San Diego HOUSING COMMISSION

HOUSING AUTHORITY REPORT

DATE ISSUED: July 1, 2009 **REPORT NO:** HAR 09-025

ATTENTION: Members of the Housing Authority
For the Agenda of July 21, 2009

SUBJECT: Loan for 15th & Commercial Special Needs Housing (Council District 2)

REQUESTED ACTION:
Approve a loan for development of 140 units for special needs transitional rental housing.

STAFF RECOMMENDATIONS:

1. Approve a residual receipts loan, of up to $3,500,000, to 15th and Commercial L.P., to facilitate the proposed new construction of a twelve-story multi-use complex, at 15th & Commercial Streets, with 140 new units (64 units of new permanent supportive rental housing, 75 units of transitional housing to replace existing transitional housing unit-for-unit, and a manager's unit) for extremely low-income and very low-income residents, and an adjacent child-daycare/school facility.

   The project will include 124 units designated for those who are homeless or at-risk of becoming homeless, with supportive programs to prepare them for independent living. The 124 units include 25 units for persons with disabilities.

   The proposed loan would be contingent upon the developer receiving all necessary third party funding commitments including the California Tax Credit Allocation Committee (TCAC) award of 9% percent tax credits to the project, as described in this report. This loan commitment is for the 2009 tax credit competition round and may be extended to subsequent tax credits rounds with the written approval of the President and Chief Executive Officer. Such third-party funding commitments would be subject to the Housing Commission's General Counsel approval.

2. Authorization for the President and Chief Executive Officer, or his designee,
   a. to execute any and all documents deemed necessary to effectuate the transaction and implement the project;
   b. to adjust financing terms/conditions as necessary to accommodate market changes that may occur after approval of this report but before close of escrow;
   c. the $3,500,000 maximum loan amount may not increase.

   Documentation of the terms and conditions of this loan would be language approved by the Housing Commission's General Counsel.

SUMMARY:
The developer, S.V.D.P. Management Inc. (SVDP) is a nonprofit public benefit corporation dba Father Joe's Villages. SVDP owns the Bishop Maher Center ("BMC") at 1501 Imperial Avenue (Attachment 2 site map). BMC is adjacent to the St. Vincent de Paul Joan Kroc Center, in the East Village District of the Downtown Community Planning Area, and it is part of the Center's continuum of care for the

homeless. BMC is a prefabricated two-story structure built in 1977 and used as a 150-beds transitional housing for single men. The BMC structure's age and setup are functionally outmoded and inefficient.

The Proposed Development

SVDP proposes to: Form a tax credit limited partnership (15th and Commercial L.P.); obtain 9% tax credits and other financing; demolish the BMC existing two-story structure; construct a twelve-story new tower (total 125,824 sq ft) for residential and non-residential uses; and construct a one-story child care facility with outdoor playground. During construction SVDP will erect (at 14th and Commercial) a leased tent-type structure (similar to the City's Winter Shelter facility) with upgrades such as a fire-sprinkler system, to temporarily replace BMC's current 150 beds for single men.

The new tower's floors one through three will serve as a non-residential child care center, to be physically separate from the other on-site uses. To permanently replace the BMC, the tower floors four through seven will have 75 single room occupancy units (two beds each; 150 total beds), with shared bathrooms, as long term transitional housing for homeless single men. Occupying floors eight through eleven will be 64 units of new permanent supportive rental housing, with individual bathrooms and kitchens, restricted to very low income persons with household incomes at or below 40% of Area Median Income ($23,150 for a one person household) and a manager's unit. Each population will have its own entrances and separate facilities.

The twelfth floor will have common areas, three guest rooms for visitors/staff (which will be commercial space beyond the 140 affordable units), and a building-security dog kennel. The building includes a 16-space one-level underground parking garage and office space. The building will include Universal Design features to assist the disabled. At least seven units (5%) will be accessible for persons with mobility impairments and an additional three units (2%) will incorporate features for the visually or hearing impaired. The development costs include payment of Prevailing Wage rates.

Developer's Request

In response to the Housing Commission's current Notice of Funding Availability (NOFA) for Construction, Acquisition, and Operation of Affordable Rental Housing dated October 21, 2008, SVDP submitted a loan request for 15th & Commercial's construction and permanent gap financing. SVDP also requested financing from the Centre City Development Corporation and is requesting various funds from the State of California. Staff is recommending a Housing Commission loan of up to $3,500,000.

The Property

The property is presently owned by SVDP. The BMC property was MAI-appraised (on March 13, 2009) at $5,500,000 based upon the restricted use. The 20,000 sq ft (.46 acre) rectangular site, at 1501 Imperial Avenue, is located on the north side of Commercial Street, south of Imperial Avenue, between 15th and 16th Streets. North of the site is the Joan Kroc Center. To the south are open storage and auto repair facilities. To the east are commercial buildings and single-family residences. To the west is SVDP's Paul Mirabile Center and Studio 15, a 275-unit affordable apartment development. The site is near the 12th and Imperial trolley transfer center and there is nearby bus service.

The Co-developers:

SVDP is the property owner and co-developer. SVDP is affiliated with St. Vincent de Paul Village, a complex of buildings and programs in downtown San Diego that provides a continuum of care for homeless individuals and families. SVDP and St. Vincent de Paul Village, Inc. are 501(c)(3) organizations, each with its own Board of Directors; however the two entities do collaborate closely for fundraising and program development, and share the same President, Father Joe Carroll. The co-developer, Chelsea Investment Corporation (Chelsea), for over twenty years has been developing affordable housing in San Diego County, Imperial County, and in Arizona. Chelsea has developed or acquired and rehabilitated 44 projects with approximately 4,880 units. Each of Chelsea's affordable housing developments has involved a non-profit partner or client. Chelsea has developed 24 projects in San Diego County.

SVDP and Chelsea have collaborated on six affordable housing projects in San Diego, including:

- Paul Mirabile Center, a 175 unit short-term single adult facility (new construction 1994) (1501 Imperial Ave., San Diego, 92101);

- Village Place Apartments, a 47 unit permanent affordable housing facility (rehabilitation 1996) (32 17th Street, San Diego 92101);

- Toussaint Academy of the Arts and Sciences, a 21 unit residence and high school for youth (rehabilitation 1998), (1404 5th Avenue, San Diego 92101);

- Villa Harvey Mandel, a 90-unit six-story permanent affordable housing project dedicating 25 units for mentally ill/chemically dependent adults (new construction 2002). Villa Harvey Mandel included 9% tax credits and a $2,000,000 Housing Commission residual receipts loan (72 17th Street, San Diego 92101), and it is fully in compliance with its Housing Commission loan;

- 16th & Market, a 136 unit twelve-story, new construction, affordable housing bond-financed project (1550 Market Street, San Diego 92101).

- Boulevard Apartments, a 24 unit, four-story, new construction apartment development for special needs and/or formerly homeless residents. Financing included a $600,000 Housing Commission residual receipts loan (3137 El Cajon Boulevard, San Diego 92104). The developer is fully in compliance with its Housing Commission loan.

Development Team

ROLE/FIRM
Owner - 15th and Commercial L.P., (a California limited partnership); SVDP managing general partner
Co-Developers - Chelsea Investment Corporation (fee developer owned by James Schmid) and S.V.D.P. Management Inc. (nonprofit) dba Father Joe's Villages.
Architect – JWDA (Joseph Wong Design Associates), owned by Joseph Wong
Prevailing Wage Monitoring - Gonzalez-White Consulting; owned by Lisa Gonzalez
Contractor - Roel Construction Co.
Construction Lender - U.S. Bank
Tax Credit Investor Limited Partner - Richman Group Capital
Management - SVDP Management Inc

Affordable Housing Impact

15th & Commercial will have 140 residential units consisting of: 139 restricted-rent studio units, and a one-bedroom unrestricted manager's unit. The proposed project would have 110 units restricted at up to 30% Area Median Income (AMI) ($17,350 for a household of one), fourteen studio units restricted at up to 35% AMI ($20,250 for a household of one), fifteen studio units restricted at up to 40% AMI ($23,150 for a household of one). It is proposed that the Housing Commission's loan will have 55-year rent restrictions against the property's 64 units of new permanent supportive rental housing.

Initial rent and income restrictions for the project are summarized in the chart below:

Unit Type	Income Restrictions (% of Area Median Income)	# Units	HC Loan's Est'd Monthly Restricted Rents (net of utility allowance)	Estimated Monthly Market Rate Rents *	Estimated Monthly Below-Mkt Savings Per Unit	Estimated Annual Below-Market Savings
Studio Transitional (250 sq ft units)	30% AMI	** 75	$0 **	$490 *	**	**
Studio (MHSA Program) (300 sq ft units)	30% AMI	25	$244	$588 *	$344	$103,200
Studio (300 sq ft units)	30% AMI	10	$401	$588 *	$187	$22,440
Studio (300 sq ft units)	35% AMI	14	$401	$588 *	$187	$31,416
Studio (300 sq ft units)	40% AMI	15	$540	$588 *	$48	$8,640
One Bedroom Manager's Unit	Unrestricted	1	n/a	n/a	n/a	n/a
Total Units		**140**				
Total Annual Rent Savings						$165,696

* - Estimated Market Rents based on San Diego County Apartment Owners Association Vacancy Survey Fall 2008, for studio units in zip code 92101, using an average $1.96 per sq foot for market rents: 250 sq ft x $1.96 = $490/mo and 300 sq ft x $1.96 = $588/mo.

** - The 75 transitional units are restricted by other sources of funds but not by the Housing Commission's loan.

Proposed Rents Would Be Based on the Redevelopment Law Rent Methodology

The developer has applied for CCDC funding. CCDC's Owner Participation Agreements (OPA), typically reference that the project is subject to California Redevelopment Law (CRL). For annual adjustments to restricted rents, CRL requires the CCDC to use a rent calculation methodology based on the California Health & Safety Code. CRL methodology is different from the Housing Commission's standard HUD-based rent calculation methodology. The developer has requested that the Housing Commission's loan use CCDC's CRL rent calculation methodology for time-to-time rent restriction adjustments. For 2009, CRL rents are lower than the standard HUD-Based rents. It is proposed that the Housing Commission's loan would use CCDC's CRL methodology for periodic rent restriction adjustments.

FISCAL CONSIDERATIONS:

Approval of this report's recommendations would result in the expenditure of up to $3,500,000 in Housing Commission local funds. The estimated total development cost is $58,706,716 ($419,330/140 units). The Housing Commission's cost to assist in restricting 64 units (of the 140 total units) would be $54,688 per unit. Terms of the Housing Commission financing would be a residual receipts loan bearing simple interest at 3%.

Estimated funding sources are:

Estimated Sources (including priority of loans)	Total Amount	% of Total	Residential Portion (65.17%)	Non-Residential Portion (34.83%)
1. California State Transit Oriented Development * Program loan (TOD) – (Not Yet Committed).	$6,637,597	11.31%	$6,637,597	$0
2. California Emergency Housing & Assistance Program loan (EHAP) – (Committed 10/19/07).	$1,000,000	1.7%	$1,000,000	$0
3. Centre City Development Corporation residual receipts loan (Not Yet Committed)	$7,300,000	12.43%	$7,300,000	$0
4. **Proposed Housing Commission residual receipts loan - (Not Yet Committed)**	**$3,500,000**	**5.96%**	**$3,500,000**	**$0**
5. California Mental Health Services Act loan * (Proposition 63) – (Not Yet Committed)	$2,378,282	4.05%	$2,378,282	$0
6. Federal Home Loan Bank AHP loan (becomes a grant at yr 15); (Committed 12/15/06)	$1,500,000	2.56%	$1,500,000	$0
7. First 5 Commission of San Diego (Committed 2/7/05)	$6,968,025	11.87%	$0	$6,968,025
8. California State Infill Infrastructure Grant– (Not Yet Committed)	$3,089,027	5.26%	$3,089,027	$0
9. Community Development Block Grant (Committed 7/18/07)	$291,279	.5%	$0	$291,279
10. CAL ReUSE Grant (California Recycle Underutilized Sites Assessment Program) Not Yet Committed	$582,500	.99%	$379,627	$202,873
11. Tax Credit Equity (9% credits) (Not Yet Committed)	$19,980,000	34.03%	$10,624,972	$9,355,028
12. SVDP/Owner's Land Equity Donation	$ 5,500,000	9.37%	$3,584,459	$1,915,541
13. SVDP Deferred Developer Fee	$2,882	.005%	$2,882	$0
Estimated Total Sources of Funds	**$58,706,716**	**100%**	**$38,898,123** 66% of project	**$19,808,593** 34% of project

* - the State TOD and MHSA loans require annual debt service payment of .42% of the loan amount, plus residual payments.

Developer Fee:

The Developer has proposed receiving a $2,000,000 developer fee. However, CCDC's policy is to limit the maximum developer fee at $1,400,000 (as covered by the tax credits' eligible basis). For consistency with CCDC's Owner's Participation Agreement (OPA), the Housing Commission loan would defer to, and be consistent with, CCDC's approved maximum amounts for the developer fee, for amounts of any deferred developer fee, and for the incremental disbursal payments of the developer's fee.

The Proposed Housing Commission Loan:

1. The Housing Commission loan is contingent upon the Developer obtaining the estimated necessary funding approvals from the various other sources.

2. The proposed Housing Commission loan would be subject to Redevelopment Agency/Centre City Development Corporation (CCDC) approval of a necessary loan.

3. Shares of Cash Flow Residual Receipts – the developer wishes to share in 50% of the residual receipts. Also, some of the California State funding sources (MHSA and TOD programs) and the proposed CCDC loan, require sharing in the residual receipts. It is proposed that the Housing Commission loan commitment allow a proportionate sharing of the residual receipts among the developer and the public lenders. An estimated proposed sharing follows:

Four Public Lenders' Proportionate Loans:		
State Transit Oriented Development Program (TOD) Loan =	$ 6,637,597	(33% of four loans total X 50% = 17%)
State Mental Health Services Act Program (MHSA) Loan =	$ 2,355,406	(12% of four loans total X 50% = 6%)
Centre City Development Corp Proposed Loan . . . . =	$ 7,300,000	(37% of four loans total X 50% = 18%)
Housing Commission Proposed Loan. . . . . =	$ 3,500,000	(18% of four loans total X 50% = 9%)
Four Loans Total =	$19,793,003	

Estimated Split of Total Residual Receipts:	Proposed Distribution of Residual Receipts:
Developer's proposed share	50% of Residual Receipts per year
State TOD Program estimated share	17% of Residual Receipts per year
State MHSA Program estimated share	6% of Residual Receipts per year
Centre City Development Corporation's proposed share	18% of Residual Receipts per year
Housing Commission's proposed share	9% of Residual Receipts per year

4. Cost savings will be shared as allowed by TCAC.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:
On November 17, 2007, the City Council approved a Conditional Use Permit (No.2007-24) for the proposed project. On March 30, 2009, the City Council approved Resolution No. 304771 authorizing the Mayor to support applications for project application to the California Department of Housing and Community Development for State Transit Oriented Development funds and State Infill Infrastructure Grant funds. This Housing Commission proposed loan is scheduled to be heard at Loan Committee June 17, 2009.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:
On September 13, 2007, the Centre City Advisory Committee gave a positive recommendation for approval of the design, and conditional use permit. On September 6, 2007, the East Village Association (a non-profit group of residents, merchants and property owners) gave its unanimous support for the proposed project.

