

**REPORT**

**DATE ISSUED:** June 12, 2009

**REPORT NO.:** HCR09-049

**ATTENTION:** Chair and Members of the Housing Commission  
For the Agenda of June 19, 2009

**SUBJECT:** Rehabilitation Loan to City Heights Community Development Corporation  
(Council District 3 and 7)

**REQUESTED ACTION:**

Housing Commission and Housing Authority approval of a plan to facilitate the rehabilitation of 60 units of low-income multi-family rental housing.

**STAFF RECOMMENDATION:**

Housing Commission assistance of up to \$2,473,467 to fund the rehabilitation of 60 apartments located at five separate sites in the City Heights areas and owned by the City Heights Community Development Corporation, by the following measures:

- (a) Approve a 55 year, 3% amortized rehabilitation loan of up to \$2,473,467 to the City Heights Community Development Corporation, as outlined in this report;
- (b) Require the borrower to maintain a \$108,000 capitalized reserve account;
- (c) Require the borrower to submit a quarterly operations report to the Housing Commission; and,
- (d) Authorize the President and Chief Executive Officer (CEO) of the Housing Commission, or designee, to execute all documents necessary to facilitate the financing.

**DISCUSSION:**

This request is for the Housing Commission investment of \$2,473,467 to provide a 55 year, 3% amortized loan to the nonprofit owner, City Heights Community Development Corporation (CHCDC) for the rehabilitation of 60 apartments at five separate sites owned by CHCDC.

CHCDC submitted a loan application in November 2008 for the refinancing of its first position debt(s) and property rehabilitation in response to the Housing Commission's Notice of Funding Availability (NOFA) for the Construction, Acquisition, and Operation of Affordable Rental Housing. This initial application was deferred due to the economic environment and market uncertainty. Housing Commission staff has reviewed the recently revised proposal from the developer for rehabilitation only of the units.

CHCDC is a federally recognized Community Housing Development Organization (CHDO) and Community Based Development Organization (CBDO) that has been working to enhance the quality of life in City Heights since 1981. CHCDC acquired and completed rehabilitation of nine properties (132 units) with Housing Commission assistance. It also acquired and rehabilitated a

tenth, 12-unit property without Commission assistance. CHCDC is a development partner along with the San Diego Housing Commission in the 94-unit Hollywood Palms and the 120-unit Metro Village apartments; CHCDC also manages 421 units at scattered sites.

CHCDC acquired the five sites under consideration between 1992 and 1997. Four of the sites were acquired at various times using San Diego Housing Commission funds (\$866,123 total) in the form of 55-year, 3% residual receipts loans for acquisition and rehabilitation:

- Canyon Vista Apartments (8 units), 3429-3431 43<sup>rd</sup> Street (1997)
- Euclid Court (11 units), 4217-4231 Euclid Avenue (1994)
- San Diego Apartments (16 units), 4085 44<sup>th</sup> Street (1992)
- Teralta Court (13 units), 4165-4175 Highland Avenue (1995)

The additional site under consideration as part of this rehabilitation loan is the 12 unit, Alta Vista Apartments located at 3535-3545 43<sup>rd</sup> Street, which was acquired in 1995 without Housing Commission financing.

At the time of each acquisition, these properties were blighted, vacant or abandoned. CHCDC gained control of these properties and addressed all health and safety issues with the goal of restoring them to a decent, safe and sound condition. The properties have deteriorated since that time due to age and minimal rehabilitation but also due to limited cash flow and insufficient operating and replacement reserve set aside. A major concern is that the rents have not kept pace with the HUD published maximums for these very low income units, further constricting the already limited potential cash flow and the ability to maintain proper reserve levels.

CHCDC's Board of Directors acknowledges these issues and is now aggressively pursuing rehabilitation and restoration of the economic viability of these properties; new staff has been hired to proactively address property conditions. Part of the current request includes the funding of a more realistic operating and replacement reserve budget. CHCDC has also begun increasing the rents via attrition to achieve the HUD-established rent levels for its 35%, 50% and 60% AMI restricted units. This will increase operating income to sufficient levels to properly fund replacement and operating reserves and to make loan repayments.

