

REPORT

DATE ISSUED: January 4, 2007 REPORT NO: HCR 08-01
 ATTENTION: Chair and Members of the Housing Commission
 For the Agenda of January 10, 2008
 SUBJECT: Final Bond Authorization for Boulevard Apartments (Council District 3)

REQUESTED ACTION:

Take the final step to authorize the issuance of Housing Authority mortgage revenue bonds for the development of Boulevard Apartments.

STAFF RECOMMENDATION:

Housing Commission recommend that the Housing Authority authorize the issuance of up to \$6 million in housing revenue bonds to fund the development of the Boulevard Apartments, a 24-unit apartment complex located at 3137 El Cajon Boulevard. The bonds will be repaid with permanent funding sources after the project is built and occupied. A proposed Housing Commission loan would require future approval by the Housing Commission.

BACKGROUND:

The Project

The site for the proposed Boulevard Apartments is located at 3133-3137 El Cajon Boulevard, on the south side of El Cajon Boulevard between Iowa Street and Illinois Street, two blocks west of the 805 freeway. The project will provide a total of 24 affordable housing units, approximately 2,000-square-feet of commercial space, and a 17-space parking garage on a 0.24-acre site. The project would also include a landscaped roof deck with barbeque facilities, patio cover, picnic tables and a children's play area. Each unit would feature a private balcony. A site map is included as Attachment 1.

Housing Affordability

The 24 residential units would consist of 3 one-bedroom units, 18 two-bedroom units and 3 three-bedroom units. Although the Housing Commission's Bond Program would normally restrict rents at 50% and 60% of the Area Median Income (AMI) (\$31,600 and \$37,920 for a household of three), other funding sources require substantially lower restricted rents. As a result, 14 units will be restricted at 30% AMI (\$18,950 for a household of three) and 9 units will be restricted at 40% AMI (\$25,300 for a household of three). One unit will be reserved for an on-site manager and will not be occupancy-restricted. Nine of the units will be designated as supportive housing units serving households that are homeless or at-risk of becoming homeless and in which there is a disabled adult with mental illness, HIV/AIDS or substance abuse. Rent and income restrictions for the project are outlined in the chart below:

Type	AMI	Number of Units	Restricted Rent (net of utility allowance)	Market Rate	Monthly Savings per unit
One Bedroom	30% AMI	3	\$367	\$800	\$433
Two Bedroom	30% AMI	8	\$438	\$1,000	\$562
Two Bedroom	40% AMI	9	\$594	\$1,000	\$406
Two Bedroom	MGR	1	N/A	N/A	N/A
Three Bedroom	30% AMI	3	\$505	\$1,300	\$795
Total		24			
Total Annual Savings					\$137,592

Development Team

S.V.D.P. Management Inc. (SVDP) and Chelsea Investment Corporation (Chelsea) will be co-developers of the Boulevard Apartments. 3137 El Cajon Boulevard, L.P., a California limited partnership, has been established to own and operate the Boulevard Apartments. SVDP, a California nonprofit public benefit corporation and affiliate of Father Joe’s Villages, will be the managing general partner of 3137 El Cajon Boulevard, L.P. and the Richman Group will be the investor limited partner.

SVDP and Chelsea have collaborated on five affordable housing projects during the previous twelve years. These collaborations include: Paul Mirabile Center, a 350 bed short-term single adult facility (1994); Village Place Apartments, a 46-unit permanent affordable housing facility (1996); Toussaint Academy of the Arts and Sciences, a residence and high school for 30 youth (1998); Martha’s Village & Kitchen in Riverside County which provides emergency and transitional housing for up to 120 individuals (1999); and Villa Harvey Mandel, a 90-unit permanent affordable housing project dedicating 25 units for mentally ill/chemically dependent adults (2002).

SVDP is the property owner, developer and key partner of 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. St. Vincent de Paul Village was established in 1987 and has grown to be the largest homeless service provider in San Diego, offering emergency and transitional housing and supportive services for up to 869 men, women and children on a nightly basis. SVDP and St. Vincent de Paul Village, Inc. are 501 (C) (3) organizations, each with its own Board of Directors; however the agencies collaborate closely for fundraising and program development, and share the same President, Father Joe Carroll. SVDP’s developer disclosure statement is included as Attachment 2.

Chelsea has been developing affordable housing in San Diego and Imperial Counties of southern California and Yuma County, Arizona for over twenty years. During this period, Chelsea has developed or acquired and rehabilitated 44 projects accounting for 4,880 units. Chelsea has developed 12 projects in the City of San Diego and a total of 17 projects in San Diego County. Chelsea’s developer disclosure statement is included as Attachment 3.

Financing Structure

The total development cost of the project is estimated to be approximately \$10.9 million. Major cost items include site acquisition and demolition, construction costs, interest and financing costs, a developer fee, and other soft costs. A summary of development costs is included below:

Proposed Permanent Financing Uses	
Property Acquisition and Demolition	\$1,300,000
Construction	6,200,000
Developer Fee	1,300,000
Interest and Financing Costs	600,000
Other Soft Costs	1,500,000
Total	\$10,900,000

Mortgage revenue bonds will be used to fund the construction of the project and will be repaid by permanent funding sources. Proposed permanent financing sources will consist of tax credit equity, a loan from the Redevelopment Agency, a loan from the State of California's Multifamily Housing Program (MHP), a grant from the Department of Housing and Urban Development (HUD), a loan from the Federal Home Loan Bank's Affordable Housing Program (AHP), and a deferred developer fee and equity from SVDP. Estimated permanent sources of funding are summarized in the following table:

Proposed Permanent Financing Sources	
MHP	\$2,100,000
Redevelopment Agency Loan	2,400,000
HUD	400,000
AHP	400,000
Tax Credits	3,700,000
Deferred Developer Fee	700,000
SVDP Equity/Land Note	1,200,000
Total	\$10,900,000

The Housing Commission is currently considering an additional loan for the project. A Housing Commission loan would require future approval by the Housing Commission and, due to a State financing deadline, if approved, would be funded after the closing of the housing bonds.