KEY STAKEHOLDERS & PROJECTED IMPACTS:
Stakeholders include: SVDP as the co-developer and general partner, Chelsea as the co-developer and project consultant, very-low income households as the intended residents of the project, the Centre City

Development Corporation and the neighborhood community of East Village. U.S. Bank is the anticipated construction lender. The tax credit equity will be provided by Richman Group Capital Corporation. The SVDP board members and Chelsea's owners are listed in the Disclosure Statement Attachment 6.

Respectfully submitted,

, for

D. Lawrence Clemens
Senior Vice President

Approved by,

Carrol M. Vaughan
Executive Vice President &
Chief Operating Officer

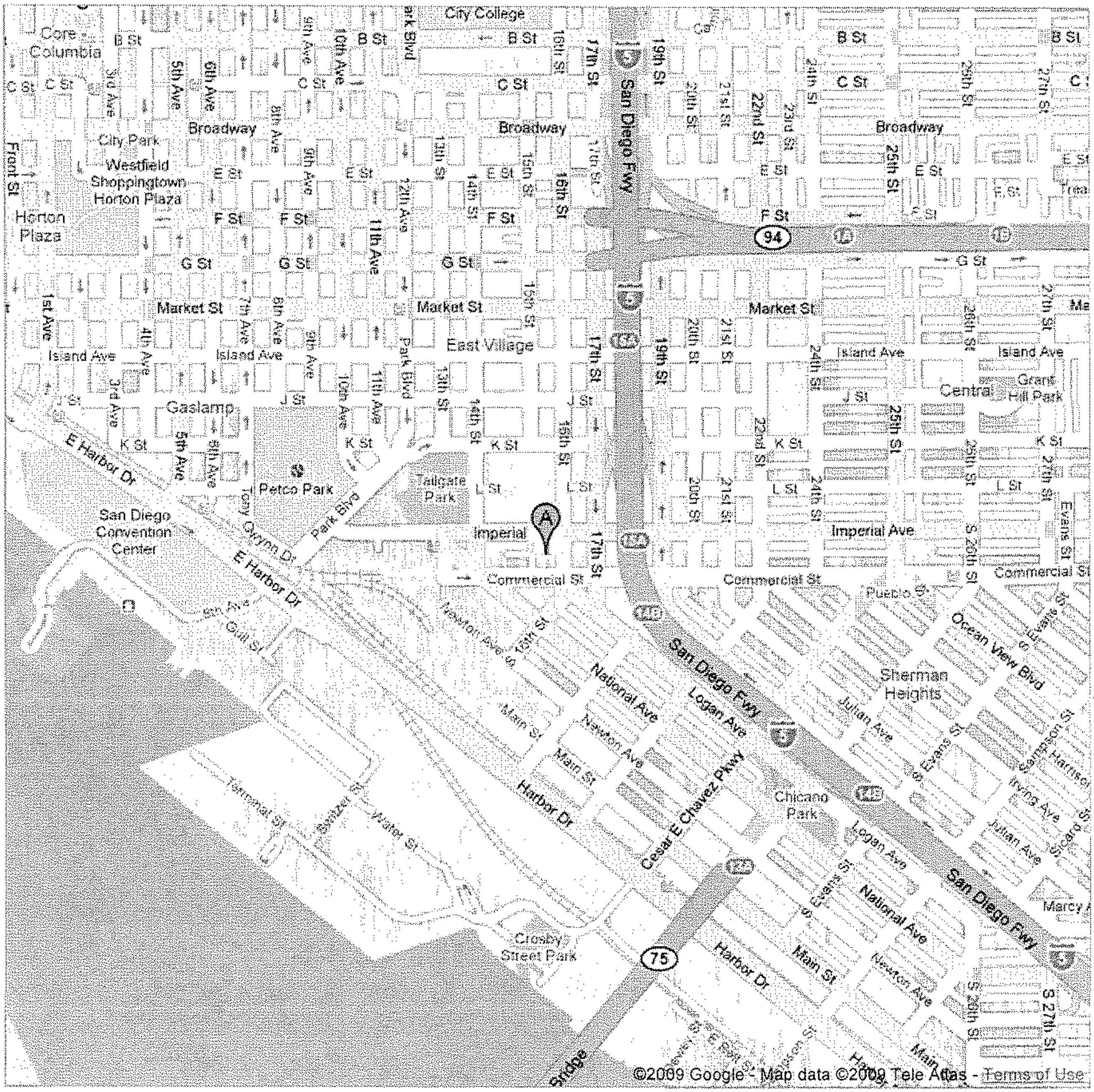
Attachments:

1. Location Map
2. Development Summary
3. Estimated Timeline
4. General Application Proforma
5. Housing Commission Loan Terms
6. Disclosure Statement
7. 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.

ATTACHMENT 1 - LOCATION MAP

1501 Imperial Ave
San Diego, CA 92101



ATTACHMENT 2
DEVELOPMENT SUMMARY

Name:	15th & Commercial
Location:	1501 Imperial Avenue
Description:	Construction and Permanent Loan for Affordable Housing
Sponsor:	S.V.D.P. Management Inc.

Unit Affordability

Total # of units: 140 (139 studio assisted units and a one-bedroom manager's unit).

Restricted rents: The Housing Commission loan would restrict 64 of the 140 studio units at initial rents ranging from $244/mo (30% AMI) to $540/mo 40% AMI.

Estimated market rent: Ranging from $490 to $588 per month.

Percent of AMI: Occupancy of 35 studio units restricted at 30 percent or less of AMI.
Occupancy of 14 studio units restricted at 35 percent or less of AMI.
Occupancy of 15 studio units restricted at 40 percent or less of AMI.

Affordability: 55 years

Development Cost

Total development cost. . . . . $58,706,716 ($419,330 per unit/140 total units)
HC development cost (loan). . . . . $ 3,500,000 ($ 54,688 per unit / 64 restricted units)

Estimated Sources of Funds

1. California State Transit Oriented Development. .	$ 6,637,597
2. California Emergency Housing & Assistance . . .	$ 1,000,000
3. Centre City Development Corporation.	$ 7,300,000
4. Housing Commission Proposed Loan.	$ 3,500,000
5. California State Mental Health Services Act	$ 2,355,406
6. Federal Home Loan Bank AHP Loan.	$ 1,500,000
7. First 5 Commission of San Diego.	$ 6,968,025
8. California State Infill Infrastructure Grant	$ 3,089,027
9. Community Development Block Grant.	$ 291,279
10. Cal Reuse	$ 582,500
11.Tax Credit Equity (9% tax credits)	$ 19,980,000
12. SVDP/Owner's Land Equity Donation.	$ 5,500,000
13.SVDP Deferred Developer Fee	$ 2,882
Total.	$ 58,706,716

Pro Forma Summary (Estimated):

Estimated annual income	$ 810,213	(year 1)
Estimated annual expenses	- 598,360	(year 1)
Net Operating Income.	$ 211,853	(year 1)
Annual debt service.	- 79,699	(State MHSA & TOD Programs payments)
Replacement Reserves.	- 84,000	(year 1)
Available Cash Flow Residual. .	$ 48,154	(year 1)

ATTACHMENT 3
ESTIMATED TIMELINE 15TH & COMMERCIAL

May 20 – CCDC approved replacement housing plan (CA Redevelopment Law requirement).

June 3 – CCDC Real Estate Budget Committee review.

June 9 – Tax Credit Allocation Committee (TCAC) milestone: developer submitted application to TCAC for 9% tax credits (single round for 2009).

June 17 – Housing Commission Loan Committee review.

June 17 – CCDC review on proposed OPA and loan.

June 19 – Housing Commission review of proposed loan.

June 30 – State announces awards of TOD and IIG funds.

July 14 – Simultaneous meeting of the City Redevelopment Agency and the Housing Authority.

Aug 17 – Local funding commitments must be in place for TCAC's 9% tax credits.

Sept 9 – TCAC announces awards for 9% tax credits single round 2009.

Feb 6, 2010 – TCAC closing (150 days from award)

Feb 2010 - Estimated construction start.

Aug 2011 – Estimated occupancy (18 months construction period).

SAN DIEGO HOUSING COMMISSION

GENERAL APPLICATION FORM - Project Overview

DATE: June 4, 2009

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

REQUEST FOR:
- [ ] EARLY ASSISTANCE
- [ ] TECHNICAL ASSISTANCE
- [ ]
- [X] PROJECT FUNDING $ 3,500,000
- [ ] PREDEVELOPMENT LOAN $
- [ ] PROJECT SUPPORT GRANT $

PROJECT TYPE:
- [ ] ACQUISITION
- [X] NEW CONSTRUCTION
- [ ] ACQUISITION & REHABILITATION
- [ ] REHABILITATION
- [X] RENTAL
- [ ] OWNERSHIP

PROJECT CONDITION:
- [ ] UNIMPROVED SITE
- [X] EXISTING STRUCTURE
- [X] RESIDENTIAL
- [ ] OTHER (DESCRIBE)
- [ ] COMMERCIAL

YEAR BUILT: 1974

PROJECT NAME: 15th & Commercial

ADDRESS: 1501 Imperial Ave. (STREET) San Diego (CITY) CA (STATE) 92101 (ZIP)

LEGAL DESCRIPTION: 5, 6, 7, 8 (LOT NO.) 56 (BLOCK NO.) Sherman's Addtn. (SUBDIVISION NAME) 535-622-06 (ASSESSORS PARCEL NO.) 51 (CENSUS TRACT)

SITE CONTROL:
- [X] DEED
- [ ] OPTION
- [ ] OTHER (DESCRIBE)

	0-BEDROOM	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	TOTAL UNITS	# of stories
DWELLING UNITS:	139	1					140	12
HC Assisted Units:	139						139	

EXISTING USES OF PROPERTY: Transitional shelter

No. of Buildings 1

DESCRIPTION OF PROPOSED PROJECT: Three floors child development center, four floors of transitional housing (75 SRO-type units with two beds each), four floors with 64 permanent housing studios (49 of which are supportive units for homeless or at-risk-of-homeless individuals).

Appraised Value $5,500,000.00

APPLICANT/BORROWER:

NAME: S.V.D.P. Management, Inc. (dba Father Joe's Villages)

CONTACT PERSON: Mathew Packard

ADDRESS: 3350 E St. (STREET) San Diego (CITY) CA (STATE) 92102 (ZIP)

TELEPHONE: (619) 446-2100 FAX NO. (619) 446-2129 E-mail address: mathew.packard@neighbor.c

LEGAL DESCRIPTION OF APPLICANT:
- [ ] FOR PROFIT CORPORATION
- [X] NONPROFIT CORPORATION
- [ ] PARTNERSHIP
- [ ] INDIVIDUAL OWNER
- [ ] CHDO
- [ ] OTHER (DESCRIBE)

TAXPAYER IDENTIFICATION NUMBER:

CURRENT OWNER/SELLER INFORMATION:

NAME: S.V.D.P. Management, Inc.

LEGAL DESCRIPTION: See above

ADDRESS: 3350 E St. (STREET) San Diego (CITY) CA (STATE) 92102 (ZIP)

TELEPHONE: (619) 446-2100 FAX NO. (619) 446-2129

ZONING: CCPD-MC (with CUP)

COMMUNITY PLAN AREA: CCDC (East Village District)

COUNCIL DISTRICT: 2

SCHOOL DISTRICT: SDUSD

SIGNATURE	PRINT NAME	TITLE	DATE
	Father Joe Carrol	President	

Last revised: May 13, 2008

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: 15th & Commercial

ADDRESS: 1501 Imperial Ave. (ADDRESS) San Diego (CITY) CA (STATE) 92101 (ZIP)

OWNERSHIP NAME: S.V.D.P. Management, Inc. DATE: June 4, 2009

No.	NAME	STREET/PO	CITY	STATE	ZIP	TITLE/POSITION	BUSINESS TELEPHONE NO.	NATURE OF INTEREST	PERCENT INTEREST
1.	Father Joe Carroll	3350 E St.	San Diego	CA	92102	President	619-446-2100	Officer	
2.									
3.									
4.									
5.									
6.									
7.									
8.									

USE ADDITIONAL SHEETS AS NECESSARY

a. If the developer is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
N/A

b. If the developer is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

Board of Directors – S.V.D.P. Management, Inc.
Adelizzi, Bob
Assomull, Mukesh
Benson, Judy
Black, Charles
Boudreau, Steve (Board Secretary)
Burdick, Henry
Conway, Steve
Fischer, Bob (Board Treasurer)
Francis, Steve (Board Chair)
Jennings, Jackie
Kasperick, Vince
Malcolm, David
Mulvaney Sr., James
Norling, Richard
Panetta, Joseph D.
Parisi, Charles
Sudberry, Tom
VanDeWeghe, Bill
Ward, Linc
Witt, Ed

c. If the developer is a partnership, each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.

d. If the developer 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.
N/A

e. If the developer is some other entity, the officers, the members of the governing body, and each person who has an interest of more than 10%.
N/A

Name, Address & Zip Code	Phone Number	Position Title (if any) and percent of interest or description of character and extent of interest

SAN DIEGO HOUSING COMMISSION
DEVELOPMENT FORM -RENTAL INCOME - RI

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

DATE: June 4, 2009

PROJECT TYPE

- [ ] ACQUISITION
- [ ] ACQUISITION & REHABILITATION
- [X] RENTAL
- [X] NEW CONSTRUCTION
- [ ] REHABILITATION
- [ ] OWNERSHIP

PROJECT NAME: 15th & Commercial
ADDRESS: 1501 Imperial Ave. (STREET) San Diego (CITY) CA (STATE) 92101 (ZIP)

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

Type (X) in ONE box

- [X] Apartment
- [ ] Duplex, Townhouse
- [ ] House, Mobile Home

	Gas (**G**) or Electricity (**E**) FILL IN ALL BOXES **G** or **E**	Paid by Tenant (**T**) or Owner/Landlord (**L**) FILL IN ALL BOXES **T** or **L**
Heat	E	T
Cooking	E	T
Water Heater	G	L
Water/Sewer		L
Basic Electric		T

INCOME BY UNIT TYPE

A	B	C	D	E	F	G	H	I	J	K	L	M
							LESS:	EQUALS:	COMPARE TO:	AFFORDABILITY LEVEL:		
BASIS FOR RENT*	NO. OF UNITS	BED-ROOMS PER UNIT	BATH-ROOMS PER UNIT	SQ FT PER UNIT	CURRENT RENT	MONTHLY HOUSING COST PER UNIT	MONTHLY UTILITY ALLOW. PER UNIT	MONTHLY Tenant Paid RENT PER UNIT	MONTHLY MARKET RENT PER UNIT	PERCENT MEDIAN INCOME**	YEARLY GROSS RENTS ALL UNITS	YEARLY MARKET RENTS
TC	75			250	$	$	$	$	$	%	$	$
TC	24		1.00	300	$ 414	$ 414	$ 13	$ 401	$	33 %	$ 115,488	$
TC	25		1.00	300	$ 257	$ 257	$ 13	$ 244	$	20 %	$ 73,200	$
TC	15		1.00	300	$ 553	$ 553	$ 13	$ 540	$	44 %	$ 97,200	$
				$	$	$	$	$		%	$	$
				$	$	$	$	$		%	$	$
				$	$	$	$	$		%	$	$
				$	$	$	$	$		%	$	$
				$	$	$	$	$		%	$	$
				$	$	$	$	$		%	$	$
				$	$	$	$	$		%	$	$
				$	$	$	$	$		%	$	$
				$	$	$	$	$		%	$	$
				$	$	$	$	$		%	$	$
MGR	1	1	1.00	714	$	$	$	$	$	%	$	$
MGR				$	$	$	$	$	$	%	$	$

* Indicate Tax Credit Rents with "TC" , Housing Commission Rents with "SDHC", HOME rents with "HOME", and Resident Manager's unit(s) with "MGR (bottom two rows)."

