$ 675,000
Federal Home Loan Bank of San Francisco	\$ 896,000
San Diego Housing Commission	\$ 1,672,852
Emergency Housing & Assistance Program	\$ 932,377
San Diego Housing Commission	\$ 745,575
Total	<u>\$ 6,921,804</u>

13. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are contributions available for the following purposes or periods:

Stand Down 2008	\$ <u>56,785</u>
Total temporarily restricted net assets	<u>\$ 56,785</u>

VIETNAM VETERANS OF SAN DIEGO
dba VETERANS VILLAGE OF SAN DIEGO

SUPPLEMENTAL SCHEDULES

JUNE 30, 2008

VIETNAM VETERANS OF SAN DIEGO
 dba VETERANS VILLAGE OF SAN DIEGO
 SUPPLEMENTAL SCHEDULE #1 - SCHEDULE OF REVENUES & EXPENSES FOR OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Total</u>	<u>Vision</u>	<u>Operations</u>
UNRESTRICTED NET ASSETS			
Support			
Grant revenue	\$ 5,075,774		\$ 5,075,774
Grant revenue -Vision project	420,000	420,000	
Rent revenue	155,043	48	154,994
Food stamp revenue	39,640		39,640
Contributions	217,263	10,000	207,263
Donated goods and services	1,099,793	-	1,099,793
Interest	11,275	1,681	9,594
Other revenue	(4,323)	(160,250)	155,927
Total Unrestricted Support	<u>7,014,465</u>	<u>271,480</u>	<u>6,742,984</u>
Assets released from restrictions	<u>53,494</u>	<u>-</u>	<u>53,494</u>
Increase in Unrestricted Net Assets	<u>\$ 7,067,959</u>	<u>\$ 271,480</u>	<u>\$ 6,796,478</u>
EXPENSES			
Program services	6,835,580	25,741	6,809,839
Supporting Services			
Management and general	142,816	-	142,816
Fund raising	<u>15,382</u>	<u>-</u>	<u>15,382</u>
Total Expenses	<u>6,993,778</u>	<u>25,741</u>	<u>6,968,037</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>\$ 74,181</u>	<u>\$ 245,739</u>	<u>\$ (171,558)</u>

VIETNAM VETERANS OF SAN DIEGO
 dba VETERANS VILLAGE OF SAN DIEGO
 SUPPLEMENTAL SCHEDULE #2 - SUPPORT, REVENUE AND EXPENSES BY FUND
 FOR THE YEAR ENDED JUNE 30, 2008

	WIA		HVRP		HUD		County of		MHS		VA		HUD		Subtotal
	Metro	Metro	Metro	Metro	San Diego	San Diego	Operations	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	
PROGRAM SERVICES															
REVENUES															
Grant revenue	\$ 422,993	\$ 548,477	\$ 149,860	\$ 682,364	\$ 299,032	\$ 2,119,886	\$ 69,169	\$ 4,291,781							
Rent revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food stamp revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donated Goods and Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	422,993	548,477	149,860	682,364	299,032	2,119,886	69,169	4,291,781							
EXPENSES															
Salaries	173,724	198,702	50,046	386,184	164,865	1,153,557	42,077	2,169,154							
Payroll taxes and benefits	35,932	45,359	11,753	88,907	43,872	260,698	10,609	497,130							
Building rent	38,675	41,169	-	21,780	9,109	95,686	-	206,420							
Equipment rental	1,334	1,057	2,111	7,621	2,101	21,361	-	35,585							
Repairs and maintenance	4,746	2,951	9,005	17,883	6,195	73,427	1,386	115,593							
Insurance	2,821	1,269	6,859	9,161	2,300	28,907	-	51,316							
Utilities	3,825	3,786	15,302	21,928	9,137	84,626	-	138,504							
Telephone	1,645	4,142	11,617	10,341	3,410	33,341	-	64,495							
Food and kitchen supplies	360	142	28,005	42,038	16,400	118,548	4,345	209,838							
Participant support expenses	145,093	203,784	33	15,772	7,012	36,216	6,630	414,541							
Contract services	575	5,282	1,861	5,194	11,501	42,062	-	66,574							
Diagnostic testing	41	3	-	19,248	4,322	9,126	190	32,931							
Legal and accounting	2,422	7,355	1,004	9,291	3,732	31,927	-	55,731							
Fundraising	-	-	212	-	-	-	-	212							
Other expenses	-	-	-	-	-	-	-	-							
Office supplies and postage	7,541	13,659	9,397	15,627	6,180	41,328	6,450	100,183							
Travel	1,618	5,405	1,564	6,675	3,087	23,618	1,376	43,344							
Minor equipment purchased	2,173	7,265	857	4,334	3,644	30,298	-	48,572							
Property taxes	232	448	180	858	309	2,255	-	4,282							
Special events	63	-	-	598	551	1,590	-	2,801							
Interest and bank charges	-	3	20	68	19	172	-	281							
Bad debts	-	-	-	-	-	-	-	-							
Licenses & Permit	6	77	208	733	295	30,683	175	32,177							
Redevelopment expenses	-	-	-	-	-	-	-	-							
Depreciation expense	20,782	-	9,532	34,036	31,402	191,283	-	287,035							
Rehabilitation - expenses	-	-	-	-	-	-	-	-							
Rehabilitation - Capitalized	-	-	-	-	-	-	-	-							
Grant reimbursement	-	-	-	-	-	-	-	-							
Advertising	4,333	6,129	39	434	75	2,644	-	13,654							
Indirect cost allocated	-	230	4,971	-	-	1,868	6,725	13,794							
Donated Expenses	-	-	-	-	-	-	-	-							
Total Expenses	447,942	548,221	164,575	718,711	329,517	2,315,219	79,965	4,604,149							
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ (24,949)	\$ 257	\$ (14,715)	\$ (36,347)	\$ (30,485)	\$ (195,333)	\$ (10,796)	\$ (312,368)							