Public Disclosure and Bond Authorization

The bonds will be sold through a private placement to US Bank. The bonds will not be credit enhanced or rated. When bonds are issued through a public offering, a third party trustee administers bond proceeds, collects project loan payments, makes bond debt service payments, and protects the interest of bondholders. Under the private placement structure for this transaction, US Bank will act as both trustee and bondholder/lender.

As part of the proposed financing, US Bank will be required to sign an investor letter certifying that they are a sophisticated investor, understand the risks associated with the purchase of the bonds, and have completed all necessary due diligence in determining to purchase the bonds. The transfer of the bonds by US Bank or any subsequent bondholder will be restricted to transferees who would purchase all of the bonds (to maintain ownership by a single bondholder), and who would represent to the Authority that they are sophisticated investors who are buying the bonds for investment purposes and not for resale, and have made due investigation of the information they would deem material in connection with the purchase of the bonds. Finally, US Bank must agree that a mortgage loan default will not, in itself, constitute a bond default.

The following documents will be executed on behalf of the Housing Authority: Indenture, Loan Agreement, and Regulatory Agreement. At the time of docketing, all bond documents in substantially final form will be presented to members of the Housing Authority. Any changes to the documents

following Housing Authority approval require the consent of the City Attorney's office and bond counsel.

The bonds will be issued pursuant to an Indenture between the Housing Authority and US Bank (acting as the trustee). Based upon instructions contained in Indenture, the trustee will disburse bond proceeds for eligible costs, collect project revenues and make payments to bondholders, and hold collateral to secure payment of the bonds.

Under the terms of the Loan Agreement, the Housing Authority will loan the proceeds of the bonds to the borrower in order to develop the project. The Loan Agreement sets out the terms of repayment and the security for the loan, and the Housing Authority assigns its rights to receive repayments under the loan to the trustee.

The Regulatory Agreement will be recorded against the property in order to ensure the long-term use of the project as affordable housing. The Regulatory Agreement will also ensure that the project complies with all applicable federal and state laws.

Since the bonds will not be repaid using any City or Housing Authority revenues, it is not appropriate to provide any information about the City's finances. For a summary of the Housing Commission's Multifamily Bond Program and actions that must be taken by the Housing Authority and by the City Council to initiate and finalize bond financings, please see Attachment 4.

Staff has been working with Ross Financial, the Housing Commission's financial advisor, to perform due diligence concerning the proposed financing and to formulate a recommendation for the Housing Authority. After evaluating the terms of the proposed financing and the public benefits to be achieved, it is Ross Financial's recommendation that the bond issuance for the project be authorized. Ross Financial's analysis and recommendation to proceed is included as Attachment 5.

Staff is also working with the City's Disclosure Practices Working Group to insure that the issuance of Housing Authority bonds is in conformance with the City's disclosure requirements.

FISCAL CONSIDERATIONS:

There are no fiscal impacts to the Housing Commission, City, or Housing Authority associated with the requested action. Neither the faith and credit nor the taxing power of the City or the Housing Authority would be pledged to the payment of the bonds; security for repayment of the bonds will be limited to the value of the property and its revenue sources. All costs of the financing, including compensation for staff efforts in preparing the bonds, will be borne by the project owner. The Housing Commission's origination fee under the financing will be up to \$13,800 (0.23 percent of the bond amount).

PREVIOUS HOUSING AUTHORITY And/Or COMMITTEE ACTIONS:

On July 24, 2007, the Housing Authority and City Council approved preliminary bond items for the project.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On April 19, 2005, the Greater North Park Community Planning Group voted 6-5-2 to recommend approval of the project, with the condition that the applicant provide explicit documentation that there is

a 50-year agreement specifying St. Vincent de Paul as the manager and operator of the property. On March 15, 2007, with a vote of 5-0-2, the Planning Commission approved the site development permit for the project. On June 15, 2007, the Housing Commission approved preliminary bond items for the project.

ENVIRONMENTAL REVIEW:

On March 15, 2007, the Planning Commission certified Environmental Impact Report No. 55461 in accordance with the State of California Environmental Quality Act guidelines.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Very-low income households are the intended residents of the project. SVDP and Chelsea compose the development team for the project. The SVDP board members and the owners of Chelsea are listed in Attachments 2 and 3. US Bank and the Richmond Group have been selected to provide debt and equity for the project.