** This calculation is based on a household size of one plus the bedroom type; Please note that using tax credit rents may produce a different AMI percentage.

TOTAL RENT (YEAR)	$ 285,888	$
Comp. to 90% of Market:	$ 285,888	$

OTHER INCOME

Rent subsidy for 75 transitional units	$ 450,000
MHSA Operating subsidy	$ 125,229
Laundry	$ 10,080

TOTAL ANNUAL INCOME $871,197

TOTAL UNITS 140

TOTAL UNIT SQ. FT. 38,664 + TOTAL COMMUNTIY FACILITITES SQ. FT. 6,412

TOTAL SQ. FT. 45,076

SAN DIEGO HOUSING COMMISSION

DATE: June 4, 2009

DEVELOPMENT FORM - OPERATING EXPENSE - OE

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

PROJECT TYPE:
[ ] ACQUISITION [ ] ACQUISITION & REHABILITATION [X] RENTAL
[X] NEW CONSTRUCTION [ ] REHABILITATION [ ] OWNERSHIP

PROJECT NAME: 15th & Commercial
ADDRESS: 1501 Imperial Ave. (STREET) San Diego (CITY) CA (STATE) 92101 (ZIP)
TOTAL NUMBER OF UNITS: 140

OPERATING EXPENSE ITEM			ANNUAL COST	COST PER UNIT	COST PER SQ. FT.
Administrative Expenses					
Office Supplies & Equipment			$ 1,700	$ 12	$ 0.04
Telephone			$ 2,860	$ 20	$ 0.06
Training & Travel			$ 10,000	$ 71	$ 0.22
Payroll Services			$ 87,500	$ 625	$ 1.94
Program Services			$ 38,400	$ 274	$ 0.85
Other:			$	$	$
Subtotal	Percent of Total	23%	$ 140,460	$ 1,003	$ 3.12
Marketing Expenses					
Advertising			$ 5,000	$ 36	$ 0.11
Other:			$	$	$
Subtotal	Percent of Total	1%	$ 5,000	$ 36	$ 0.11
Professional Fees					
Property Management			$ 58,800	$ 420	$ 1.30
Auditing Services			$ 10,000	$ 71	$ 0.22
Legal Services			$ 10,000	$ 71	$ 0.22
Other:			$	$	$
Subtotal	Percent of Total	13%	$ 78,800	$ 563	$ 1.75
Utilities					
Electric			$ 30,000	$ 214	$ 0.67
Gas			$ 23,000	$ 164	$ 0.51
Water/Sewer			$ 86,800	$ 620	$ 1.93
Other:			$	$	$
Subtotal	Percent of Total	23%	$ 139,800	$ 999	$ 3.10
Contract Services					
Exterminating			$ 5,000	$ 36	$ 0.11
Trash Removal			$ 10,000	$ 71	$ 0.22
Security Patrol			$ 28,000	$ 200	$ 0.62
Building/Grounds Maintenance			$ 30,000	$ 214	$ 0.67
Janitorial Services			$ 20,000	$ 143	$ 0.44
Repair Services			$ 30,000	$ 214	$ 0.67
Elevator & Other Equipment			$ 10,000	$ 71	$ 0.22
Garage Operations/Maintenance			$ 15,000	$ 107	$ 0.33
Other:			$	$	$
Subtotal	Percent of Total	25%	$ 148,000	$ 1,057	$ 3.28
Cleaning & Decorating					
Painting Supplies			$ 5,000	$ 36	$ 0.11
Grounds Supplies			$ 10,000	$ 71	$ 0.22
Other:			$	$	$
Subtotal	Percent of Total	3%	$ 15,000	$ 107	$ 0.33
Taxes & Insurance					
Real Property Tax Assessment			$	$	$
Property Insurance			$ 65,000	$ 464	$ 1.44
Director's & Officer's Insurance			$	$	$
Other:			$	$	$
Subtotal	Percent of Total	11%	$ 65,000	$ 464	$ 1.44
Other					
SDHC Monitoring Fees			$ 6,300	$ 45	$ 0.14
Other:			$	$	$
Other:			$	$	$
Other:			$	$	$
Subtotal	Percent of Total	1%	$ 6,300	$ 45	$ 0.14
Total Annual Operating Costs			$ 598,360	$ 4,274	$ 13.27

SAN DIEGO HOUSING COMMISSION
DEVELOPMENT FORM - DEVELOPMENT COST - DC

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

DATE: June 4, 2009

PROJECT TYPE:
- [ ] ACQUISITION
- [X] NEW CONSTRUCTION
- [ ] ACQUISITION & REHABILITATION
- [ ] REHABILITATION
- [X] RENTAL
- [ ] OWNERSHIP

PROJECT NAME:	15th & Commercial			
ADDRESS:	1501 Imperial Ave.	San Diego	CA	92101
	STREET	CITY	STATE	ZIP
Number of Units	140			

DEVELOPMENT COST ITEM	PERCENT	AMOUNT
ACQUISITION / LAND COST		
LAND		$ 5,500,000
BUILDINGS		$
SUBTOTAL		$ 5,500,000
LEGAL/BROKER'S FEE/TITLE		$ 37,500
OTHER		$
TOTAL ACQUISITION / LAND COST		$ 5,537,500
REHABILITATION / CONSTRUCTION		
SITE WORK		$ 2,155,108
DEMOLITION		$ 100,000
STRUCTURES		$ 33,115,591
TOTAL HARD COSTS		$ 35,370,699
GENERAL REQUIREMENTS	3.6 %	$ 1,279,043
CONTRACTOR'S OVERHEAD	3.6 %	$ 1,279,043
CONTRACTOR'S PROFIT	3.6 %	$ 1,279,043
TOTAL REHABILITATION / CONSTRUCTION		$ 39,207,829
CONSTRUCTION CONTINGENCY	%	$ 1,424,811
BOND PREMIUM		$ 21,898
CONSTRUCTION LOAN		
CONSTRUCTION INTEREST COST		$ 1,469,441
APPLICATION FEE		$
LOAN ORIGINATION FEE		$ 227,622
OTHER Bank Inspection Fee		$ 21,700
		$ 1,718,763
PERMANENT LOAN		
APPLICATION FEE		$
LOAN ORIGINATION FEE		$
OTHER		$
		$
RELOCATION COST		$ 1,500,000
ARCHITECTURAL FEES		
DESIGN		$ 1,600,000
SUPERVISION		$ 438,000
TOTAL ARCHITECTURAL FEES	0.1 %	$ 2,038,000
SURVEYS, SOIL BORINGS, & ENGINEERING		$ 600,000

DEVELOPMENT COST ITEM	PERCENT	AMOUNT
LEGAL, PERMIT, & AUDIT		
SDHC'S LEGAL (not to exceed)		$ 5,000
BORROWER'S LEGAL		$ 167,500
LENDERS' LEGAL		$ 55,000
PERMITS		$ 1,587,650
TITLE & RECORDING		$
INSURANCE		$ 235,226
AUDIT		$ 10,000
TAXES DURING CONSTRUCTION		$
OTHER		$
TOTAL LEGAL, PERMIT, & AUDIT		$ 2,060,376
OTHER COSTS		
DEVELOPER'S FEE	2.4 %	$ 1,400,000
CONSULTANT FEE	%	$
APPRAISAL COSTS		$ 7,500
ENVIRONMENTAL STUDY		$ 12,000
MARKET STUDY		$ 10,000
MARKETING & RENT-UP		$ 92,000
SDHC MONITOR SET-UP		$ 500
SDHC LOAN ORIGINATION FEE		$ 2,000
REPLACEMENT RESERVES ___ MONTHS		$
OPERATING RESERVES 3 MONTHS		$ 1,235,000
		$
REHABILITATION PROJECTS: SDHC TECHNICAL SERVICES FEE ($5,000)		$
Low-voltage security and building operations system		$ 700,000
FF& E / Furnishings		$ 252,000
Accounting / Prevailing Wage		$ 53,499
Environmental Remediation		$ 582,500
		$
		$
		$
		$
		$
		$
		$
		$
		$
TOTAL OTHER COSTS		$ 4,346,999
SOFT COSTS CONTINGENCY	2.37 %	$ 250,000
TOTAL DEVELOPMENT COST		$ 58,706,176

SAN DIEGO HOUSING COMMISSION

DEVELOPMENT FORM - SOURCES AND USES OF FUNDS - SU

DATE: June 4, 2009

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

PROJECT TYPE: [ ] ACQUISITION [ ] ACQUISITION & REHABILITATION [X] RENTAL NUMBER OF UNITS 140

[X] NEW CONSTRUCTION [ ] REHABILITATION [ ] OWNERSHIP

PROJECT NAME: 15th & Commercial

ADDRESS: 1501 Imperial Ave. (STREET) San Diego (CITY) CA (STATE) 92101 (ZIP)

SOURCES

POSITION		TERMS YRS.	RATE	COMMITMENT Y/N	DATE OR EXPECTED	AMORTIZED	DEFERRED	TAX CREDIT	GRANT	EQUITY
1ST	Transit Oriented Dvlpmnt Prog	55	3.00 %	N	6/30/2009	$	$ 6,637,597		$	
2ND	CA Emergency Hsg & Asst Prog	7	3.00 %	Y	10/19/2007	$	$ 1,000,000		$	
3RD	CCDC	55	3.00 %	N	7/24/2009	$	$ 7,300,000		$	
4TH	SDHC	55	3.00 %	N	7/24/2009	$	3,500,000			

(Select one)

Residual Receipts [X]

or

Amortized [ ]

HC Subsidy/Assisted Unit	$ 25,180
HC Subsidy/Assisted Bdm	$ 25,180

POSITION		TERMS YRS.	RATE	COMMITMENT Y/N	DATE OR EXPECTED	AMORTIZED	DEFERRED	TAX CREDIT	GRANT	EQUITY
5TH	Mental Health Services Act	55	3.00 %	N	7/31/2009	$	$ 2,355,406		$	
6TH	FHLB Affordable Hsg Program	NA	NA %	Y	12/15/2006	$	$		$	1,500,000
7TH	First5 Commission of SanDiego	NA	NA %	Y	2/7/2005	$	$		$ 6,968,025	
8TH	CA Infill Infrastructure Grant	NA	NA %	N	6/30/2009	$	$		$ 3,089,027	
9TH	Community Dev Block Grant	NA	NA %	Y	7/18/2007	$	$		$ 291,279	
10TH	CalReuse	NA	N/ %	N	7/1/2009	$	$		$ 582,500	
TAX CREDITS	Tax Credit Investor Equity			N	9/9/2009			$ 19,980,000		
EQUITY	SVDP Land & Deferred Dev Fee			Y	4/1/2009					$ 5,502,882
	TOTAL				$ 58,706,716	$	$ 20,793,003	$ 19,980,000	$ 10,930,831	$ 7,002,882

FUNDING SCHEDULE FOR SOURCES

	TOTAL	CLOSING	CONSTRUCTION PERIOD 1ST QUARTER	2ND QUARTER	3RD QUARTER	(COMPLETION) 4TH QUARTER	(RENT UP) QUARTERS 5 & 6
Transit Oriented Dvlpmnt Prog *	$ 6,637,597	$	$	$	$	$	$ 6,637,597
CA Emergency Hsg & Asst Prog *	$ 1,000,000	$	$	$	$ 1,000,000	$	$
CCDC *	$ 7,300,000	$	$	$ 350,853	$ 2,187,847	$ 3,330,393	$ 1,430,907
SDHC *	$ 3,500,000	$	$	$ 135,479	$ 844,820	$ 1,286,005	$ 1,233,696
Mental Health Services Act *	$ 2,355,406	$	$	$ 356,742	$ 594,571	$ 832,399	$ 571,694
FHLB Affordable Hsg Program *	$ 1,500,000	$ 1,500,000	$	$	$	$	$
First5 Commission of SanDiego *	$	$	$ 6,968,025	$	$	$	$
CA Infill Infrastructure Grant *	$	$	$ 3,089,027	$	$	$	$
Community Dev Block Grant *	$	$	$ 291,279	$	$	$	$
Tax Credit Investor Equity *	$ 19,980,000	$ 5,834,799	$	$	$	$	$ 14,145,201
*	$	$	$ 582,500	$	$	$	$
SVDP Land & Deferred Dev Fee *	$ 5,502,882	$ 5,500,000	$	$	$	$	$ 2,882
	$ 58,706,716	$ 12,834,799	$ 10,930,831	$ 843,074	$ 4,627,238	$ 5,448,797	$ 24,021,977

INFORMATION ON CONSTRUCTION LOAN

CONSTRUCTION LENDER: TBD

CONSTRUCTION TIME: 18 (MONTHS)

CONSTRUCTION INTEREST: TBD %

COMMITTED: [ ] YES [X] NO

DATE OF COMMITMENT/EXPECTED: October 1, 2009

SAN DIEGO HOUSING COMMISSION
DEVELOPMENT FORM - PRO FORMA - PF

PLEASE PROVIDE ALL KNOWN INFORMATION - CHECK ALL BOXES THAT APPLY Date: June 4, 2009

PROJECT TYPE: [ ] ACQUISITION [ ] ACQUISITION & REHABILITATION [X] RENTAL
[X] NEW CONSTRUCTION [ ] REHABILITATION [ ] OWNERSHIP

PROJECT NAME: 15th & Commercial
ADDRESS: 1501 Imperial Ave. (STREET) San Diego (CITY) CA (STATE) 92101 (ZIP)

Replacement Reserve	$ 84,000	LP Asset Mgmnt Fee	$ 5,000	GP Management Fee	$ -
Rental Income	$ 285,888	Project Income Increase	2.50 %	Mortgage Amount	$ %
Other Income	$ 585,309	Operating Exp.Increase	3.50 %	Mortgage Rate	3.000
Operating Expenses	$ 598,360	Vacancy Loss	7.00 %	Mortgage Term(Years)	55
LP & GP Annual Increase	2.5 %	Deferred Dev. Fee	$ 2,882	Interest on Deff. Dev. Fee	4.50 %

SDHC Participation	$ 3,500,000	Residual Receipts or	[X]	Interest Rate	3.000 %
Percent of Residual to HC		Amortize	[ ]	Term (Years)	55