VIETNAM VETERANS OF SAN DIEGO
 dba VETERANS VILLAGE OF SAN DIEGO
 SUPPLEMENTAL SCHEDULE #2 - SUPPORT, REVENUE AND EXPENSES BY FUND
 FOR THE YEAR ENDED JUNE 30, 2008

PROGRAM SERVICES	Subtotal from pg. 1	St. Vincents		HUD Escordido	HUD Focus El Cajon	Program Income	General and Plant	Warrior Tradition	SDHC Family	Subtotal
		HUD	Escordido							
REVENUES	\$ 4,291,781	\$ 132,422	\$ 133,504	\$ 133,504	\$ 32,655	\$ -	\$ -	\$ 15,798	\$ 57,000	\$ 4,723,160
Grant revenue	-	-	-	-	-	154,936	59	-	-	154,994
Rent revenue	-	-	-	-	-	-	39,640	-	-	39,640
Food stamp revenue	-	-	-	-	-	-	192,745	-	-	207,163
Contributions	-	-	-	-	-	178,821	920,372	-	-	1,099,793
Donated Goods and Services	-	-	-	-	-	-	9,584	-	-	9,584
Interest income	-	-	-	-	-	120	144,567	-	-	144,687
Other income & special event	-	-	-	-	-	-	-	-	-	-
Total revenues	4,291,781	132,422	133,504	133,504	32,655	349,294	1,306,567	15,798	57,000	6,379,020
EXPENSES										
Salaries	2,169,154	75,534	73,448	73,448	17,392	67,601	56,338	8,686	12,179	2,480,333
Payroll taxes and benefits	497,130	18,409	19,617	19,617	4,342	14,558	(1,256)	1,545	2,192	556,538
Building rent	206,420	-	-	-	-	6,217	1,802	189	21,195	235,823
Equipment rental	35,585	2,425	89	89	-	1,060	(949)	44	135	38,388
Repairs and maintenance	115,593	8	924	924	-	18,977	433	49	7,376	143,360
Insurance	51,316	9,084	4,834	4,834	-	691	-	45	99	66,069
Utilities	138,504	-	6,829	6,829	-	13,551	-	29	8,923	167,836
Telephone	64,495	-	5	5	153	4,530	1,967	77	4,073	75,300
Food and kitchen supplies	209,838	13,486	10,170	10,170	1,215	38,462	14,849	2	-	296,024
Participant support expenses	414,541	646	27,936	27,936	8,768	3,105	962	-	-	455,957
Contract services	66,574	-	41,170	41,170	-	901	-	-	-	108,645
Diagnostic testing	32,931	-	-	-	48	892	-	-	0	33,990
Legal and accounting	55,731	1,264	208	208	-	2,151	14,433	36	442	74,264
Fundraising	212	-	-	-	-	-	13,760	-	-	13,972
Other expense	-	-	-	-	-	-	20,296	-	-	20,296
Office supplies and postage	100,183	6,394	18	18	326	3,076	9,808	149	344	120,299
Travel	43,344	25	138	138	363	1,222	8,118	1,124	142	54,476
Minor equipment purchased	48,572	5,146	-	-	-	131	0	3,260	57	57,166
Property taxes	4,282	-	-	-	-	294	-	4	-	4,635
Special events	2,801	-	-	-	-	743	-	-	-	3,556
Interest and bank charges	281	-	-	-	-	20,028	12,065	-	-	32,375
Bad debts	-	-	-	-	-	-	-	-	-	-
Licenses and permits	32,177	-	-	-	48	4,724	130	-	7	37,146
Redevelopment expenses	-	-	-	-	-	-	-	-	-	-
Depreciation expense	287,035	7,581	13,990	13,990	-	-	-	-	-	310,926
Rehabilitation - expenses	-	-	-	-	-	-	-	-	2,320	-
Rehabilitation - Capitalized	-	-	-	-	-	-	(28,285)	-	-	(28,285)
Grant reimbursement	-	-	-	-	-	-	-	-	-	-
Advertising	13,654	-	-	-	-	(6)	143	525	(4)	14,312
Indirect cost allocated	13,794	12,785	14,217	14,217	2,618	-	-	5	10	43,429
Donated Expenses	-	-	-	-	-	177,750	923,072	-	-	1,100,822
Total Expenses	4,604,149	152,788	221,711	221,711	35,272	380,659	1,047,718	15,765	59,549	6,317,671
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ (312,368)	\$ (20,366)	\$ (23,207)	\$ (23,207)	\$ (2,618)	\$ (31,365)	\$ 258,789	\$ 33	\$ (2,549)	\$ (138,651)