Respectfully submitted,



Cissy Fisher
Director of Housing Finance & Development

Approved by,



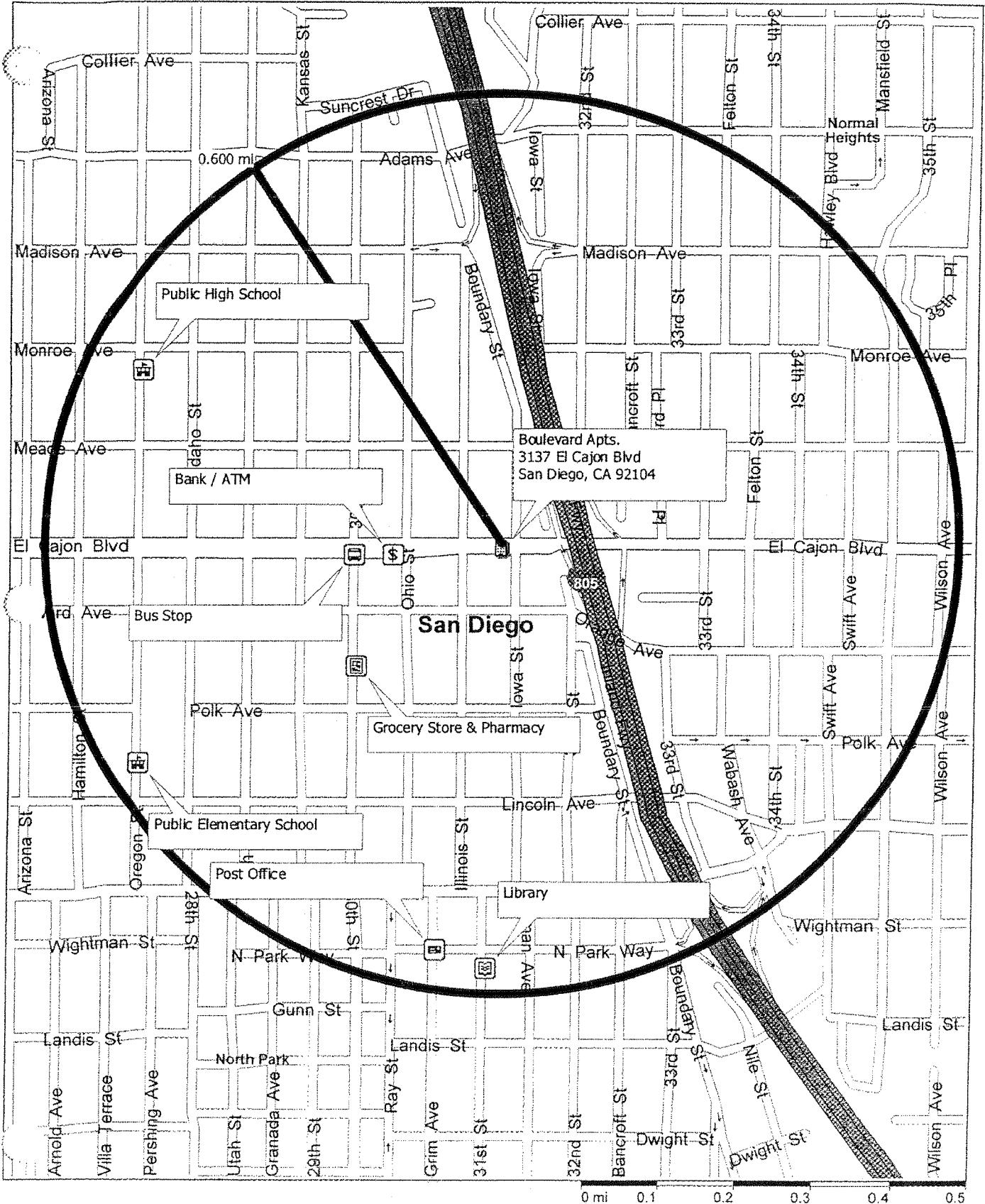
Elizabeth C. Morris
President & Chief Executive Officer

- Attachments:
1. Site Map
 2. SVDP's Disclosure Statement*
 3. Chelsea's Developer's Disclosure Statement*
 4. Multifamily Bond Program Summary
 5. Financial Advisor Analysis

Distribution of these attachments may be limited. Copies available for review during business hours at the Housing Commission offices at 1122 Broadway, Main Lobby.

ATTACHMENT 1

Boulevard Apartments



ATTACHMENT 2



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
 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:



DISCLOSURE STATEMENT: PAGE 2

- 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.

Ahlering, John R.	Khoury, Brian
Anderson, Betty	Madigan, Jan (VC of Nominating/Bd. Development)
Andrews, John S. M.D.	Morgan, Roxanne (VC of Programs)
Bourque, Dennis	Mulvaney, Jr., James (Co-VC of Fundraising/Marketing)
Daniels, Mike	O’Riordan, Michael
Davidson, Carolyn	Palmer, Gregg
Farley, Dan	Shevlin, Michael
Finch, Mike	Steinberg, Harris I.
Gault, Peter	Valverde, Chuck
Heath, Scott	van Adelsberg, Joost H. (Treasurer)
Kasperick, Candace	Waters, Jim(Board Secretary)
Kasperick, Vince(Board Chair) (VC of Audit)	Whelan, William (Co-VC of Strategic Planning)
Kelly, Paula	
Kennedy, Kevin	
Kennedy, Pat	

- 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

<u>Name, Address & Zip Code</u>	<u>Phone Number</u>	<u>Position Title (if any) and percent of interest or description of character and extent of interest</u>
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DISCLOSURE STATEMENT: PAGE 3

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, 2005 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:

<u>Name, Address and ZIP Code of Bank</u>	<u>\$ Amount</u>
Merrill Lynch 11181 Bernardo Plaza Ct. San Diego, CA 92128	\$2,300,000
Union Bank of California 530 B St. San Diego, CA 92101	\$500,000
US Bank 4330 La Jolla Village Drive, Suite 200 San Diego, CA 92122	\$500,000

DISCLOSURE STATEMENT: PAGE 4

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 17 th 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 17 th 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

DISCLOSURE STATEMENT: PAGE 5

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:

<u>Identification of Contract or Development</u>	<u>Location</u>	<u>Amount</u>	<u>Date to be Completed</u>
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e. Outstanding construction-contract bids of such contractor or builder:

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

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:

DISCLOSURE STATEMENT: PAGE 6

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.

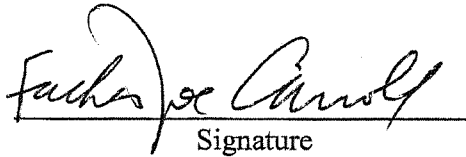
20. Statements and other evidence of the developer's qualifications and financial responsibility (other than the financial statement referred to in Item 10) are attached hereto and hereby made a part hereof as follows:

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: _____


Signature

Signature

Title: President

Title: _____

Address & ZIP Code

3350 E Street

San Diego, CA 92102

ATTACHMENT 3



Good Neighbors

San Diego
Housing Commission

- 1625 Newton Avenue
- San Diego, California 92113-1038
- 619/231 9400
- FAX: 619/544 9193

DEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE

(add extra sheets if you need more space)

1. Name of developer:

Chelsea Investment Corporation, a California corporation

2. Address, phone number and ZIP Code:

**5993 Avenida Encinas, Ste 101
Carlsbad, CA 92008
(760) 456-6000**

3. IRS Number of Developer: **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:

A corporation

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: **July 30, 1986**

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:



DISCLOSURE STATEMENT: PAGE 2

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

<u>Name, Address & Zip Code</u>	<u>Phone Number</u>	<u>Title & % of Interest</u>
James J. Schmid 5993 Avenida Encinas, Ste 101 Carlsbad, CA 92008	(760) 456-6000	President 100% Shareholder
Lynn Schmid 5993 Avenida Encinas, Ste 101 Carlsbad, CA 92008	(760) 456-6000	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

<u>Name, Address & Zip Code</u>	<u>Phone Number</u>	<u>Position Title (if any) and percent of interest or description of character and extent of interest</u>
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DISCLOSURE STATEMENT: PAGE 3

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):

<u>Name, Address and Zip Code</u>	<u>Description of character and extent of interest</u>
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N/A

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%.