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Gross Project Income	$ 871,197	$ 892,977	$ 915,301	$ 938,184	$ 961,638
Vacancy	$ 60,984	$ 62,508	$ 64,071	$ 65,673	$ 67,315
Effective Gross Income	$ 810,213	$ 830,469	$ 851,230	$ 872,511	$ 894,324
Operating Expense	$ 598,360	$ 619,303	$ 640,978	$ 663,412	$ 686,632
Net Operating Income	$ 211,853	$ 211,166	$ 210,252	$ 209,099	$ 207,692
Debt Service (1st)	$ 79,699	$ 79,699	$ 79,699	$ 79,699	$ 79,699
Coverage (1st)	2.66	2.65	2.64	2.62	2.61
Replacement Reserve	$ 84,000	$ 84,000	$ 84,000	$ 84,000	$ 84,000
Cash Flow	$ 48,154	$ 47,467	$ 46,553	$ 45,400	$ 43,993
LP Asset Management Fee	$ 5,000	$ 5,125	$ 5,253	$ 5,384	$ 5,519
Deferred Dev. Fee Pmt.	$ 2,882	$	$	$	$
Developer Residual Receip	$ 20,136	$ 21,171	$ 20,650	$ 20,008	$ 19,237
State of CA Residual Rece	$ 9,263	$ 9,739	$ 9,499	$ 9,203	$ 8,849
CCDC Residual Receipts	$ 7,249	$ 7,622	$ 7,434	$ 7,203	$ 6,925
SDHC Residual Receipts	$ 3,624	$ 3,811	$ 3,717	$ 3,601	$ 3,463
Net Cash Flow	$	$	$	$	$

	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Income	$ 985,679	$ 1,010,321	$ 1,035,579	$ 1,061,469	$ 1,088,006
Vacancy	$ 68,998	$ 70,722	$ 72,491	$ 74,303	$ 76,160
Effective Gross Income	$ 916,682	$ 939,599	$ 963,089	$ 987,166	$ 1,011,845
Operating Expense	$ 710,664	$ 735,537	$ 761,281	$ 787,926	$ 815,503
Net Operating Income	$ 206,018	$ 204,062	$ 201,808	$ 199,240	$ 196,342
Debt Service (1st)	$ 79,699	$ 79,699	$ 79,699	$ 79,699	$ 79,699
Coverage (1st)	2.58	2.56	2.53	2.50	2.46
Replacement Reserve	$ 84,000	$ 84,000	$ 84,000	$ 84,000	$ 84,000
Cash Flow	$ 42,319	$ 40,363	$ 38,109	$ 35,541	$ 32,643
LP Asset Management Fee	$ 5,657	$ 5,798	$ 5,943	$ 6,092	$ 6,244
Deferred Dev. Fee Pmt.	$	$	$	$	$
Developer Residual Receip	$ 18,331	$ 17,282	$ 16,083	$ 14,725	$ 13,199
State of CA Residual Receipt	8,432	7,950	7,398	6,773	6,072
CCDC Residual Receipts	$ 6,599	$ 6,222	$ 5,790	$ 5,301	$ 4,752
SDHC Residual Receipts	$ 3,300	$ 3,111	$ 2,895	$ 2,650	$ 2,376
Net Cash Flow	$	$	$	$	$

	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Gross Income	$ 1,115,206	$ 1,143,086	$ 1,171,663	$ 1,200,955	$ 1,230,979
Vacancy	$ 78,064	$ 80,016	$ 82,016	$ 84,067	$ 86,168
Effective Gross Income	$ 1,037,141	$ 1,063,070	$ 1,089,647	$ 1,116,888	$ 1,144,810
Operating Expense	$ 844,046	$ 873,587	$ 904,163	$ 935,809	$ 968,562
Net Operating Income	$ 193,096	$ 189,482	$ 185,484	$ 181,079	$ 176,248
Debt Service (1st)	$ 79,699	$ 79,699	$ 79,699	$ 79,699	$ 79,699
Coverage (1st)	2.42	2.38	2.33	2.27	2.21
Replacement Reserve	$ 84,000	$ 84,000	$ 84,000	$ 84,000	$ 84,000
Cash Flow	$ 29,397	$ 25,783	$ 21,785	$ 17,380	$ 12,549
LP Asset Management Fee	$ 6,400	$ 6,560	$ 6,724	$ 6,893	$ 7,065
Deferred Dev. Fee Pmt.	$	$	$	$	$
Developer Residual Receip	$ 11,498	$ 9,612	$ 7,530	$ 5,244	$ 2,742
State of CA Residual Receipt	5,289	4,421	3,464	2,412	1,261
CCDC Residual Receipts	$ 4,139	$ 3,460	$ 2,711	$ 1,888	$ 987
SDHC Residual Receipts	$ 2,070	$ 1,730	$ 1,355	$ 944	$ 494
Net Cash Flow	$	$	$	$	$

SAN DIEGO HOUSING COMMISSION
ENVIRONMENTAL REVIEW REQUEST

Date: **June 4, 2009**

PLEASE PROVIDE ALL KNOWN INFORMATION - CHECK ALL BOXES THAT APPLY

PROPOSED PROJECT NAME: 15th & Commercial

PROJECT STREET ADDRESS: 1501 Imperial Ave. ZIP CODE: 92101

ASSESSOR'S PARCEL NO: 535-622-06 ZONING: CCPD-MC (with CUP)

COMMUNITY PLANNING AREA: CCDC (East Village District)

Attach map page with arrow showing location of site. Attach assessor's parcel map if available. Attach labeled photos if available.

DEVELOPER/SPONSOR OF PROPOSED PROJECT: S.V.D.P. Management, Inc. (dba Father Joe's Villages)

DEVELOPER'S ADDRESS: 3350 E St. (STREET) San Diego (CITY) CA (STATE) 92102 (ZIP)

CONTACT PERSON: Mathew Packard

PHONE: (619) 446-2100 FAX: (46-212)

EXISTING USE OF SITE (*Check all that apply*):

___ Vacant X Residential ___ Commercial ___ Industrial ___ Other (specify) ___

If residential, number of units: N/A Studio ___ 1-bedroom ___ 2-bedroom

___ 3-bedroom ___ 4-bedroom ___ 5-bedroom #VALUE! TOTAL

Number of buildings: 1 Number of stories: 2

Size of site (acres or square ft): 20,122 sq. ft. Age of structure(s): 34 Years

PROPOSED PROJECT TYPE (check all that apply):

X New Construction ___ Rehabilitation: ___ Major ___ Minor

___ Acquisition ___ Acquisition & Rehabilitation ___ Exterior ___ Interior

Other (describe) ___

PROPOSED PROJECT DESCRIPTION *(be brief, but attach additional sheets if necessary)*
(describe differences in use, density, unit sizes, etc. between existing use and proposed use):

The Bishop Maher Center (the existing structure that will be demolished to make way for the proposed project) is a two-story building consisting of approximately 18,000 square feet. The first floor consists of a laundry room, office area, restrooms, a common area, storage rooms, and a food commodities receiving and storage area. The second floor consists of a men's dormitory (in a mostly open, warehouse style), showers, and restrooms.

The new project will consist of a 12-story structure (142 feet tall) with one level of below-ground parking, and an additional one-story building (18 feet tall), totaling 103,000 square feet of development. The first three floors of the 12-story structure (as well as the one-story building) will consist of a child-development center. Floors four through eight will consist of 75 two-bed studios and common bathrooms to serve as transitional housing. Floors nine through 11 will consist of 64 studios with individual bathrooms and kitchens to serve as permanent housing, plus a one-bedroom manager's unit. The 12th floor will consist of guest rooms and other accessory buildings.

ATTACHMENT - 5
HOUSING COMMISSION LOAN TERMS

Total Development Cost:	The estimated total development cost is $58,706,716 including construction, interest costs, builder overhead and profit, and builder fees. The total development cost shall be lowered, if necessary, in order to be consistent with CCDC's Owner's Participation Agreement (OPA), the Housing Commission loan would defer to, and be consistent with, CCDC's approved maximum amounts for the developer fee and for any deferred developer fee.
Developer Equity:	The estimated developer's equity is $25,482,882 which includes: $19,980,000 in tax credits, $5,500,000 in land contribution, and $2,882 in deferred developer's fee or developer's cash. The amount of deferred developer's fee is subject to CCDC's approval.
Housing Commission Loan Amount:	the proposed Housing Commission loan is $3,500,000.
Security:	The Housing Commission loan would be secured by the value of the land during construction and by the value of the land and property improvements following completion of construction.
Recourse:	The Housing Commission loan would be recourse until completion of construction, after which it would become non-recourse because of tax credit rules.
Cure Rights:	The Housing Commission would maintain the right to cure defaults in accordance with the requirements of the tax credit investor, the Agency as a lender, and State Transit Oriented Development Program and California Mental Health Services Act Program as lenders.
Housing Commission Loan Payments:	Annual debt service payments to the Housing Commission, would be estimated at 9% of total residual receipts. Any unpaid principal and interest would be due as a balloon payment upon loan maturity.
Affordability Restrictions:	A Housing Commission Declaration of Covenants, Conditions, and Restrictions with a 55-year term would be recorded against the property to restrict occupancy for 64 units to tenants with incomes between 30% and 40% of AMI and 1 unrestricted manager's unit.

First Deed of Trust:	The Housing Commission loan would be subordinate to an estimated $6,637,597 loan from the California State Transit Oriented Program (TOD) which is part of the permanent financing. The TOD loan documents will be generated at the completion of construction.
Second Deed of Trust:	The Housing Commission loan would be subordinate to an estimated $1,000,000 loan from the California Emergency Housing and Assistance Program (EHAP) which is part of the permanent financing.
Third Deed of Trust:	The Housing Commission loan would be subordinate to a proposed up to $7,300,000 residual receipts loan from Centre City Development Corporation.
Fourth Deed of Trust:	A proposed up to $3,500,000 55-year, 3% interest, residual receipts Housing Commission loan.
Fifth Deed of Trust:	The Housing Commission loan would be subordinate to an estimated $2,355,406 loan from the California Mental Health Services Act Program (MHSA) which is part of the permanent financing. The MHSA loan documents will be generated at the completion of construction.
Sixth Deed of Trust:	A $1,500,000, 15-year Federal Home Loan Bank Affordable Housing Program (AHP) deferred loan. The AHP loan will subordinate to the Housing Commission loan.
Seventh Deed of Trust:	An estimated $6,968,025 loan from the First 5 Commission of San Diego.
Management Plan:	The Management Plan is subject to periodic review and approval by the Housing Commission in its reasonable discretion.
Operating Expense:	Monthly operating expenses are estimated at $49,863 ($356 per unit/month for 140 units).
Pro Forma Assumptions:	Income increases are projected at 2.5 percent per year; operating expenses at 3.5 percent per year. The vacancy rate is projected at 7 percent per year. Any shortfall in project income available for operating expenses will be funded from reserves with the permission of the Housing Commission.

Reserves:

Subject to the approval of the tax credit investor, the borrower would make minimum annual payments of $84,000 ($600/unit/year) into a reserve account. Use of such reserves would require the reasonable approval of the Interim President and Chief Executive Officer of the Housing Commission.

Developer Fee:

For consistency with CCDC's Owner's Participation Agreement (OPA), the Housing Commission loan would defer to, and be consistent with, CCDC's approved maximum amounts for the developer fee, for any deferred developer fee and for the incremental disbursal payments of the developer's fee.

ATTACHMENT 6
DISCLOSURE STATEMENTS

SVdP MANAGEMENT

FATHER JOE'S VILLAGES

LINC WARD
Chairman

FATHER JOE CARROLL
President

FED ID # 33-0492304

ST. VINCENT DE PAUL VILLAGE

Joan Kroc Center
Bishop Maher Center
Paul Mirabile Center
Village Place
Villa Harvey Mandel

Martha's VILLAGE & KITCHEN

Dan Dunlap Center

TOUSSAINT Youth Villages
Toussaint Teen Center
Children's Village
Camp St. Vinny's
Foster Family Agency

JOSUE HOMES

National AIDS Foundation
Josue Homes

PADRE LUIS JAYME INTERNATIONAL OUTREACH

January 15, 2009

San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, CA 92101

RE: Developer's Disclosure Statement for S.V.D.P. Management, Inc.

To Whom It May Concern:

S.V.D.P. Management, Inc. has previously submitted a Developer's Disclosure Statement (Statement) to the San Diego Housing Commission dated May 30, 2007 and a revision dated January 25, 2008. Attached please find updated information for pages 2 and 3 of the Statement, and the most recent audited financial statements for S.V.D.P. Management, Inc. As of the date of this letter, I certify that the information in the original Statement dated May 30, 2007, the updated Statement dated January 25, 2008 and the updated information on pages 2 and 3 is true and correct to the best of my knowledge and belief.

Sincerely,

Father Joe Carroll

Father Joe Carroll
President

JURAT

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 15th day of January, 2009

by Father Joe Carroll personally known to me or proved to

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

MIRIAM H. DIBIASE
Commission # 1517087
Notary Public - California
San Diego County
My Comm. Expires Oct 11, 2012

SEAL

Signature of Notary

S.V.D.P. MANAGEMENT, INC.
(dba FATHER JOE'S VILLAGES)
BOARD OF DIRECTORS

Robert Adelizzi
(retired)

Mukesh Assomull
Arlen Capital

Judy Benson
Rescue Industries (ret.)

Steven Boudreau (Secretary)
Boudreau & Williams

Henry Burdick

Steven Conway
Xitron Technologies (ret.)