VIETNAM VETERANS OF SAN DIEGO
 dba VETERANS VILLAGE OF SAN DIEGO
 SUPPLEMENTAL SCHEDULE #2 - SUPPORT, REVENUE AND EXPENSES BY FUND
 FOR THE YEAR ENDED JUNE 30, 2008

Page 3 of 3

PROGRAM SERVICES REVENUES	Subtotal from Pg. 2	Winter Shelter	Recently Sep. Project	United May	Family Health Ctr	Vision Project	Total All Funds
Grant revenue	154,994	-	91,853	-	61,478	420,000	5,495,774
Rent revenue	39,640	-	-	-	-	48	155,043
Food stamp revenue	207,163	100	-	-	-	10,000	39,640
Contributions	1,099,793	-	-	-	-	-	217,263
Donated Goods and Services	9,584	-	-	-	-	1,681	1,099,793
Interest income	144,687	-	-	-	-	(149,040)	11,275
Other income	6,379,020	199,383	91,853	-	61,478	282,690	(4,323)
Total revenues							7,014,465
EXPENSES							
Salaries	2,480,333	117,459	42,336	-	47,694	960	2,688,782
Payroll taxes and benefits	556,538	22,798	10,559	-	10,034	95	600,023
Building rent	235,823	-	6,655	-	55	-	442,532
Equipment rental	38,388	45,405	-	-	204	-	83,997
Repairs and maintenance	143,360	1,937	483	-	-	-	145,780
Insurance	66,069	472	48	-	169	413	67,171
Utilities	167,836	3,676	1,150	-	398	488	173,547
Telephone	75,300	1,666	893	-	152	-	78,011
Food and kitchen supplies	296,024	34,018	-	-	4	-	330,046
Participant support expenses	455,957	3,033	26,549	-	17	-	485,556
Contract services	108,645	18,956	287	-	-	-	127,888
Diagnostic testing	33,990	-	-	-	-	-	33,990
Legal and accounting	74,264	-	296	-	455	-	75,015
Fundraising	13,972	-	-	-	-	-	13,972
Other expenses	20,296	-	-	-	-	-	22,242
Office supplies and postage	120,299	2,849	2,063	-	-	1,945	125,798
Travel	54,476	438	1,485	-	283	-	56,681
Minor equipment purchased	57,166	-	1,137	-	1,002	-	59,304
Property taxes	4,635	-	-	-	86	-	4,722
Special events	3,556	-	-	-	-	-	3,556
Interest and bank charges	32,375	-	-	-	-	26,117	58,489
Bad debts	-	-	-	-	-	-	0
Licenses and permits	37,146	-	-	-	-	-	37,198
Redevelopment expenses	-	-	-	-	-	-	-
Depreciation expense	310,926	-	-	-	-	-	310,925
Rehabilitation - expenses	-	-	-	-	-	-	-
Rehabilitation - Capitalized	(28,265)	-	(1,137)	-	-	-	(29,402)
Grant reimbursement	-	-	-	-	-	-	-
Advertising	14,312	134	-	-	131	-	14,577
Indirect cost allocated	43,429	33,901	5,227	-	-	-	82,557
Donated Expenses	1,100,822	-	-	-	-	-	1,100,822
Total Expenses	6,517,671	286,741	98,030	-	61,323	30,018	6,993,778
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ (138,651)	\$ (87,358)	\$ (6,177)	\$ -	\$ 155	\$ 252,672	\$ 20,687