10. The financial condition of the developer, as of December 31, 2005 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:

Project financing for 16th & Market includes \$10.0 Million of MHP financing already awarded to the project, an approximate \$19.2 million contribution from Ballpark Village, LLC as well as 4% tax credits and tax-exempt bond financing, via direct placement with US Bank. The Richman Group will serve as tax credit limited partner.

DISCLOSURE STATEMENT: PAGE 4

12. Sources and amount of cash available to developer to meet equity requirements of the proposed undertaking: **Not applicable**

a. In banks:

<u>Name, Address and ZIP Code of Bank</u>	<u>\$ Amount</u>
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b. By loans from affiliated or associated corporations or firms:

<u>Name, Address and ZIP Code of Source</u>	<u>\$ Amount</u>
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c. By sale of readily salable assets:

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
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13. Name and addresses of bank references:

US Bank
c/o Paul Shipstead
4330 La Jolla Village Dr., Ste 200
San Diego, CA 92122
(858) 642-4632

Southwest Community Bank
c/o Harry Shank
5810 El Camino Real
Carlsbad, CA 92013

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.

DISCLOSURE STATEMENT: PAGE 5

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:

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: **Not applicable.**

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:

<u>Identification of</u> <u>Contract or Development</u>	<u>Location</u>	<u>Amount</u>	<u>Date to be</u> <u>Completed</u>
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e. Outstanding construction-contract bids of such contractor or builder:

<u>Awarding Agency</u>	<u>Amount</u>	<u>Date Opened</u>
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DISCLOSURE STATEMENT: PAGE 6

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: **Not applicable.**
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:
Project Information Sheets

CERTIFICATION

I, James J. Schmid, 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 5 2007

Signature: _____

James J. Schmid
Authorized Agent

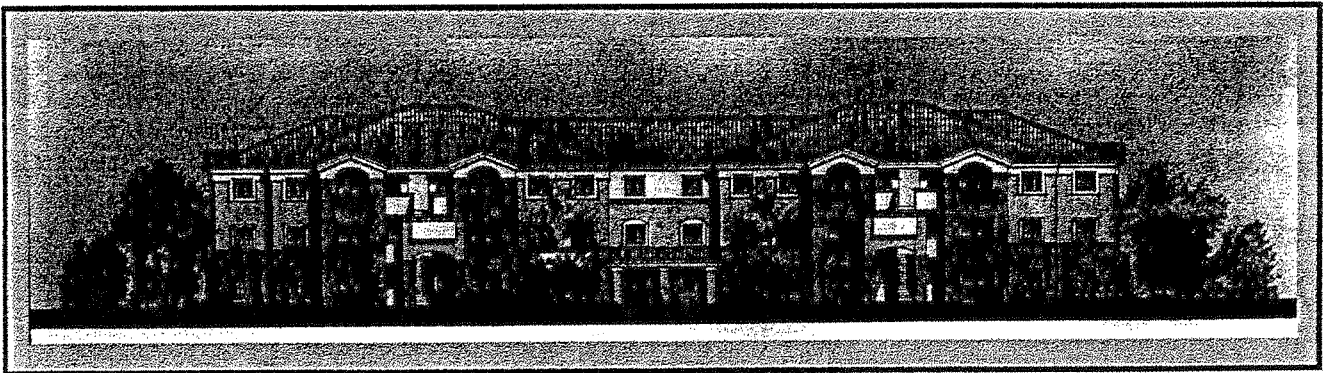
Address & ZIP Code

5993 Avenida Encinas, Ste 101
Carlsbad, California 92008

CHELSEA INVESTMENT CORPORATION

Teresina at Lomas Verdes

(Gateway Town Center)



Teresina is a mixed-income development located in Otay Ranch in the eastern section of Chula Vista, California. This \$46 million development consists of 440 three-story garden apartments of which 88 units are set aside for low-income families. Each unit includes a balcony or patio, washer/dryer hook-up, full sized energy-efficient appliances, ceiling fans, outdoor storage, air conditioning, security features and dual glazed windows. All units come with assigned covered parking with most units also including an enclosed garage.

CHELSEA INVESTMENT CORPORATION

215 South Hwy. 101 – Suite 200
Solana Beach, California 92075
Phone: 858-259-2624
Fax: 858-259-2644



More details (over)

COST
\$46 Million

CIC ROLE

Co-general partner of development partnership with Kaufman & Broad Multi-Housing Group, Inc.. Responsible for site acquisition turn-key development services and tax exempt bond financing.

FINANCE

CIC structured and negotiated multiple sources of financing:

- \$43 million tax-exempt bonds
- \$ 1.5 million tax credit equity – Kaufman & Broad Multi-Family Housing
- \$38 million in tax-exempt bonds credit enhanced by ARCS Commercial Mortgage Company, a DUS Lender, and Fannie Mae.
- \$43 million in tax-exempt bonds underwritten by Newman & Associates, Inc..
- \$5 million in secondary financing placed with T. Roe Price.