Robert Fischer (Treasurer)

Steven Francis (Chair)
The Francis Group – President

Jackie Jennings
Johnson & Jennings General Contracting – President / Owner

Vince Kasperick
AimLoan.com

Bob Leone
Mr. Copy – President

David Malcolm
Suncoast Financial – Chairman

James Mulvaney, Sr.
Mulvaney, Kahan & Barry – Sr. Partner

Richard Norling
Premier Inc. – CEO

Michael O'Riordan
O'Riordan & Associates – Planned Giving Specialist

Charles Parisi
Quintessence – CEO

Jamie Settineri
The Enterprise Group, LTD. – President

Bill VanDeWeghe
RA Capital Advisors – Managing Director

Frank Vizcarra
The Vizcarra Consulting Group – President

Linc Ward
(retired)

Steve Wehn
AMN Healthcare – Sr. VP Corporate and Community Relations

Ed Witt
Witt Lincoln-Mercury

Good Neighbors
San Diego
Housing Commission

1122 Broadway, Suite 300
San Diego, CA 92101
619/231 9400
Fax: 619/578 7356

DEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE

(add extra sheets if you need more space)

1. Name of developer:
   S.V.D.P. Management, Inc.

2. Address, phone number and ZIP Code:
   3350 E Street
   San Diego, CA 92102

3. IRS Number of Developer:
   33-0492304

4. If the developer is not an individual doing business under his own name, the developer has the status indicated below and is organized or operating under the laws of California as:

   ______A corporation

   X_____A nonprofit or charitable institution or corporation

   ______A partnership known as: ______________________________

   ______A business association or a joint venture known as ______________________________

   ______A Federal, State or local government or instrumentality thereof.

   ______Other (explain)

5. If the developer is not an individual or a government agency or instrumentality, give date of organization:
   N/A

6. Names, addresses, phone numbers, title of position (if any) and nature and extent of the interest of the officers and principal members, shareholders, and investors of the developer, other than a government agency or instrumentality, are set forth as follows:

a. If the developer is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
N/A

b. If the developer is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

Board of Directors – S.V.D.P. Management, Inc.
Adelizzi, Bob
Assomull, Mukesh
Benson, Judy
Black, Charles
Boudreau, Steve (Board Secretary)
Burdick, Henry
Conway, Steve
Fischer, Bob (Board Treasurer)
Francis, Steve (Board Chair)
Jennings, Jackie
Kasperick, Vince
Malcolm, David
Mulvaney Sr., James
Norling, Richard
Panetta, Joseph D.
Parisi, Charles
Sudberry, Tom
VanDeWeghe, Bill
Ward, Linc
Witt, Ed

c. If the developer is a partnership, each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.

d. If the developer 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.
N/A

e. If the developer is some other entity, the officers, the members of the governing body, and each person who has an interest of more than 10%.
N/A

Name, Address & Zip Code	Phone Number	Position Title (if any) and percent of interest or description of character and extent of interest

7. Name, address and nature and extent of interest of each person or entity (not named in response to Item 6) who has a beneficial interest in any of the shareholders or investors named in response to Item 6 which gives such person or entity more than a computed 10% interest in the developer (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the developer; or more than 50% of the stock in a corporation which holds 20% of the stock of the developer):
N/A

Name, Address and Zip Code	Description of character and extent of interest

8. Names (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 6 or Item 7 above:
N/A

9. Is the developer a subsidiary of or affiliated with any other corporation or corporations or any other firm or firms? If yes, list each such corporation or firm by name and address, specify its relationship to the developer, and identify the officers and directors or trustees common to the developer and such other corporation or firm.
N/A

10. The financial condition of the developer, as of December 31, 2007 is reflected in the attached financial statement.
Please see attached.

11. If funds for the development are to be obtained from sources other than the developer's own funds, a statement of the developer's plan for financing the development:

12. Sources and amount of cash available to developer to meet equity requirements of the proposed undertaking:

a. In banks:

Name, Address and ZIP Code of Bank	$ Amount
Merrill Lynch 11181 Bernardo Plaza Ct. San Diego, CA 92128	$ 878,981
Union Bank of California 530 B St. San Diego, CA 92101	$2,000,000

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

Name, Address and ZIP Code of Source $ Amount

c. By sale of readily salable assets:

Description Market Value Mortgages or Liens

13. Name and addresses of bank references:
Union Bank of California, 530 B St. San Diego, CA 92101
Wells Fargo 4365 Executive Dr, San Diego, CA 92121
Merrill Lynch 11181 Bernardo Plaza Ct, San Diego, CA 92128

14. Has the developer or any of the developer'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 __X__
If yes, give date, place, and under what name.

15. Has the developer or anyone referred to above as "principals of the developer" been indicted for or convicted of any felony within the past 20 years? Yes _____ No __X___

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

16. Undertakings, comparable to the proposed project, which have been completed by the developer including identification and brief description of each project and date of completion:

Project Name:	Project Address:	# of Units	Date of Completion
Villa Harvey Mandel (new construction)	72 17th Street, San Diego, CA 92101	A six story, 90-unit permanent affordable housing facility with 8 Shelter + Care units and 25 units set aside for persons with special needs. The unit count consists of 85 studios (326 s.f.) and 5 One-BR (540 s.f.)	May-03
Village Place (rehab)	32 17th Street, San Diego, CA 92101	A two story, 47-unit permanent affordable housing facility with 45 One-BR and 2 Two-BR units	Jan-97
Toussaint Academy of the Arts and Sciences (new construction)	1404 5th Avenue, San Diego, CA 92101	A four story facility with 30 transitional housing beds, 5 permanent affordable studio units	1998
Martha's Village and Kitchen	83791 Date Avenue, Indio, CA 92201	A two story transitional housing complex with 120 beds and 34 private rooms serving homeless families and singles.	January-01

17. If the developer or a parent corporation, a subsidiary, an affiliate, or a principal of the developer is to participate in the development as a construction contractor or builder:

a. Name and address of such contractor or builder:

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, explain:

c. Total amount of construction or development work performed by such contractor or builder during the last three years: $____________________

General description of such work:

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

18. Brief 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:

19. Does any member of the governing body of the San Diego Housing Commission, to which the accompanying proposal is being made, or any officer or employee of the San Diego Housing Commission who exercises any functions or responsibilities in connection with the carrying out of the project covered by the developer's proposal, have any direct or indirect personal financial interest in the developer or in the proposed contractor? Yes ______ No ___x___
If yes, explain.

20. Statements and other evidence of the developer's qualifications and financial responsibility (other than the financial statement referred to in Item 10) are attached hereto and hereby made a part hereof as follows:

CERTIFICATION

I Father Joe Carroll certify that this Developer's Statement for Public Disclosure and the attached evidence of the developer's qualifications and financial responsibility, including financial statements, are true and correct to the best of my (our) knowledge and belief.

Date: 5/30/2007 Date: ____________

Father Joe Carroll
Signature

Signature

Title: President Title: ____________

Address & ZIP Code

3350 E Street

San Diego, CA 92102

San Diego HOUSING COMMISSION

DEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE
(add extra **sheets** if you need more **space**)

1. Name of developer: **Chelsea Investment Corporation**

2. Address, phone number and ZIP Code: **5993 Avenida Encinas, Suite 101**
Carlsbad, CA 92008
Telephone: (760) 456-6000

3. IRS Number of Developer: **EIN No. 90-0151442**

4. If the developer is not an individual doing business under his own name, the developer has the status indicated below and is organized or operating under the laws of California as:

- [x] A corporation
- [ ] A nonprofit or charitable institution or corporation
- [ ] S partnership known as: ______________________________
- [ ] A business association or a joint venture known as ____________
- [ ] A Federal, State or local government or instrumentality thereof.
- [ ] Other (explain)

5. If the developer is not an individual or a government agency or instrumentality, give date of organization: **Original formation date: July 30, 1986**
Restructured: February 23, 2004

6. Names, addresses, phone numbers, title of position (if any) and nature and extent of the interest of the officers and principal members, shareholders, and investors of the developer, other than a government agency or instrumentality, are set forth as follows: There are no shareholders of Housing Development Partners. All board members are volunteers. The board of directors is as follows:

a. If the developer is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.

Name, Address & Zip Code	Phone Number	Title and Percentage of Interest
James J. Schmid 5993 Avenida Encinas, Suite 101 Carlsbad, CA 92008	(760) 456-6000 x104	President / 100% Shareholder
Lynn Harrington Schmid 5993 Avenida Encinas, Suite 101 Carlsbad, CA 92008	(760) 456-6000 x133	Secretary

b. If the developer is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

N/A

c. If the developer is a partnership, each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.

N/A

d. If the developer 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.

N/A

e. If the developer is some other entity, the officers, the members of the governing body, and each person who has an interest of more than 10%.

N/A

Name, Address & Zip Code	Phone Number	Position Title (if any) and percent of interest or description of character and extent of interest

7. Name, address and nature and extent of interest of each person or entity (not named in response to Item 6) who has a beneficial interest in any of the shareholders or investors named in response to Item 6 which gives such person or entity more than a computed 10% interest in the developer (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the developer; or more than 50% of the stock in a corporation which holds 20% of the stock of the developer):

N/A

Name, Address and Zip Code	Description of character and extent of interest

8. Names (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 6 or Item 7 above:

N/A

9. Is the developer a subsidiary of or affiliated with any other corporation or corporations or any other firm or firms? If yes, list each such corporation or firm by name and address, specify its relationship to the developer, and identify the officers and directors or trustees common to the developer and such other corporation or firm.

None by exclusion of affiliations of less than 1% (Ownership List attached)

10. The financial condition of the developer, as of **December 31, 2008** is reflected in the attached financial statement.

11. If funds for the development are to be obtained from sources other than the developer's own funds, a statement of the developer's plan for financing the development:

15th and Commercial will be financed by a combination of the following sources:

- tax credit equity
- an Infill Infrastructure Grant
- a Transit-Oriented Development (TOD) residual receipts loan
- a Centre City Development Corporation (San Diego Redevelopment Agency) residual receipts loan
- a San Diego Housing Commission residual receipts loan
- a CalReuse grant
- CDBG grants from the City of San Diego
- a First 5 Commission of San Diego County grant
- a residual receipts note representing a partially deferred developer fee
- an Affordable Housing Program (AHP) grant
- a Mental Health Services Act (MHSA) housing loan
- a Mental Health Services Act (MHSA) operating subsidy
- an Emergency Housing and Assistance Program Capital Development (EHAPCD) loan
- a HUD Supportive Housing Program (SHP) operating subsidy

12. Sources and amount of cash available to developer to meet equity requirements of the proposed undertaking:

    a. In banks: **Equity will be funded by tax credit investor**

Name, Address and ZIP Code of Bank	$ Amount

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

    N/A

Name, Address and ZIP Code of Source	$ Amount

    c. By sale of readily salable assets:

Description	Market Value	Mortgages or Liens

    None proposed

13. Name and addresses of bank references:

Mr. Paul Shipstead
Vice President
U.S. Bank
4330 La Jolla Village Drive
Suite 200
San Diego, California 92122
Phone: (858) 642-4632
Fax: (619) 515-5948
E-Mail: paul.shipstead@usbank.com

Ms. Catherine M. Niemann
Senior Vice President
Security Business Bank
2701 Loker Avenue West, Suite 150
Carlsbad, California 92008
Phone: (760) 448-8307
Fax: (760) 929-9864
E-Mail: cniemann@securitybusinessbank.com

14. Has the developer or any of the developer'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.

15. Has the developer or anyone referred to above as "principals of the developer" been indicted for or convicted of any felony within the past 20 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.

16. Undertakings, comparable to the proposed project, which have been completed by the developer including identification and brief description of each project and date of completion:

Please refer to Project Sponsor Experience report.

17. If the developer or a parent corporation, a subsidiary, an affiliate, or a principal of the developer is to participate in the development as a construction contractor or builder: N/A

a. Name and address of such contractor or builder:

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, explain:

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

General description of such work:

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

Identification of Date to
be
Contract or Development Location Amount Completed

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

Awarding Agency	Amount	Date Opened
N/A		

18. Brief 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:

19. Does any member of the governing body of the San Diego Housing Commission, to which the accompanying proposal is being made, or any officer or employee of the San Diego Housing Commission who exercises any functions or responsibilities in connection with the carrying out of the project covered by the developer's proposal, have any direct or indirect personal financial interest in the developer or in the proposed contractor?
☐ Yes ☒ No
If yes, explain.

20. Statements and other evidence of the developer's qualifications and financial responsibility (other than the financial statement referred to in Item 10) are attached hereto and hereby made a part hereof as follows:

N/A

CERTIFICATION

I, Cheri Hoffman, certify that this Developer's Statement for Public Disclosure and the attached evidence of the developer's qualifications and financial responsibility, including financial statements, are true and correct to the best of my knowledge and belief.

Date: June 10, 2009

Cheri Hoffman

Signature

Title: Senior Project Manager

Address & ZIP Code

5993 Avenida Encinas, Suite 101
Carlsbad, CA 92008

ACKNOWLEDGMENT

State of California)
)
County of San Diego)

On June10, 2009 before me, G. R. Withers, Notary public, personally appeared Cheri Hoffman, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature G. R. Withers

Signature of Notary Public

(Seal)

G. R. WITHERS
Commission # 1680068
Notary Public - California
San Diego County
My Comm. Expires Jul 8, 2010

ATTACHMENT 7
FINANCIAL INFORMATION

Father Joe's Villages
and Consolidated Entities

Report on Consolidated Financial Statements

Years Ended December 31, 2007 and 2006

FATHER JOE'S VILLAGES AND CONSOLIDATED ENTITIES

Index

J.H. COHN LLP
Accountants and Consultants since 1919

www.jhcohn.com • 888-542-6461 • fax 888-542-3291

Report of Independent Public Accountants

To the Board of Directors
Father Joe's Villages

We have audited the accompanying consolidated statements of financial position of Father Joe's Villages and Consolidated Entities (the "Organization") as of December 31, 2007 and 2006, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Father Joe's Villages and Consolidated Entities as of December 31, 2007 and 2006, and the changes in their net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

J.H. Cohn LLP

San Diego, California
September 29, 2008

FATHER JOE'S VILLAGES AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2007 AND 2006

ASSETS	2007	2006
Current assets:		
Cash and cash equivalents	$ 536,258	$ 203,702
Investments	-	1,087,216
Contributions receivable	89,052	308,663
Grants receivable	180,585	-
Inventory	233,718	283,717
Prepaid expenses and other current assets	314,731	50,586
Total current assets	1,354,344	1,933,884
Property and equipment, at cost:		
Land	18,470,106	11,470,399
Buildings and improvements	57,595,560	58,145,294
Construction in progress	21,218,535	5,655,645
Furniture and equipment	3,702,958	3,603,108
	100,987,159	78,874,446
Less accumulated depreciation and amortization	(20,407,550)	(18,858,924)
	80,579,609	60,015,522
Restricted cash	203,770	748,348
Designated cash fund and statutory reserves	1,868,646	2,313,693
Due from Martha's Village and Kitchen, Inc.	2,613,360	2,682,959
Investment in limited partnership	1,826,249	1,704,719
Charitable remainder trusts	415,990	561,463
Property held for sale	308,000	78,000
Bond issuance costs, net	317,882	333,185
Deposits and other assets	285,430	458,667
Total assets	$ 89,773,280	$ 70,830,440
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	$ 4,749,319	$ 2,777,247
Current portion of long-term debt	258,171	192,111
Interest rate swap liability	1,148,566	-
Total current liabilities	6,156,056	2,969,358
Forgivable debt	2,899,862	1,899,862
Long-term debt, net of current portion	26,754,205	15,077,371
Note payable to St. Vincent de Paul Village, Inc.	1,521,974	-
Development fee payable to St. Vincent de Paul Village, Inc.	750,509	651,605
Due to St. Vincent de Paul Village, Inc.	1,742,049	2,219,025
Notes payable to Martha's Village and Kitchen, Inc.	4,838,727	5,008,789
Other liabilities	-	403,372
Total liabilities	44,663,382	28,229,382
Limited partners' interest in real estate limited partnerships	9,334,683	8,086,200
Commitments and contingencies		
Net assets:		
Unrestricted	33,329,206	30,922,518
Temporarily restricted	2,446,009	3,592,340
Total net assets	35,775,215	34,514,858
Total liabilities and net assets	$ 89,773,280	$ 70,830,440

See Notes to Consolidated Financial Statements.