Vietnam Veterans of San Diego
 dba Veterans Village of San Diego
 Supplemental Schedule #3 - Schedule of Expenditures of Federal Awards
 for the year ended June 30, 2008

Page 1 of 2

Federal Grantor/ Program Title	Contracting Agency	Federal Statute	CFDA Number	Contract Number	Contract Term	Program Award	Program Revenue	Program Expenses
U.S. Department of Labor								
Recently Separated Vets(2)	Workforce Partnership	WIA	17.802	400-26	06-01-06 - 03-31-08	\$ 250,000	\$ 91,853	\$ 92,989
Subtotal						250,000	91,853	92,989
VEAP Labor Council(1)(2)	Employment Dev Dept	WIA	17.258	MOU	6-01-08 - 5-31-10	84,000	3,500	3,512
VENP Metro(1)(2)	Employment Dev Dept	WIA	17.258	E764683	02-01-07 - 12-31-08	500,000	290,754	290,775
VENP South East(1)(2)	Employment Dev Dept	WIA	17.258	R659724	03-01-08 - 03-31-10	500,000	128,738	132,110
Subtotal						1,084,000	422,992	427,397
HVRP IVEP (1)(2)	U.S. Dept of Labor	McKinney Act	17.805	S-9-S-4-0041	07-01-07 - 09-30-07	650,000	50,000	50,000
HVRP North City (1)	U.S. Dept of Labor	McKinney Act	17.805	E-9-S-6-0027	07-01-07 - 06-30-08	600,000	306,697	306,697
HVRP South East(1)(2)	U.S. Dept of Labor	McKinney Act	17.805	HV-16414-07-60-5-6	07-01-07 - 06-30-09	400,000	191,780	191,780
Subtotal						1,650,000	548,477	548,477
Allocated Depreciation								
Total - U.S. Department of Labor						\$ 2,984,000	\$ 1,063,222	\$ 1,089,645
U.S. Department of Veterans Affairs								
Women Homeless Vets(1)(2)	V.A. Medical Center	McKinney Act	64.024	07R-305-CA	01-01-08 - 09-30-09	\$ 245,000	\$ 144,948	\$ 144,948
ADFP (1)(2)	V.A. Medical Center	MHAA	64.024	V664P-4090	07-01-98 - 09-30-08	78,125	78,125	78,239
Founders Program (1)(2)	V.A. Medical Center	McKinney Act	64.024	96-180-CA	04-01-08 - 03-31-09	103,111	103,111	103,867
Escondido per diem (1)(2)	V.A. Medical Center	McKinney Act	64.024	95-066-CA	04-01-08 - 03-31-09	289,224	289,224	289,404
Metro per diem (1)(2)	V.A. Medical Center	McKinney Act	64.024	02-052-CA	04-01-08 - 03-31-09	624,485	624,485	629,908
Family Egm per diem (1)(2)	V.A. Medical Center	McKinney Act	64.024	98-0058-CA	04-01-08 - 03-31-09	65,030	65,030	65,473
St. Vincent Ge Paul (1)	V.A. Medical Center	McKinney Act	64.024	MOU	07-01-06 - 06-30-07	226,763	226,763	224,573
West Residential (1)(2)	V.A. Medical Center	McKinney Act	64.024	01-041-CA	04-01-08 - 03-31-09	525,059	525,059	526,254
VA CME (1)(2)	V.A. Medical Center	McKinney Act	64.024	07-356-CA	01-01-08 - 09-30-09	450,000	63,139	63,139
Subtotal						2,606,797	2,119,884	2,125,805
Allocated Depreciation								
Total - U.S. Department of Veterans Affairs						\$ 2,606,797	\$ 2,119,884	\$ 2,117,088