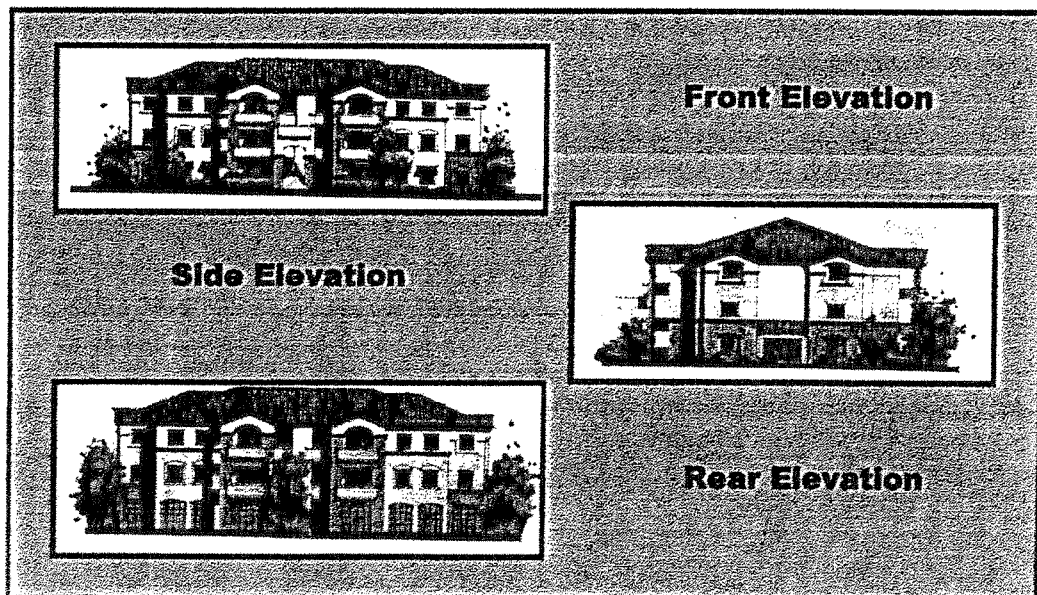
PREDEVELOPMENT

CIC engaged and supervised consultants to perform predevelopment tasks:

- Accountants
- Advocates
- Architects
- Attorneys
- Contractors
- Engineers

CONSTRUCTION

- Negotiated with construction management company and subcontractors on behalf of owner.
- Prepared and administered all contracts between subcontractors and owner.
- Performed all construction accounting for project.

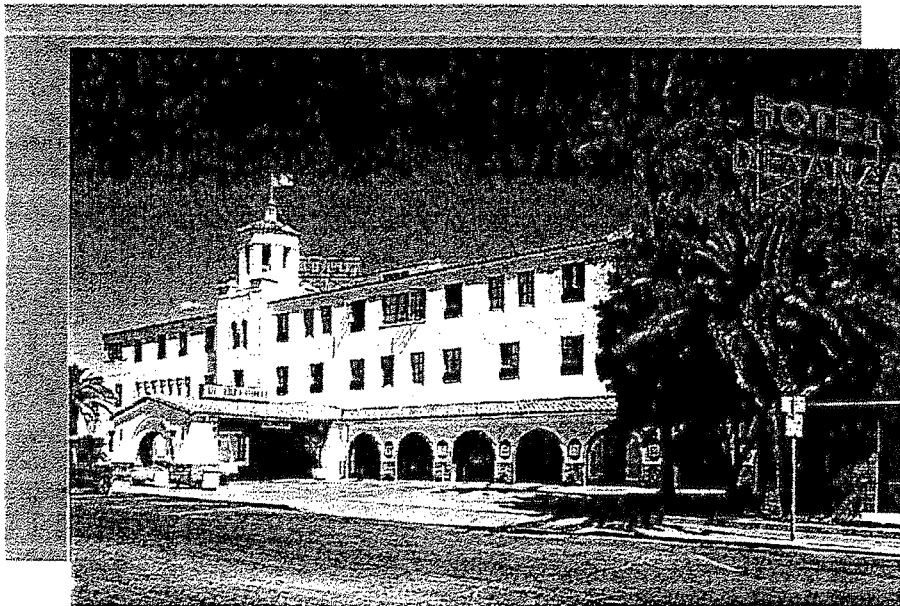


CHELSEA INVESTMENT CORPORATION

Hotel De Anza

233 East Fourth Street, Calexico, CA 92231

Located in the heart of Calexico.....



PROJECT The De Anza is a project involving the rehabilitation and conversion of an 80 room hotel built in 1930 into 94 studio apartments for low income senior citizens. The Hotel also features commercial space and restaurants on the ground floor.

CHELSEA INVESTMENT CORPORATION

215 South Hwy. 101 - Suite 200
Solana Beach, California 92075
Phone: 858-259-2624
Fax: 858-259-2644



More details (over) →

3-10

CLIENT

De Anza Hotel Limited Partnership.
General Partners – Chelsea Investment Corporation.
Pacific Southwest Community Development Corporation.

COST

\$6.6 million.

CIC ROLE

Turn-key rehabilitative development and management services.

FINANCE

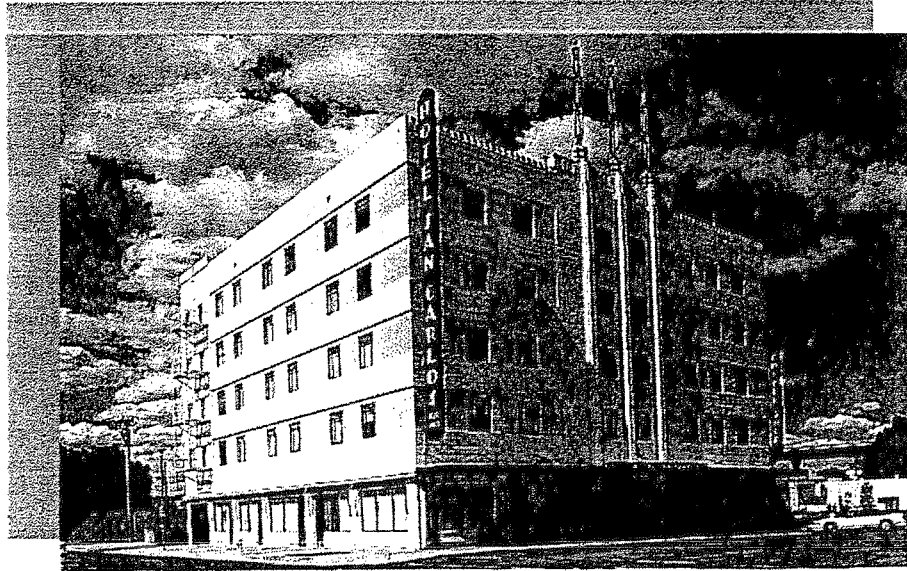
CIC has structured and negotiated multiple sources of financing:

- | | | |
|---|------------------------|---|
| • California Department of Housing
and Community Development | CHRP-R
EDBG
CDBG | \$2.6 million
\$277,000
\$22,000
\$450,000 |
| • City of Calexico Community
Redevelopment Agency | | |
| • Low Income Housing Tax Credits
California Tax Credit Allocation Committee
The Richman Group | | \$3.1 million |
| • Seller Financing | | \$200,00 |

CHELSEA INVESTMENT CORPORATION

Hotel San Carlos

Located in Yuma, Arizona.....