FATHER JOE'S VILLAGES AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Changes in unrestricted net assets:		
Revenue, contributions and other:		
Contributions from organizations, foundations and individuals	$ 2,295,518	125,925
Sales of donated automobiles	8,105,766	8,847,380
Contract charges for services to St. Vincent de Paul Village, Inc. Transitional Housing Centers	6,112,282	5,906,800
Rental income	4,282,439	4,156,792
Grant income	255,205	-
Interest income	159,506	211,459
Miscellaneous income	273,010	227,325
Net assets released from donor restrictions	1,239,930	92,821
Total revenue, contributions and other	22,723,656	19,568,502
Expenses and donations:		
Administration	983,091	769,476
Fundraising	397,988	342,387
Program expenses:		
Salaries and employee benefits	6,429,310	6,472,436
Food	2,214,803	2,151,494
Advertising	1,828,803	1,933,896
Preparation expense of donated automobiles	1,143,991	1,272,009
Other	3,293,025	3,227,986
Interest	1,111,701	991,182
Depreciation and amortization	1,923,004	2,016,815
Disposal of property and equipment	250,892	-
Total program expenses	18,195,529	18,065,818
Donation to St. Vincent de Paul Village, Inc.	179,275	2,486,692
Donation to Martha's Village and Kitchen, Inc.	1,471,170	1,341,717
Total expenses and donations	21,227,053	23,006,090
Change in unrestricted net assets from operations before equity of limited partners in losses of limited partnerships	1,496,603	(3,437,588)
Loss on mark-to-market of interest rate swap	(1,148,566)	
Change in unrestricted net assets before equity of limited partners in losses of limited partnerships	348,037	(3,437,588)
Equity of limited partners in operating results of real estate limited partnerships	2,058,651	931,911
Change in unrestricted net assets	2,406,688	(2,505,677)
Changes in temporarily restricted net assets:		
Contributions	93,599	1,400,628
Net assets released from donor restrictions	(1,239,930)	(92,821)
Change in temporarily restricted net assets	(1,146,331)	1,307,807
Change in net assets	1,260,357	(1,197,870)
Net assets at beginning of year	34,514,858	35,712,728
Net assets at end of year	$ 35,775,215	$ 34,514,858

See Notes to Consolidated Financial Statements.

FATHER JOE'S VILLAGES AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Increase (decrease) in cash and cash equivalents:		
Operating activities:		
Revenue, contributions and other:		
Contributions from organizations, foundations, and individuals	$ 2,444,049	$ 1,025,995
Sales of donated automobiles	8,155,765	8,907,911
Contract charges for services to St. Vincent de Paul Village, Inc. Transitional Housing Centers	6,112,282	5,906,800
Rental income	4,282,439	4,156,792
Grant income	74,620	-
Interest income	159,506	211,459
Miscellaneous income	231,632	396,342
	21,460,293	20,605,299
Expenses and donations:		
Administration	983,091	769,476
Fundraising	397,988	342,387
Program:		
Salaries and employee benefits	6,383,168	6,439,005
Other operating expenses	7,076,983	6,705,903
Interest	924,196	892,724
Donation to St. Vincent de Paul Village, Inc.	451,371	2,486,692
Donation to Martha's Village and Kitchen, Inc.	1,493,858	1,401,519
	17,710,655	19,037,706
Net cash provided by operating activities	3,749,638	1,567,593
Investing activities:		
Purchases of property and equipment	(22,707,000)	(2,963,789)
Decrease (increase) in restricted cash	544,578	(647,378)
Decrease (increase) in designated cash fund and statutory reserves	445,047	(588,632)
Purchase of investment securities	-	(1,387,011)
Proceeds from sale of investment securities	1,087,216	3,602,269
Repayments from San Diego Health and Faith Alliance, Inc.	-	231,133
Payment on development fee payable	(100,000)	-
Net cash used in investing activities	(20,730,159)	(1,753,408)
Financing activities:		
Capital contributions to limited partnerships by outside limited partners	3,307,134	100,000
Payments on notes payable from Martha's Village and Kitchen, Inc.	(148,848)	(17,897)
Net proceeds repayments to borrowings under line of credit	-	(500,000)
Net proceeds from borrowings	15,357,629	181,967
Payments on long-term debt	(1,202,838)	(181,614)
Net cash provided by (used in) financing activities	17,313,077	(417,544)
Net increase (decrease) in cash and cash equivalents	332,556	(603,359)
Cash and cash equivalents at beginning of year	203,702	807,061
Cash and cash equivalents at end of year	$ 536,258	$ 203,702

See Notes to Consolidated Financial Statements.

FATHER JOE'S VILLAGES AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONCLUDED)
YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	$ 1,260,357	$ (1,197,870)
Depreciation and amortization	1,923,004	2,016,815
Noncash interest expense	110,077	98,458
Donation of land	(230,000)	(78,000)
Disposal of property and equipment	250,892	-
Loss on mark-to-market of interest rate swap	1,148,566	-
Limited partners' equity in operating results of partnerships	(2,058,651)	(931,911)
Transfer of development fee payable	198,904	-
Accretion of discount on investment in limited partnership	(121,530)	(123,530)
Realized and unrealized loss on investment securities	-	27,886
Change in value of charitable remainder trusts	145,473	141,131
Contributions (from) to Martha's Village and Kitchen, Inc. and St. Vincent de Paul Village, Inc.	(293,169)	206,717
Changes in operating assets and liabilities:		
Contributions receivable	219,611	(299,028)
Grants receivable	(180,585)	-
Inventory	49,999	60,531
Accrued interest receivable from Martha's Village and Kitchen, Inc.	(75,562)	(207,637)
Due to Martha's Village and Kitchen, Inc.	73,947	(58,882)
Other assets	(106,588)	118,958
Accounts payable and accrued liabilities	1,972,072	518,769
Due to St. Vincent de Paul Village, Inc.	(476,976)	972,784
Other liabilities	(60,203)	302,402
Net cash provided by operating activities	$ 3,749,638	$ 1,567,593
Supplemental disclosure of noncash investing and financing activities:		
Transfer of leasehold improvements to St. Vincent de Paul Village, Inc.		$ 447,091

See Notes to Consolidated Financial Statements.

Note 1 - Organization and summary of significant accounting policies:

Organization:

S.V.D.P. Management, Inc. doing business as Father Joe's Villages ("FJV"), develops, maintains and leases property, receives and sells donated automobiles and provides contract services for St. Vincent de Paul Village, Inc. (the "Village") and Martha's Village and Kitchen, Inc. ("Martha's"), which through its fundraising activities, provides charitable services for the homeless in San Diego and Indio. FJV is also the general partner of Mirabile Housing, L.P., Village Place Apartments, L.P., Martha's Village, L.P., Toussaint Teen Center, L.P., Villa Harvey Mandel, L.P., 16th and Market, L.P. and a limited partner in a family limited partnership.

Mirabile Housing, L.P.

In 1994, FJV formed Mirabile Housing, L.P. ("Mirabile Housing"), a California limited partnership, with FJV as the General Partner and Chevron U.S.A., Inc. as the Investor Limited Partner. Mirabile Housing was formed to develop and operate low-income housing, including housing that qualifies for low-income housing credits under Section 42 of the Internal Revenue Code. In connection with the formation of Mirabile Housing, FJV transferred the land, buildings and equipment of the Paul Mirabile Center to Mirabile Housing in exchange for a $8,447,740 note receivable which bears interest at 6.75%. The note is collateralized by the property. Interest and principal payments are due from cash flows (as defined). The Investor Limited Partner has contributed $4,375,641 to the capital of Mirabile Housing. These capital contributions were used to repay partnership expenses and obligations to FJV for developing and financing the project. FJV's share of Mirabile Housing profits and losses is 1%. The Investor Limited Partner receives 99% of the profits and losses.

The partners have received a total of $7,498,210 in Federal low-income housing tax credits from the California Tax Credit Allocation Committee ("TCAC") through 2004.

Village Place Apartments, L.P.

Village Place Apartments, L.P. ("Village Place") is a California limited partnership formed to develop and operate affordable housing, including housing that qualifies for low-income housing credits under Section 42 of the Internal Revenue Code. At the date of formation of Village Place, January 16, 1997, FJV became the General Partner and on June 1, 1997, under the first amendment to Limited Partnership Agreement dated July 1, 1997, Columbia Housing Partners Corporate Tax Credit V Limited Partnership was admitted as the sole Investor Limited Partner. The Investor Limited Partner has invested $472,981. Village Place profits and losses are allocated .01% to the General Partner and 99.99% to the Investor Limited Partner.

Note 1 - Organization and summary of significant accounting policies (continued):
Organization (continued):
Village Place Apartments, L.P. (concluded)
The partners receive $66,400 annually of Federal low-income housing tax credits through 2007.

Construction of the Village Place Apartments (the "VPA-Project"), a 47-unit apartment complex for low to moderate income tenants, was completed in June 1997 and was subsequently placed in service. The costs of the land and rehabilitation of the apartments were paid by FJV and title to the property was transferred to Village Place on February 26, 1997. Village Place issued a note payable to FJV for $1,173,633 in payment of such costs. This loan was repaid in 1997 from permanent financing obtained from the California Housing Finance Agency ("CalHFA"). The VPA-Project is operated under a Regulatory Agreement that regulates rent charges, operating methods and other matters.

Martha's Village, L.P.
Martha's Village, L.P. ("Martha's Village") is a California limited partnership formed in 1999 to acquire, own, develop and operate low-income housing, including housing that will qualify for low-income housing credits, under Section 42 of the Internal Revenue Code.

Construction of the low-income transitional housing building was substantially completed in January 2001 and was subsequently placed in service, at which time Martha's Village commenced operations.

Under the first amendment to the first amended and restated Agreement of Limited Partnership effective on August 24, 2001, Martha's transferred its general partnership interest of $279,983 to FJV. Banc of America Housing Fund III D Limited Partnership is the Limited Partner. The partnership term expires December 31, 2050. FJV has contributed land valued at $280,000 to Martha's Village. The Limited Partner has contributed $2,615,387. Martha's Village profits and losses are allocated .01% to the General Partner and 99.99% to the Limited Partner.

The partners receive $312,285 annually of Federal low-income housing tax credits from the TCAC until 2009.

The building was leased to FJV for 16 years beginning in 2001. Annual rent of $220,000 is payable in monthly installments of $18,333. FJV was awarded a grant from the Department of Housing and Urban Development to provide funding of $1,947,500 for the operations of the building. Included in this amount was $376,309 which was loaned to Martha's Village to purchase certain equipment. The loan is secured by a trust deed on the property, bears interest at .5% and is due in 2055.

Note 1 - Organization and summary of significant accounting policies (continued):

Organization (continued):

Toussaint Teen Center, L.P.

In 1997, FJV purchased land and a building in San Diego, California. FJV rehabilitated the building for use as a center for homeless teenagers in transition. The cost of the property was $1,051,075 and the rehabilitation costs were $3,006,677. It was FJV's intention to have the building qualify for low-income housing credits under Section 42 of the Internal Revenue Code.

In 1999, FJV formed a California limited partnership, Toussaint Teen Center, L.P. ("Teen Center"), to acquire, develop, finance and operate the 21-unit building for rental to low-income individuals. FJV became the General Partner and Father Joe Carroll became the Limited Partner.

On May 30, 2002, FJV entered into an amended and restated Agreement of Limited Partnership wherein FJV contributed its interest in the rehabilitated building and certain other costs to the Teen Center, Father Joe Carroll withdrew, U.S.A. Institutional Tax Credit Fund XXVII, L.P. was admitted as the Investment Partner and the Richman Group Capital Corporation was admitted as the Special Limited Partner.

In accordance with the amended agreement, the Limited Partners contributed $837,514 to the Teen Center. The $708,763 contribution is to be held in a restricted account until 2015, but may be released earlier under certain conditions. Teen Center profits and losses are allocated .01% to both FJV and the Special Limited Partner and 99.98% to the Investment Partner. In 2004, decisions regarding special elections were made with the consent of the Limited Partners for special allocation of profits and losses in accordance with Section 704(c) of the Internal Revenue Code.

The partners will receive $142,723 annually of Federal low-income housing tax credits from the TCAC until 2008. In the event all of the credit is recaptured or all of the reported credit becomes unavailable, the Limited Partners have the option to have the General Partner pay for certain amounts of the credits taken by the Limited Partners.

Villa Harvey Mandel, L.P.

Villa Harvey Mandel, L.P. ("Villa Harvey Mandel"), a California limited partnership, was formed for the purpose of developing, managing, and operating a 90-unit multi-family apartment complex that qualifies for low-income housing credits under Section 42 of the Internal Revenue Code to be known as Villa Harvey Mandel Apartments (the "VHM-Project") located in San Diego, California.

Note 1 - Organization and summary of significant accounting policies (continued):
Organization (continued):

Villa Harvey Mandel, L.P. (concluded)

From October 19, 2001 to February 12, 2002, the General Partner of Villa Harvey Mandel was FJV, and the Limited Partner was Father Joe Carroll. On February 12, 2002, the initial Limited Partner, Father Joe Carroll withdrew from Villa Harvey Mandel and TRGHT, Inc. and The Richman Group Capital Corporation were admitted to the partnership as the Investor Limited Partner and Special Limited Partner, respectively. On February 12, 2002, TRGHT, Inc. withdrew from the partnership as the Investor Limited Partner, and U.S.A. Institutional Tax Credit Fund XXVIII, L.P. was admitted as the Investor Limited Partner. Therefore, from February 12, 2002, the Investor Limited Partner was U.S.A. Institutional Tax Credit Fund XXVIII, L.P. (the "Investment Partner"), and the Special Limited Partner was The Richman Group Capital Corporation (the "Special Limited Partner").

Under the amended and restated Agreement of Limited Partnership (the "Partnership Agreement"), the Investment Partner has contributed $7,228,250 through December 31, 2007. Villa Harvey Mandel profits and losses are allocated .01% to both FJV and the Special Limited Partner and 99.98% to the Investment Partner.

Villa Harvey Mandel expects to generate an aggregate of $9,106,290 of low-income housing tax credits from the TCAC. Generally, such credits become available for use by its partners pro rata over a ten-year period beginning in June 2003. In order to qualify for these credits, the VHM-Project must comply with various Federal and state requirements. These requirements include, but are not limited to, renting to low-income tenants at rental rates which do not exceed specified percentages of area median gross income for the first 15 years of operation. Villa Harvey Mandel has also agreed to maintain and operate the VHM-Project as low-income housing for another 40 years after that period ends.

16th and Market, L.P.

16th and Market, L.P. ("16th and Market") was formed as a California limited partnership on April 6, 2007 to develop, manage, operate and finance a 136-unit multi-family apartment complex for low-income rental housing that qualifies for low-income housing credits under Section 42 of the Internal Revenue Code. FJV is the Managing General Partner and CIC 16th and Market, LLC is the Administrative General Partner (the "Administrative General Partner"). U.S.A. Institutional Tax Group Fund LX, L.P. is the Investor Limited Partner (the "Investment Partner") and The Richman Group Capital is the Special Limited Partner. The completion of construction is targeted for January 2009.