VETERANS VILLAGE OF SAN DIEGO
 dba VETERANS VILLAGE OF SAN DIEGO
 SUPPLEMENTAL SCHEDULE #3 - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2008

Federal Grantor/ Program Title	Contracting Agency	Federal Statute	CDA Number	Contract Number	Contract Term	Program Award	Program Revenue	Program Expenses
U.S. Department of Housing and Urban Development								
HUD Sol IV (1) (2)	HUD - St. Vincent	McKinney Act	14.235	CA168701010	02-01-08 - 01-31-09	\$ 49,319	\$ 45,866	\$ 49,723
HUD Sci 2-V (1) (2)	HUD	McKinney Act	14.235	CA168681006	05-01-08 - 04-30-09	84,000	87,356	87,356
HUD - Metro (1) (2)	HUD	McKinney Act	14.235	CA168681004	04-01-08 - 03-31-09	202,850	149,860	154,831
New Resolve Esc. (1) (2)	HUD - County	McKinney Act	14.235	CA168710017	04-01-08 - 03-31-09	209,600	193,504	207,720
HUD-EI Cajon Focus (1) (2)	HUD - County	McKinney Act	14.235	CA168701012	04-01-08 - 03-31-09	64,430	32,655	35,273
HUD-EI Cajon Disab (1) (2)	HUD - County	McKinney Act	14.235	CA168710009	04-01-08 - 03-31-09	301,164	62,169	75,894
Subtotal						911,363	577,610	610,797
Winter Shelter - OP (2)	Emergency Shelter	McKinney Act	14.231	C-14467	11-28-07 - 04-02-08	216,000	213,603	242,397
Winter Shelter - Cons. (2)	Emergency Shelter	McKinney Act	14.231	C-14467	10-17-07 - 04-14-08	38,000	39,183	44,280
Subtotal						254,000	252,786	286,677
Allocated depreciation								17,113
Total - U.S. Department of Housing and Urban Development						\$ 1,165,363	\$ 830,396	\$ 914,587
U.S. Department of Health and Human Services								
Alcohol & Drug Svs (1) (2)	County of San Diego	CSAF	93.959	44782	07-01-07 - 06-30-08	\$ 814,955	\$ 682,364	\$ 585,093
Subtotal						814,955	682,364	685,093
Family Health Centers (2)	FRCSO	Public Health Services Act	93.151	MOV	01-01-08 - 12-31-08	63,500	61,478	61,656
Subtotal						63,500	61,478	61,656
Allocated depreciation								34,036
Total - U.S. Department of Health and Human Services						\$ 878,455	\$ 743,842	\$ 780,785
Grand Total						\$ 7,634,615	\$ 4,757,444	\$ 5,102,105

Notes

(1) Major federal program - programs with expenditures in excess of \$300,000 per CFDA number total.
 (2) Some grant awards are for fiscal periods other than June 30, 2008, and some renew on an annual basis.
 The program revenues and expenses reported above are only those incurred during the year ended June 30, 2008.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
VIETNAM VETERANS OF SAN DIEGO
dba VETERANS VILLAGE OF SAN DIEGO

I have audited the financial statements of Vietnam Veterans of San Diego dba Veterans Village of San Diego (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued my report thereon dated October 31, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Vietnam Veterans of San Diego dba Veterans Village of San Diego's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Vietnam Veterans of San Diego dba Veterans Village of San Diego's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliable in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

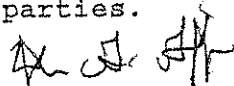
A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vietnam Veterans of San Diego dba Veterans Village of San Diego's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the audit committee, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