The Hotel San Carlos is a project involving the rehabilitation of a 60 room hotel built in 1930. The Hotel San Carlos is on the Secretary of the Interior's National Register of Historic Buildings. The hotel was converted into a 60 unit low income apartment building with commercial space on the ground floor. Construction rehabilitation of the project was completed December 31, 1996.

CHELSEA INVESTMENT CORPORATION

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More details (over) →

OWNERSHIP

Hotel San Carlos Limited Partnership
General Partners — The Excel Group
Pacific Southwest Community Development Corporation

COST

\$3.7 Million

CIC ROLE

Turn-key rehabilitative development services.

FINANCE

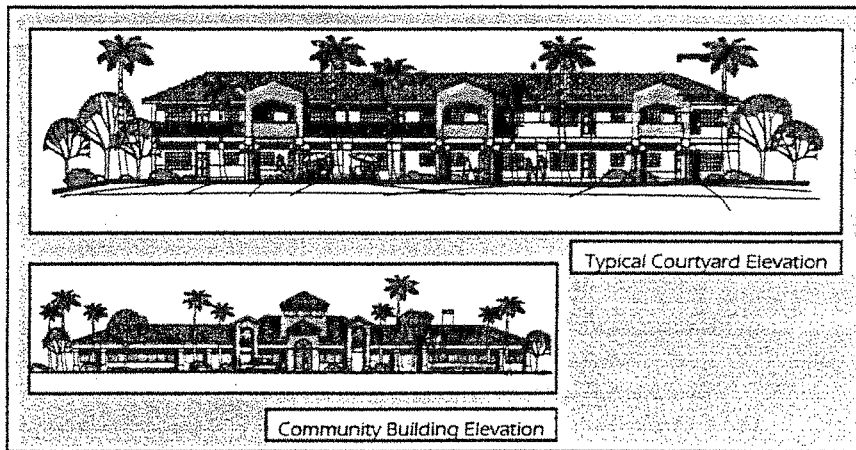
CIC has structured and negotiated multiple sources of financing:

- Permanent Loan
- Construction Loan
- Tax Credit Sales Proceeds
- CDBG
- AHP Funds
- Housing Trust Fund Loan
- Housing Trust Fund Grant
- Historic Tax Credit Sales Proceeds
- Heritage Trust Fund
- HOME Loan
- The Excel Group
- Bank of America
- The Richman Group
- City of Yuma/HUD
- Federal Home Loan Bank
- Arizona Department of Commerce
- Arizona State Parks

CHELSEA INVESTMENT CORPORATION

Villa Serena Apartments

Located in Chula Vista, California.....



PROJECT A 132-unit rent restricted affordable senior housing project located in the Sunbow II master planned community of Chula Vista. Villas Serena offers one- and two-bedroom/one-bath units ranging from 560-700 square feet in a two- and three-story garden apartment complex. This project is an attempt to increase the availability of affordable rental housing in the newly developing eastern area of Chula Vista.

CHELSEA INVESTMENT CORPORATION

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Fax: 858-259-2644



More details (over) →

3-14

■ **CLIENT** Serena Sunbow, L.P.

■ **COST** \$9.4 million

■ **CIC ROLE** Chelsea Investment Corporation provided turnkey development services.

■ **FINANCE**

- Bank of America Community Development Bank
- Chula Vista Redevelopment Agency
- Deferred Developer Fee
- LIH Tax Credits

**HOUSING COMMISSION MULTIFAMILY
HOUSING REVENUE BOND PROGRAM**

Summary

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

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

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

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

Approval Process:

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

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

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

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

Bond Disclosure: The offering document (typically a Preliminary Offering Statement or bond placement memorandum) discloses relevant information regarding the project, the developer, and the credit enhancement provider. Since the Housing Authority is not responsible, in any way, for bond repayment, there are no financial statements or summaries about the Housing Authority or the City that are included as part of the

offering document. The offering document includes a paragraph that states that the Housing Authority is a legal entity with the authority to issue multifamily housing bonds and that the Housing Commission acts on the behalf of the Housing Authority to issue the bonds. The offering document also includes a paragraph that details that there is no pending or threatened litigation that would affect the validity of the bonds or curtail the ability of the Housing Authority to issue bonds. This is the extent of the disclosure required of the Housing Authority, Housing Commission, or the City. However, it is the obligation of members of the Housing Authority to disclose any material facts known about the project, not available to the general public, which might have an impact on the viability of the project.

ATTACHMENT 5

ROSS FINANCIAL

1736 Stockton Street, Suite One • San Francisco, CA 94133 • (415) 912-5612 • FAX (415) 912-5611

January 2, 2008

Mr. Peter Armstrong
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, CA 92101

Re: Boulevard Apartments

Dear Mr. Armstrong:

The San Diego Housing Commission (the "Commission") has retained Ross Financial as its financial advisor to analyze the feasibility of issuing bonds for the Boulevard Apartments (the "Project"). The feasibility analysis reviews the following items:

- Project Overview
- Proposed Financing
- Benefits and Risks to Commission
- Public Purpose
- Recommendations

Ross Financial has based its analysis of the Project's feasibility on materials provided by Chelsea Investment Corporation ("Chelsea"), as co-developer and financing consultant to 3137 El Cajon Boulevard, L.P., a California limited partnership (the "Borrower"). The materials include: the application to the California Debt Limit Allocation Committee ("CDLAC"), the market study for the Project, the financing commitment from U.S. Bank as Bond Purchaser and Chelsea's proposed financial schedules for the Project. Ross Financial has not visited the site of the proposed Project.

PROJECT OVERVIEW

Project Summary. The Project is a four-story, new construction, elevator-served, affordable multifamily residential development consisting of 24 one, two and three bedroom units. One manager's unit is included within this mix. The Project also includes 2,117 square feet of office space and a 6,786 square foot covered parking garage consisting of 17 parking spaces and 24 storage units.

The affordable units will be restricted as follows:

- 15 units will be restricted to households with income levels up to 30% of area median income ("AMI");
- 8 units will be restricted to households with income levels of up to 40% AMI; and
- 1 unit will be set aside for a resident manager.