Note 1 - Organization and summary of significant accounting policies (continued):

Organization (concluded):

16th and Market, L.P. (concluded)

In 2007 and 2006, FJV received $70,954 and $1,136,546, respectively, as a restricted contribution from Ballpark Village, LLC ("BPV"), as a reimbursement of certain costs of construction, which were invested in 16th and Market. In addition, FJV transferred land valued at $8,000,000 to 16th and Market. FJV also obtained a $1,000,000 loan from the Affordable Housing Program ("AHP"), which was invested in 16th and Market.

BPV is to contribute approximately $19,000,000 in additional funds for the project. BPV has elected to defer payment of the final contribution. In return for the delayed payments, BPV will pay an additional $1,044,757 and will secure payment by providing letters of credit in the amount of $19,037,257. These payments to the project will constitute equity credit for FJV.

The remaining costs of the $70,000,000 project is being financed by loans and limited partner investments for tax credits of approximately $26,457,000. FJV believes it has obtained all necessary financing for the construction of the project.

Included in construction cost is a development fee of $1,250,000, which will be earned by FJV based on certain performance criteria. As of December 31, 2007, $375,000 of the fee had been earned and payment of the fee is dependent on project cash flow. Profits and losses are allocated .005% to both FJV and the Administrative General Partner and 99.99% to the Investment Partner.

Principles of consolidation:

FJV, Mirabile Housing, Village Place, Martha's Village, Teen Center, Villa Harvey Mandel and 16th and Market have been consolidated and all material intercompany transactions and accounts have been eliminated in the accompanying consolidated financial statements.

Basis of accounting:

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with Statement of Financial Accounting Standards ("SFAS") No. 117, "Financial Statements of Not-for-Profit Organizations". Accordingly, FJV 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. All donations are considered to be available for unrestricted use unless specifically restricted by the donor. FJV has no permanently restricted net assets.

Note 1 - Organization and summary of significant accounting policies (continued):

Investments:

FJV carries investments in equity securities with readily determinable fair values and all investments in debt securities at fair value with realized and unrealized gains and losses included in the consolidated statements of activities.

Inventory:

Inventory consists primarily of donated automobiles. Donated automobiles are stated at estimated fair value at year end.

Property held for sale:

Property held for sale is stated at estimated fair value at the date of donation.

Contributions:

FJV records promises to give and receive cash and other assets by both donees and donors at fair value in the period in which the promise is made. Conditional promises to give are recognized when the conditions are substantially met in accordance with SFAS No.116, "Accounting for Contributions Received and Contributions Made".

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a current risk-free interest rate. Accretion of the discount is included in contribution revenue. Conditional promises to give are not recorded as contributions until such time as the conditions are substantially met.

FJV provides for losses on contributions receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of donors to meet their obligations. Receivables are written-off when deemed uncollectible. It is FJV's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Restricted contributions whose restrictions are met within the same reporting period are recorded as unrestricted contributions.

Grant revenue:

FJV is awarded grants from Federal, state and private agencies. Those grants funded are typically awarded for a multi-year period, with the amount awarded negotiated in advance. Grant revenue is recognized as revenue when the related program costs are incurred. Unexpended grant funds received in advance of the related expenditures are reported as deferred grant revenue.

Note 1 - Organization and summary of significant accounting policies (continued):

Expiration of donor restrictions:

The expiration of a donor restriction on a contribution is recognized in the period in which the restriction expires and at that time the related resources are reclassified to unrestricted net assets. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Long-lived assets:

FJV records impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount.

Use of estimates:

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

Cash equivalents:

FJV considers all highly-liquid investments with an original maturity of three months or less to be cash equivalents.

Concentration of credit risk:

FJV maintains its cash balances in two financial institutions. As of December 31, 2007, the balances exceeded the Federal Deposit Insurance Corporation limitation coverage by approximately $1,560,000. FJV reduces its exposure to credit risk by maintaining such deposits with high credit quality financial institutions.

Advertising:

FJV expenses advertising costs as incurred. Advertising costs for the years ended December 31, 2007 and 2006 were approximately $1,829,000 and $1,934,000, respectively.

Income taxes:

FJV is exempt from income taxes on the basis that it qualifies under Section 501(c)(3) of the Internal Revenue Code and Section 23701 (d) of the California Franchise Tax Code.

Property and equipment:

Property and equipment is stated at cost. Depreciation and amortization are provided for using the straight-line method over the estimated useful lives of the assets, which range from five to ten years. All items with a value of $5,000 or greater are capitalized.

Note 1 - Organization and summary of significant accounting policies (concluded):

Capitalized interest costs:

Interest is capitalized during the construction period of a project. When the project is completed with construction and the asset is placed in service and ready for occupancy, interest is no longer capitalized and is expensed. Capitalized interest for the year ended December 31, 2007 was approximately $50,000.

Bond issuance costs:

Bond issuance costs are capitalized and amortized over the term of the bond using the straight-line method.

Derivative financial instruments:

FJV makes limited use of derivative instruments for the purpose of managing interest rate risks. Interest rate swap agreements are used to convert FJV's floating rate long-term debt to a fixed rate. SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), establishes accounting and reporting standards for derivative instruments and hedging activities. As required by SFAS 133, FJV recognizes all derivatives as either assets or liabilities in the consolidated statements of financial position and measures those instruments at fair value. Changes in fair value of those instruments are reported in the consolidated statement of activities.

Functional expenses:

The cost of providing various programs and services has been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and services benefited.

Reclassifications:

Certain reclassifications have been made to the 2006 consolidated financial statements to conform to the 2007 consolidated financial statements.

Note 2 - Property and equipment:

Property and equipment includes land, buildings and improvements, furniture and equipment and construction in progress. Planned major and routine maintenance is expensed as incurred. The following facilities operated by various entities of FJV, the Village, and Martha's:

	2007	2006
Joan Kroc Center	$ 12,729,013	$ 12,723,110
Martha's Village	9,135,739	9,135,739
Paul Mirabile Center	8,438,080	8,438,080
"E" Street headquarters	3,937,694	3,870,531
Bishop Maher Center	2,591,622	2,591,622
Thrift warehouses and stores	1,724,669	2,318,956
Ballpark Apartments	15,261,665	2,015,527
Toussaint Teen Center	4,057,752	4,057,752
Otay Mesa property	8,724,142	8,718,206
Josue AIDS Centers	487,101	487,101
El Cajon Boulevard property	1,646,507	785,959
Village Place Apartments	1,362,309	1,362,309
Flying "A" Ranch	2,868,569	2,258,919
Village residences	2,903,010	2,903,010
Villa Harvey Mandel	13,229,417	13,229,417
Campo Ranch	2,882,789	2,744,722
Singe family residences	375,161	375,161
Pala land and improvement	347,473	347,289
Penske property	6,909,085	-
15th & Commercial	864,326	-
Automotive division	511,036	511,036
Totals	$ 100,987,159	$ 78,874,446

Note 3 - Related party transactions:

Contract services with St. Vincent de Paul Village, Inc.:

FJV has service contracts with the Village to provide administrative, security, food, building repairs and maintenance services. Charges under these contracts were $6,112,282 and $5,906,800 in 2007 and 2006, respectively.

Note 3 - Related party transactions (continued):

Related party rental income:

FJV and Mirabile Housing lease property to the various operating activities of the Village and Martha's under long-term operating leases expiring at various dates through 2016. These leases are adjusted annually for changes in the Consumer Price Index. Aggregate minimum lease payments expected to be received by FJV, Mirabile Housing and the Teen Center from the Village and Martha's operating activities in the five years subsequent to December 31, 2007 and thereafter are as follows:

Year Ending December 31,	Martha's	Village	Totals
2008	$ 304,800	$ 3,311,844	$ 3,616,644
2009	304,800	2,397,026	2,701,826
2010	250,800	1,811,711	2,062,511
2011	-	1,861,661	1,861,661
2012	-	1,913,009	1,913,009
Thereafter	-	2,295,953	2,295,953
Total	$ 860,400	$ 13,591,204	$ 14,451,604

Included in rental income were amounts from related parties of $3,511,503 and $3,402,644 in 2007 and 2006, respectively.

Food purchases from St. Vincent de Paul Village, Inc.:

Food purchases by FJV from Village retail operations were $548,851 and $646,854 in 2007 and 2006, respectively.

Donations to related parties:

FJV made donations to support the operations of the Village in the amount of $179,275 and $2,486,692 in 2007 and 2006, respectively. In addition, FJV made donations to support the operations of Martha's in the amount of $1,471,170 and $1,341,717 in 2007 and 2006, respectively.

Note payable to St. Vincent de Paul Village, Inc.:

In November 2007, FJV borrowed $1,510,000 in the form of a note payable to the Village to use in the acquisition of a property that fit into mid-range strategic plans. The note bears interest at 8% per annum. Principal and interest are due upon maturity in 2012. Interest of $11,974 was accrued as of December 31, 2007. This note was subsequently refinanced (Note 13).

Note 3 - Related party transactions (continued):

Pass-through grant to Martha's Village and Kitchen, Inc.:

FJV has been awarded a grant from the County of Riverside, Department of Public Social Services to provide funding of $525,000 each year and has been renewed through November 2008. FJV has passed through these funds to Martha's.

Notes payable to Martha's Village and Kitchen, Inc.:

FJV has the following payables to Martha's in exchange for costs advanced to Martha's Village.

	2007	2006
Note receivable, secured	**$ 4,776,227**	$ 4,925,075
Note receivable	**62,500**	62,500
Advances receivable	-	21,214
	$ 4,838,727	$ 5,008,789

The note of $4,776,227 is collateralized by a trust deed on the property, bears interest at .5% per annum and is due May 8, 2055. The $62,500 note receivable bears interest at .5% per annum and is due and payable on May 8, 2055. Interest only payments in arrears are required based on the availability of cash as defined.

Due from Martha's Village and Kitchen, Inc.:

During 2001, FJV advanced $4,771,819 to Martha's mainly for the building construction. Advances receivable amounted to $2,518,746 in both 2007 and 2006. Interest at 3% per annum is charged on these advances which amounted to $75,562 in both 2007 and 2006. Interest of $75,562 was contributed to Martha's in 2006. In addition, interest payable of $50,000 and $100,706 was contributed in 2007 and 2006, respectively. Principal payments of $30,449 were contributed to Martha's in 2006. In addition to the advances made for construction of the building, FJV provides cash advances and contributions to Martha's from time to time. As of December 31, 2007 and 2006, Martha's owed FJV $94,614 and $164,213, respectively.

Due to St. Vincent de Paul Village, Inc.:

The Village provides cash advances and contributions to FJV from time to time. As of December 31, 2007 and 2006, FJV owed the Village $1,742,049 and $2,219,025, respectively.

Note 3 - Related party transactions (concluded):

Development fee payable to St. Vincent de Paul, Inc.:

On February 12, 2002, Village and Chelsea Investment Corporation ("CIC") (collectively the "Developers") entered into an agreement with Villa Harvey Mandel to supervise and oversee the development of the VHM-Project for a development fee of $1,094,858. The development fee is to be earned as services are performed. The Village will receive 60% and CIC will receive 40% of the development fee. In the event that a portion of the fee is deferred, the cash portion of the development fee will be paid first to CIC. As of December 31, 2007 and 2006, $551,605 and $651,605, respectively, of the development fee was due to the Village.

Under the terms of a Development agreement, Village Place is obligated to pay the $198,904 balance of a developer fee to the Village for the development and rehabilitation of the VPA-Project. The fee is payable from cash flows as provided in the Partnership agreement and any unpaid amount is due on January 1, 2009 and bears interest at 7%. The Village recognized earned interest of $139,532 and an additional $8,600 in developer fees that were previously paid by Village Place to FJV.

Note 4 - Long-term debt and forgivable debt:

Long-term debt consists of the following:

	2007	2006
4% Certificates of Participation. (A)	$ 4,310,000	$ 5,310,000
Note payable to bank in monthly installments of principal and interest of $41,073 due December 31, 2015. Interest at LIBOR plus 1.75% (6.73% at December 31, 2007), secured by a deed of trust. (B)	5,388,005	5,530,019
Note payable to National Advisor's, Inc. Interest only payments at 8% due May 2008. FJV obtained three 30-day extensions to extend the maturity date. In addition, FJV consumated a financing agreement that refinanced this short-term obligation on a long-term basis, thus the amount is included as long-term debt at December 31, 2007 (Note 13).	4,500,000	-

Note 4 - Long-term debt and forgivable debt (continued):

	2007	2006
Note payable to bank is unsecured and requires quarterly interest only payments, which may be deferred if cash is not available at the due date. Interest at 3% and matures in May 2017. The bank is obligated to extend the note's maturity date for one year, for up to five years, so long as FJV continues to satisfactorily perform all its obligations under the note.	**500,000**	-
6% mortgage note payable to CalHFA in monthly installments of $7,195 through 2027 by Village Place, collateralized by property and equipment.	**999,892**	1,025,397
Note payable to San Diego Housing Commission commencing April 1, 2004 of the greater of 50% of the VHM-Project's residual receipts as defined in the loan agreement or $27,034, applied first to unpaid interest and then to principal. The term is fifty-five years, due January 31, 2057 with interest at 5.6%, secured by a deed of trust. The interest is compounded annually at the note rate of 5.6%. At the year end 2007 and 2006, $551,626 and $440,493, respectively, has been accrued. As of April of each year the unpaid interest is added to principal. The minimum required payment of $27,034 was paid by Villa Harvey Mandel in both 2007 and 2006.	**2,452,550**	2,342,473
Center City Development Corporation loan payable to the Redevelopment Agency of the City of San Diego by Villa Harvey Mandel in annual installments commencing April 1, 2004 of the remaining balance oft he residual receipts calculation under the Order of Priority as defined in Section 8(b) of the loan agreement. The term is fifty-five years, due September 30, 2057 with interest at 5%, secured by a subordinate deed of trust, a Security Agreement, an assignment of rent and leases, and an assignment of agreements.	**920,000**	920,000

Note 4 - Long-term debt and forgivable debt (continued):

		2007		2006
Notes payable to bank (C)		**7,835,654**		-
Other		**106,275**		141,593
		27,012,376		15,269,482
Less current portion		**258,171**		192,111
Long-term debt	$	**26,754,205**	$	15,077,371

(A) In June 1998, FJV issued $7,485,000 of Certificates of Participation Bonds ("Bonds") to the California Statewide Communities Development Authority. Proceeds from the issuance of the Bonds were used to repay certain indebtedness and provide reserve funds for future properties. The Bonds are collateralized by certain real estate and a bank letter of credit that expires on June 28, 2008 and which was extended to September 30, 2009. The agreement provided that no more than $7,485,000 and $110,737 may be drawn under the principal and interest portion, respectively, of these letters of credit. The letters of credit require that FJV maintain certain debt service coverage and debt to equity covenants. The initial interest rate on the Bonds was 4% which is subject to periodic adjustments. FJV is required to set aside in a designated sinking fund $375,000 in years 2003 through 2008 as collateral for the letters of credit. FJV repaid $1,000,000 of this loan in 2007. The Bonds are due February 1, 2028.

(B) The note bears interest at the variable note rate, which is 1.75% per annum in excess of the bank's LIBOR rate (6.73% at December 31, 2007). FJV has the one-time option and right to exercise a fixed rate conversion option to convert the variable note rate to a fixed interest rate which is 1.75% per annum in excess of the bank's then current adjusted U.S. Treasury rate for similar property types as calculated by the bank in its sole discretion and shall apply, without further modification, to the full principal amount then outstanding under the note for the full remaining term of the note. FJV can exercise this option by no later than December 1, 2008.