San Diego, California
October 31, 2008

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Vietnam Veterans of San Diego
dba Veterans Village of San Diego

Compliance

I have audited the compliance of Vietnam Veterans of San Diego dba Veterans Village of San Diego (a nonprofit organization) with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2008. Vietnam Veterans of San Diego dba Veterans Village of San Diego's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Vietnam Veterans of San Diego dba Veterans Village of San Diego management. My responsibility is to express an opinion on Vietnam Veterans of San Diego dba Veteran Village of San Diego's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Vietnam Veterans of San Diego dba Veterans Village of San Diego's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Vietnam Veterans of San Diego dba Veterans Village of San Diego's compliance with those requirements.

In my opinion Vietnam Veterans of San Diego dba Veterans Village of San Diego complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Vietnam Veterans of San Diego dba Veterans Village of San Diego is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Vietnam Veterans of San Diego dba Veterans Village of San Diego's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Vietnam Veterans of San Diego dba Veterans Village of San Diego internal control over compliance.

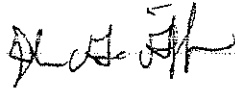
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

Vietnam Veterans of San Diego dba Veterans Village of San Diego's response to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit Vietnam Veterans of San Diego dba Veterans Village of San Diego's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, others within the entity, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



San Diego California
October 31, 2008

VIETNAM VETERANS OF SAN DIEGO
dba VETERANS VILLAGE OF SAN DIEGO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

I. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Vietnam Veterans of San Diego dba Veterans Village of San Diego.
2. There were no deficiencies in internal control over financial reporting that I consider to be material weakness.
3. No instances of noncompliance material to the financial statements of Vietnam Veterans of San Diego dba Veterans Village of San Diego were disclosed during the audit.
4. No findings were disclosed during the audit of the major federal award program.
5. The auditor's report on compliance for the major federal award programs for Vietnam Veterans of San Diego dba Veterans Village of San Diego expresses an unqualified opinion on all major federal programs.
6. No questioned costs relative to the major federal award programs for Vietnam Veterans of San Diego dba Veterans Village of San Diego are reported in this schedule.
7. The programs tested as major programs included:

<u>CFDA#</u>	<u>Name</u>
17.805	Homeless Veteran Reintegration Program-HVRP (DOL)
17.258	VEAP - Southeast & Metro (DOL)
93.959	County ADS Residential Pacific Hwy
64.024	Veterans Administration per diem (VA)
14.235	HUD Metro Pacific Hwy (HUD)
14.235	HUD New Resolve Escondido (HUD)
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Vietnam Veterans of San Diego dba Veterans Village of San Diego was determined to be a low-risk auditee.

II. FINDINGS-FINANCIAL STATEMENTS AUDIT

None

III. FINDING AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT

None

VIETNAM VETERANS OF SAN DIEGO
dba VETERANS VILLAGE OF SAN DIEGO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

I. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Vietnam Veterans of San Diego dba Veterans Village of San Diego.
2. No reportable condition was disclosed during the audit of the financial statements. No conditions are reported as a material weakness.
3. No instances of noncompliance material to the financial statements of Vietnam Veterans of San Diego dba Veterans Village of San Diego were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal award program.
5. The auditor's report on compliance for the major federal award programs for Vietnam Veterans of San Diego dba Veterans Village of San Diego expresses an unqualified opinion on all major programs.
6. No questioned costs relative to the major federal award programs for Vietnam Veterans of San Diego dba Veterans Village of San Diego are reported in this schedule.
7. The programs tested as major programs included:

<u>CFDA#</u>	<u>Name</u>
17.802	Recently Separated Vets (DOL)
17.805	Homeless Veteran Reintegration Program (DOL)
17.258	VEAP - Metro & Southeast (DOL)
64.024	Veterans Administration per diem (VA)
14.235	HUD San Diego County (HUD)
14.235	HUD New Resolve Escondido (HUD)

8. The threshold for distinguishing types A and B programs was \$300,000.
9. Vietnam Veterans of San Diego dba Veterans Village of San Diego was determined not to be a low-risk auditee.

II. FINDINGS-FINANCIAL STATEMENTS AUDIT REPORTABLE CONDITIONS

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None