Nine of the units will be designated as supportive housing units serving households that are homeless or at-risk of becoming homeless and in which there is a disabled adult with mental illness, HIV/AIDS or substance abuse.

Description of Project Site. The proposed Project is located at 3137 El Cajon Boulevard, San Diego 92104 on the south side of El Cajon Boulevard between Iowa and Illinois Streets. The Project site is located within the North Park neighborhood in the City of San Diego. The 0.24 acre infill site is currently improved with a one-story St. Vincent de Paul's thrift store and a two-story studio apartment building. Both buildings are currently used for storage by S.V.D.P. Management, Inc. (described below) and both buildings will be razed as part of the development process.

Surrounding land uses consist of retail stores, including a bike shop and a dance studio, to the north; an auto repair shop and a sign shop to the east; single family homes in average condition further east; single and multi-family homes in average condition to the south; a Hollywood video store to the west; retail stores, offices, a children's performing arts center and multifamily homes further west and to the northwest. Five different bus routes stop at the 30th and El Cajon stop located within two blocks of the site. The Project site also is readily accessible to grocery shopping, health clinics, schools and public parks.

Project Ownership/Borrower/Developer. The ownership entity for the Project and Borrower will be a 3137 El Cajon Boulevard, L.P., a California limited partnership consisting of: (1) S.V.D.P. Management, Inc., a California nonprofit public benefit corporation and affiliate of Father Joe's Villages, as its General Partner ("SVDP"), and (2) the Richman Group as the investor limited partner. Chelsea and SVDP are Co-Developers of the Project.

According to its CDLAC application, Chelsea has 21 years experience in developing/rehabilitating multifamily rental housing. During this period, it has developed or rehabilitated 44 projects accounting for 4,880 units. It has developed 12 projects in the City of San Diego and a total of 17 projects in San Diego County.

SVDP has collaborated with Chelsea to develop six affordable housing projects in the past 12 years, including most recently the 16th and Market Apartments. Through its St. Vincent de Paul Village, SVDP also provides housing and a range of social services for homeless individuals and families. SVDP currently owns and operates 42% of all available shelter beds in urban San Diego County.

CDLAC. In September 2007, the Housing Authority filed an application to CDLAC requesting \$6,000,000 of private activity bond allocation for the Project. The award of that allocation is expected at CDLAC's meeting of December 5, 2007. The allocation will be a "carry-forward" allocation which, from a Federal tax standpoint, must be used within three years. Nonetheless, it is expected that CDLAC will require that bonds be issued for the Project in March 2008, within 90 to 110 days of the allocation award.

In connection with the CDLAC application process, on August 1, 2007, the Housing Authority adopted a resolution of intent to issue bonds for the Project; the resolution also approved submittal of an application to CDLAC. On August 1, 2007, a TEFRA hearing was held before the City Council at which time the Project was approved for purposes of Section 147 of the Internal Revenue Code.

PROPOSED FINANCING

Project Costs and Funding. According to projections provided by Chelsea, the total Project costs, including construction and lease-up interest and other soft costs, will be approximately \$10,125,088 during construction and \$10,879,545 following construction and lease-up (“at permanent”). The estimated sources of funding for these costs will differ during construction and at permanent, as shown in the following table:

Sources	Construction	Permanent
Tax-Exempt Bond Proceeds	\$5,500,000	\$0
MHP Financing	0	2,081,535
Low Income Housing Tax Credit Equity	1,105,249	3,684,163
Redevelopment Agency Financing	1,549,839	2,400,000
HUD	400,000	400,000
AHP Funds	360,000	360,000
SVDP Deferred Developer Fee ¹	0	743,847
SVDP Land Note or Equity	1,210,000	1,210,000
Total	\$10,125,088	\$10,879,545
Uses		
Site Acquisition and Demolition	\$1,247,596	\$1,247,596
Construction	6,177,849	6,177,849
Interest and Financing Costs	478,262	620,345
Soft Costs	2,221,381	2,833,755
Total	\$10,125,088	\$10,879,545

The Project funding sources currently do not include any contribution from the Housing Authority apart from the issuance of bonds. The Borrower, however, has indicated its intent to seek financial assistance from the Housing Authority, following the issuance of the bonds, to reduce the amount of its deferred developer fee.

Bond Amount and Bank Purchase Approach. The bonds will be issued as a single series of unrated bonds by the Housing Authority in an amount up to \$6,000,000² (the “Bonds”). The Bonds will finance a portion of the construction costs of the Project.

¹ The Borrower has indicated its intention to seek financial assistance from the Housing Authority as an alternative source of funding to the deferred developer fee.

² The current amount anticipated is \$5,500,000 but may increase up to the \$6,000,000 allocation awarded by CDLAC depending on the final costs and ability to comply with the 50% tax credit test.

Following the completion of construction and lease-up, in approximately 15 to 18 months after issuance, it is expected that the Bonds will be retired in full from a combination of MHP funds, tax credit equity and Redevelopment Agency funds.

The Bonds will be purchased directly by U.S. Bank National Association (“U.S. Bank”). U.S. Bank is a “qualified institutional buyer” within the meaning of the U.S. securities laws. At closing, it will sign an “Investor’s Letter” certifying, among other things, that it is buying the Bonds for its own account and not for public distribution.

The Bonds will pay interest only. The interest rate on the Bonds will likely be a floating rate, pegged as a percentage of the 30 Day LIBOR³ index plus a spread of 1%.

The Bond issue is expected to close in late January to early February 2008.

Housing Authority Financial Involvement. At present, the Housing Authority’s involvement is limited to its role as the Bond issuer. However, the Borrower has indicated its intention to seek financial assistance from the Housing Authority, post-Bond issuance, to reduce the amount of its deferred developer fee.

Redevelopment Agency Financial Involvement. The Redevelopment Agency (the “Agency”) is providing subordinate financing in the amount of \$2,400,000. This subordinate funding will be used to fund land acquisition and Project construction, and will remain in place as a permanent source of funds.