FJV also has the option to enter into an interest rate swap transaction with the bank in respect of the full outstanding principal amount of the loan evidenced by the note and with a termination date coinciding with the maturity date and shall, at the time it enters into the swap transaction, exercise the option to covert the variable note rate to a rate which is 1.75% per annum in excess of the BBA LIBOR rate.

Note 4 - Long-term debt and forgivable debt (continued):

(C) In June 2007, 16th and Market closed construction financing with a bank and the bank recorded a $40,000,000 deed of trust on the property representing tax-exempt bond financing composed of $3,010,000 Series B bonds with a maturity date of December 1, 2044 and $36,990,000 Series C bonds with a maturity date of December 1, 2009 with the option to extend to June 1, 2010. The bank also recorded a separate $8,347,766 deed of trust representing non tax-exempt construction financing. FJV has also granted to the bond issuer and the bank, a security interest in FJV's right, title and interest in and proceeds from 16th and Market. All financing of approximately $48,000,000 is disbursed by a bank on a monthly basis as needed to pay construction costs of the project. At December 31, 2007, $7,835,654 had been drawn. Interest only payments are due monthly on this construction phase financing.

16th and Market entered into two interest rate swap agreements with a bank to reduce exposure to the floating interest rate of LIBOR plus 1% (5.27% at December 31, 2007). The first interest rate swap agreement sets the interest rate at 5.49% during the construction phase starting with a notional amount of $118,000 and amortizing to $29,310,000 until December 1, 2009. The second interest rate swap agreement is effective December 1, 2009 and sets the interest rate at 6.15% and the notional amount begins with $3,010,000 and declines monthly through the term which expires December 1, 2044. At December 31, 2007, the notional principal amount under the interest rate swap agreements totaled $10,510,000. At December 31, 2007, the estimated fair value of the interest rate swap agreements was a liability of $1,148,566. The change in fair value on these interest rate swap agreements for the year ended December 31, 2007 totaled of $1,148,566 and is included as a nonoperating loss in the consolidated statement of activities.

The agreements with the banks require that FJV and the Village maintain certain loan covenants for which FJV and the Village were not in compliance at December 31, 2007. FJV and the Village obtained waivers from the banks, which waive the breaches of the loan covenants violated for the year ended December 31, 2007.

Note 4 - Long-term debt and forgivable debt (continued):

Maturities of long-term debt in each of the five years subsequent to December 31, 2007 and thereafter are as follows:

Year Ending December 31,	Amount
2008	$ 258,171
2009	220,211
2010	233,261
2011	227,962
2012	242,448
Thereafter	25,830,323
Total	$ 27,012,376

The net book value of the land and buildings collateralizing the long-term debt was $51,366,036 at December 31, 2007.

Forgivable debt consists of the following:

	2007	2006
AHP loan payable to a bank by Villa Harvey Mandel, due in 2020 and secured by a deed of trust, a Security Agreement, an assignment of rents and Fixture Filing. Interest accrues at 1%. The loan is forgivable as long as the VHM-Project is in compliance with specific affordable housing requirements.	$ **900,000**	$ 900,000
AHP loan payable to bank by Martha's Village due in 2031. Interest at FHLB rate (4.2% at December 31, 2007), collateralized by a trust deed on the property. The loan is forgivable as long as the Martha's Village is in compliance with specific AHP requirements.	**500,000**	500,000

Note 4 - Long-term debt and forgivable debt (concluded):

	2007	2006
AHP loan payable to bank by FJV for the 16th and forgivable in 15 years from completion of the 16th and Market Project, as long as the 16th and Market Project is in compliance with specific affordable housing requirements. The loan is collateralized by a deed of trust on the property.	1,000,000	-
Loan payable to Emergency Housing Assistance Program of the State of California for the rehabilitation of the Joan Kroc and Bishop Maher transitional housing centers. The loan is secured by a deed of trust on the property and bears interest at 3%. The loan and interest will be forgiven in seven years from the project completion date, if certain conditions are met.	499,862	499,862
Forgivable debt	$ 2,899,862	$ 1,899,862

Note 5 - Contingent liability:

FJV is contingently liable as guarantor with respect to indebtedness of the Village at December 31, 2007 and 2006. The Village has not incurred any bank debt during either of the years ended December 31, 2007 or 2006.

Note 6 - Designated cash funds and statutory reserves:

FJV maintains certain reserves as follows:

	2007	2006
Designated sinking fund	$ 381,943	$ 1,002,610
Reserves under CalHFA loan - Village Place	298,335	258,897
Tenants' security deposits - Village Place	14,550	13,415
Operating reserve of at least $125,000 - Martha's Village	126,036	125,405
Replacement reserve - Martha's Village	95,643	81,755
Operating reserve of at least $75,000 - Villa Harvey Mandel	75,000	72,905
Replacement reserve - Villa Harvey Mandel	99,000	56,095
Tenants' security deposits - Villa Harvey Mandel	24,628	25,083
Restricted investments - Teen Center	753,511	677,528
Totals	$ 1,868,646	$ 2,313,693

Note 7 - Investment in limited partnership:

A former Chairman of the Village contributed a 19.6% interest in a limited partnership to the Village. The assets of the partnership were sold and the Chairman and the Village transferred their interest in the partnership to VJB Partners, L.P. The resulting Village interest was assigned to FJV. As a result of these transactions, FJV has a 97% limited partnership interest in VJB Partners, L.P., the assets of which include cash, investments and a note receivable from the general partner. FJV also has an option exercisable on December 31, 2035 (or sooner under certain circumstances) to sell its interest back to the partnership for the greater of $4,500,000 or the fair market value of its interest.

The future fair value of the partnership is collateralized by insurance policies on the lives of the former Chairman and his spouse.

Based upon life expectancy tables, the present value of FJV's estimated minimum interest in the partnership has been recorded as an investment under temporarily restricted net assets. Periodic adjustments are being made to the carrying amount of the investment for the accretion of the discount over the life expectancy of the donor at date of donation.

Note 8 - Charitable remainder trusts:

FJV is the beneficiary under a charitable remainder trust that is administered by a third party.

The charitable remainder trust is an arrangement whereby a donor contributes assets in exchange for distributions to a designated beneficiary over the remainder of the beneficiary's life. At the end of that time, the remaining assets will be given to FJV.

For the charitable remainder trust that is administered by a third party, the beneficial interest in the trust was recorded at fair value based on the present value of the future benefits expected to be received from the trust at the date the agreement was recorded. Discounts on the present value of expected benefits are amortized annually.

The total unamortized discount for the charitable remainder trust was approximately $263,000 and $515,000 as of December 31, 2007 and 2006, respectively.

Note 9 - Investments:

The cost and fair value of investments as of December 31, 2006 are summarized as follows:

	Cost	Fair Value
Short-term:		
U.S. government obligations	$ 686,970	$ 689,479
U.S. treasury bills	297,750	297,891
Money market funds	99,846	99,846
Totals	$ 1,084,566	$ 1,087,216

Fair values have been determined by reference to the most recent market quotations for the respective investments.

Investment returns included in interest or miscellaneous income consists of the following:

	2006
Investment income	$ 95,516
Investment fees	(30,385)
Realized losses	(125,872)
Unrealized gains	97,985
	$ 37,244

Note 10- 401(k) profit-sharing plan:

FJV participates in a profit-sharing retirement plan that covers all eligible employees of the Village, FJV and Martha's. Contributions are made by the Village, FJV, and Martha's on a discretionary basis. FJV has accrued, but not yet funded a discretionary matching contribution for those eligible at December 31, 2007. The contribution totaled $74,306 and $48,323 for 2007 and 2006, respectively.

Note 11- Temporarily restricted net assets:

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

	2007	2006
Restricted for use in future periods:		
Charitable remainder trusts	$ **415,990**	$ 561,463
Investment in VJB LP	**1,826,249**	1,704,719
Restricted for specific projects:		
St. Martin de Porres - Pala Funds	**203,770**	189,612
16th and Market	-	1,136,546
Totals	$ **2,446,009**	$ 3,592,340

Note 12- Limited partners' interests in real estate limited partnerships:

	Mirabile Housing, L.P.	Village Place Apartments, L.P.	Martha's Village, L.P.	Toussaint Teen Center, L.P.	Villa Harvey Mandel, L.P.	16th and Market, L.P.	Total Limited Partners' Interest in Limited Partnerships
Balance, January 1, 2006	$ 852,737	$ 247,159	$ 1,663,562	$ 229,933	$ 5,924,720	$ -	$ 8,918,111
Capital contributions					100,000		100,000
Equity of limited partners in operating results of limited partnerships	(170,593)	(42,265)	(125,306)	(102,458)	(491,289)		(931,911)
Balance, December 31, 2006	682,144	204,894	1,538,256	127,475	5,533,431	-	8,086,200
Capital contributions						3,307,134	3,307,134
Equity of limited partners in operating results of limited partnerships	(151,867)	(61,141)	(123,080)	(100,420)	(474,224)	(1,147,919)	(2,058,651)
Balance, December 31, 2007	$ 530,277	$ 143,753	$ 1,415,176	$ 27,055	$ 5,059,207	$ 2,159,215	$ 9,334,683

Note 13- Subsequent events:

Guarantee of related party debt:

In February 2008, the Village obtained a $2,500,000 revolving line of credit from a bank. The Village may have to pay this loan in full upon demand. If no demand is made, the Village will repay the loan in one payment of all outstanding principal plus all accrued unpaid interest in January 2011. The loan requires interest only monthly payments and the interest rate is prime minus .50% with a floor of 6.75% per annum. The loan has several financial and reporting requirements and FJV is a guarantor on the loan which is collateralized by a deed of trust, an Assignment of Rents and Commercial Security Agreement. In July 2008, the Village amended this loan which revised the collateral and the interest rate to the prime rate with a floor of 5% per annum.

Line of credit:

FJV refinanced the note payable to National Advisors, Inc. and note payable to St. Vincent de Paul Village, Inc. in July 2008 with a long-term revolving line of credit, therefore excluding the current portion of the notes payable to long-term debt. The maximum amount under the revolving line of credit is $6,215,000. The loan requires interest only monthly payments and the interest rate is prime with a floor of 5% per annum and will be adjusted semi-annually. The loan matures in August 2013 and has several financial reporting requirements. The loan is collateralized by a deed of trust on two properties and an Assignment of Rents.

3137 El Cajon Boulevard, L.P.:

3137 El Cajon Boulevard, L.P. ("Boulevard Apartments") was formed as a California limited partnership with FJV as the General Partner and Father Joe Carroll as the Limited Partner with a filing to the State on August 20, 2007. On May 1, 2008 the agreement was amended to continue the partnership with FJV as the General Partner, admit TRGHT, Inc. as the Investor Limited Partner and The Richman Group Capital Corporation as the Special Limited Partner. Father Joe Carroll withdrew as the Initial Limited Partner. The Partnership was formed to develop, manage, operate and finance a 24-unit multi-family apartment complex for low-income rental housing that qualifies for low-income housing credits under Section 42 of the Internal Revenue Code. Groundbreaking for the apartment building took place on December 10, 2007 and financing for the project closed in May 2008. The completion of construction is targeted for January 2009.

FJV transferred land valued at $1,210,000 to Boulevard Apartments for a deferred note. The remaining costs of the $10,900,000 project are being financed by loans and limited partners' investments for tax credits of approximately $3,694,000. FJV believes it has obtained all necessary financing for the construction of the project.

Note 13- Subsequent events (concluded):

Toussaint Youth Villages, Inc. independent operations:

Effective January 2008, programs associated with the Toussaint Academy of the Arts and Sciences ("TAAS") and A Children's Village began operations as a separate 501(c)(3) corporation, Toussaint Youth Villages, Inc. For 2007, TAAS programs were operated as part of the Village. The Children's Village programs were operated by FJV at a net cost of $532,132.

Chelsea Investment Corporation (fka CSC)
PRELIMINARY BALANCE SHEET
March 31, 2009

ASSETS

CURRENT ASSETS		
Cash	$	613,017
Accounts Receivable		121,327
Interest Receivable		48,976
Prepaid Expenses		6,450
Developer Fee Receivable		113,750
Project Costs Receivable (Net)		848,189
Notes Receivable - Short Term		913,416
Total Current Assets		2,665,125
LAND, BUILDING, AND EQUIPMENT		
Office Furniture and Equipment (Net)		59,728
Total Land, Building, and Equipment		59,728
LONG TERM AND OTHER ASSETS		
Notes Receivable - Long Term		11,268
Partnership Fees Receivable		66,526
Deposits		20,539
Deferred Tax Asset		13,000
Total Other Assets		111,333
Total Assets	$	2,836,185

LIABILITIES AND OWNER'S EQUITY

LIABILITIES		
Accounts Payable	$	15,964
Miscellaneous Payable		22,939
Line of Credit		1,000,000
Interest Payable		-
Total Current Liabilities		1,038,903
Long-term Investment		523,879
Total Liabilities		1,562,782
OWNERS' EQUITY		
Capital - J. Schmid		1,531,027
Common Stock		100
Shareholder Withdrawals		-
Current Year Profit (Loss)		(257,723)
Total Owner's Equity		1,273,403
Total Liabilities and Owner's Equity	$	2,836,185

Chelsea Investment Corporation (fka CSC)

PRELIMINARY STATEMENT OF INCOME AND EXPENSE

For the three months ended March 31, 2009

INCOME		
Developer Fees	$	203,370
Administration Fee		9,000
Reimbursables		4,067
Property Management Fee		8,155
Total Income		224,592
OPERATING EXPENSES		
Salaries & Wages		344,855
Payroll Tax Expense		33,580
Rent - Office		19,010
Insurance - Health		18,960
Outside Services		16,324
Consulting		15,901
Repairs & Maintenance		9,528
Dues & Publications		7,080
Worker's Comp Insurance		5,788
Meals & Entertainment		5,169
Professional Fees - Legal		4,613
Telephone		3,601
Equipment Rental		3,347
Utilities		3,090
Training & Seminars		3,085
Professional Fees - Acct. & Tax		2,838
Office Expense		2,140
Auto		2,023
Miscellaneous		1,523
Janitorial Expense		1,258
Insurance - Liability		1,103
Travel		717
Contributions		600
Mileage Reimbursement		346
Postage & Printing		125
Total Operating Expenses		506,604
PROFIT (LOSS) BEFORE DEPRECIATION		(282,012)

Chelsea Investment Corporation (fka CSC)

PRELIMINARY STATEMENT OF INCOME AND EXPENSE

For the three months ended March 31, 2009

Depreciation	5,947
	23,247
OPERATING PROFIT (LOSS)	(287,959)
OTHER INCOME (EXPENSES)	
Interest Income	52,653
Provision/Benefit for Income Taxes	-
State Income Tax	(16,000)
Interest Expense	(6,417)
TOTAL OTHER INCOME (EXPENSE)	30,236
NET INCOME (LOSS)	$ (257,723)