The Agency’s subordinate financing will be in the form of a residual receipts loan with the following basic terms:

- Interest Rate: 3% simple interest
- Payments: Beginning at issuance of Certificate of Occupancy
- Term: 55 years
- Affordability: 15 units @ 30% AMI; 8 units @ 40% AMI

Affordability Restrictions. The Project will be subject to the following regulatory restrictions and terms:

- Tax-Exempt Bond Regulatory Agreement requirements (including voluntary elections made to CDLAC) for a 55-year term;
- Tax Credit Regulatory Agreement requirements under which all units must be affordable at 60% AMI for a 55-year term to remain eligible for tax credits; and

³ LIBOR refers to the London Inter-Bank Offering Rate. LIBOR is an index off which most banks base their lending rates.

- Agency's Agreement Affecting Real Property (Including Rental Restrictions) under which the units will be restricted for 55 years.

Project Cash Flow. According to the pro forma cash flows provided by the Borrower, Project income from rents and other income (e.g., laundry, commercial) is estimated at \$181,051 for the first year of stabilized occupancy (assuming a 5% vacancy factor for the residential units). Project expenses are estimated at \$162,862 (including replacement reserves). As a result, first year net operating income (gross revenues less expenses) is estimated at \$18,189.

As the Bonds will have been retired after construction and lease-up, the MHP loan will represent the senior debt, with an estimated debt service of approximately \$8,742 per year.

According to the Borrower's pro forma cash flow, in the first year of stabilized occupancy, net operating income is anticipated to cover annual MHP debt service by approximately 2.08 times. The forecast cash available after expenses (including reserves) and debt service is estimated by the Borrower to be \$9,447 in the first year of stabilized occupancy.

The Borrower has escalated projected revenues and operating expenses at the rate of 2.5% and 3.5% per year, respectively.

The table on the following page shows the Borrower's projected cash flow for the Project during first five years following stabilized occupancy:

	Trending	Year 1	Year 2	Year 3	Year 4	Year 5
	Factor					
Rental Income	2.5%	145,764	149,408	153,143	156,972	160,896
Rent Subsidy - HUD SHP	0.0%	38,722	26,490	0	0	0
Commercial Income	2.5%	0	0	0	0	0
Other Income (Laundry)	2.5%	4,056	4,157	4,261	4,368	4,477
Gross Scheduled Income		188,542	180,056	157,405	161,340	165,373
Vacancy Loss - residential	5.0%	(7,491)	(7,678)	(7,870)	(8,067)	(8,269)
Vacancy Loss - commercial	50.0%	0	0	0	0	0
Effective Gross Income		181,051	172,377	149,534	153,273	157,105
Total Operating Expenses and Reserves	3.5%	162,862	154,469	131,953	136,066	140,323
Net Operating Income		18,189	17,908	17,581	17,207	16,782
Debt Service - MHP Loan		8,742	8,742	8,742	8,742	8,742
AVAILABLE CASH FLOW		9,447	9,166	8,839	8,465	8,040
Debt Service Coverage - MHP		2.08	2.05	2.01	1.97	1.92

PUBLIC PURPOSE

The Bonds will result in the long-term affordability of 23 one, two and three-bedroom units in the City of San Diego: 15 units will be restricted and affordable to households earning 30% AMI; 8 units will be restricted and affordable to households earning 40% AMI; and 1 unit will be occupied by a resident manager.

In addition, nine of the 23 units will be designated as supportive housing units serving households that are homeless or at-risk of becoming homeless and in which there is a disabled adult with mental illness, HIV/AIDS or substance abuse.

The Bond and Tax Credit Regulatory Agreements and the Agency's Agreement Affecting Real Property (Including Rental Restrictions) will require that these affordability levels be maintained for a period of 55 years.

BENEFITS AND RISKS TO THE COMMISSION

The Bonds provide a vehicle for financing the construction of the Project. As proposed, the Bonds will result in the long-term affordability of 23 one, two and three-bedroom units in the City of San Diego with units restricted to income levels described in "Public Purpose" above.

The Bonds do not pose undue financial risk to the Housing Authority. The Bonds are not a direct obligation of the Housing Authority or the City of San Diego. The Bonds will be owned directly by U.S. Bank, which has indicated its intention to hold the Bonds for its own account and not for public distribution. As the Bonds are expected to be retired shortly after conversion, they will have an expected life of less than 2 years.

If the Housing Authority issues the Bonds, the Commission would receive a fee at Bond closing of \$12,650 equal to 0.23% times the initial par amount of the Bonds (\$5,500,000). The Commission would also receive an annual payment of \$12,650 during the construction period. Following the Conversion Date and the expected repayment of the Bonds, the Commission would receive an annual monitoring fee of approximately \$1,500.

Costs of issuance will be funded by the Borrower from low income housing tax credit contributions. The Borrower has agreed to indemnify the Housing Authority and Commission as to matters relating to the Bond issue. However, the Borrower is a single purpose entity with no significant assets or sources of income other than the Project and is generally not required to make up any cash flow shortfalls.

Mr. Peter Armstrong
Re: Boulevard Apartments
January 2, 2008
Page 7 of 7

RECOMMENDATIONS

Ross Financial recommends that the Housing Authority proceed with the issuance of the Bonds based on the following findings:

- The Bonds would achieve a public purpose by providing 23 affordable units, with all units restricted to income levels at or below 40% of AMI. In addition, nine of the 23 units will be designated as supportive housing units serving households that are homeless or at-risk of becoming homeless and in which there is a disabled adult with mental illness, HIV/AIDS or substance abuse.
- The Bonds will be purchased by a well-established, highly capitalized bank which is active in affordable housing lending and which will sign an Investor's Letter to the effect that is a "qualified institutional investor". The Bonds will also be subject to very restrictive transfer limitations and are expected to be retired within two years.
- The Borrower has agreed to indemnify the Housing Authority and the Commission regarding matters relating to the financing. Issuance costs will be paid by the Borrower.
- Based on estimates provided by the Borrower, as reviewed and confirmed by U.S. Bank, there should be sufficient funds to complete the Project and the Project provides adequate cash flow to cover MHP debt service.

If there is any additional information you require concerning the Boulevard Apartments, Ross Financial will be pleased to provide a supplemental analysis.

Very truly yours,



Peter J. Ross
Principal