Planned improvements to the apartments include landscaping, site drainage, walkway repairs, kitchen and bathroom remodeling, roofing and insulation, energy efficient door and window replacements, ceiling fans, floor coverings, interior and exterior painting, appliances, water-efficient plumbing fixtures, and retrofitting of five percent of the units for accessibility. Two sites were constructed in the 1940's and will require lead abatement. Work will be performed based on federal prevailing wage for construction trades due to the proposed federal funding requirements. Upon completion of rehabilitation, the 60 units would be occupancy and rent restricted for 55 years by a Housing Commission regulatory agreement recorded against each of the properties.

Many units will require a one to three-day temporary relocation during the rehabilitation period for fumigation, lead abatement, and kitchen or bath remodels; this expense has been budgeted.

Any vacancies that may occur are expected to be filled quickly due to the high demand for affordable family rental housing in this community.

On June 1, 2009, the City Council approved the Community Development Block Grant – Recovery (CDBG-R) Program, which includes funding to pay for rehabilitation hard construction costs for the San Diego Apartments (\$266,000) and the Euclid Court Apartments (\$418,000). The San Diego Housing Commission loan would be reduced by an equivalent amount (\$684,000) if the CHCDC receives this grant award as anticipated. These two rehabilitation projects would commence upon receipt of the CDBG-R grant from the City of San Diego so that costs are eligible for this funding.

The following table outlines the development team:

<b>ROLE/FIRM</b>	<b>CONTACT</b>	<b>OWNED BY</b>
<b>Owner/Property Manager -</b> City Heights Community Development Corporation (CHCDC)	Mr. Jay Powell, Executive Director	CHCDC, a non profit California 501(c)(3)
<b>Project Management and Construction Management-</b> - DBR Development LLC	Mr. David Billings, Principal	DBR Development Corporation, a California Limited Liability Corporation
<b>Construction – to be</b> competitively selected	Not known at this time.	Not known at this time.

AFFORDABLE HOUSING IMPACT:

The four sites previously assisted by the Housing Commission currently have recorded 55-year rent restrictions against the property expiring in 2047, 2048, 2050 and 2052. The Housing Commission would record a new 55-year rent restriction to year 2064 against these properties upon funding. Rents are currently affordable and will remain affordable to tenants with annual incomes of 35 percent or less of Area Median Income (currently \$28,900 for a four-person household) for 16 units, 14 units affordable to tenants with annual incomes of 50 percent or less of AMI (currently \$41,300 for a four-person household), and 30 units affordable to tenants with annual incomes of 60 percent or less of AMI (currently \$49,560 for a four-person household). There is one rent-restricted, on-site property manager’s unit at the 16-unit San Diego Apartments. The proposed rents are outlined in the San Diego Housing Commission General Application Form (see Attachment 5).

FISCAL CONSIDERATIONS:

The estimated total rehabilitation development cost is \$2,473,467 (\$41,225 per unit) which includes a 5.5% developer fee (\$125,000), associated soft costs and capitalized operating and replacement reserves for this five site rehabilitation. The proposed rehabilitation financing would consist of second position 55 year, 3% amortized loans recorded against all five properties based on the actual rehabilitation contract amount and a percentage of the aggregated soft cost costs and pro rated reserves based on the number of units at each site. Annual amortizing payments

(estimated to be approximately \$66,000) to the Housing Commission would commence one year after completion of rehabilitation.

For the purpose of repayment, each Housing Commission loan would be in second position to the current first position financing of each property. The properties will be able to sustain the anticipated debt service of the first, the proposed second position loans, and a minimum residual receipts payment of approximately \$14,000.

Any unpaid principal and accrued interest on the four existing Housing Commission loans would be due and payable in a balloon payment at the earlier of the end of new the 55-year affordability term or the payoff of senior debt. The current permanent first position loan balances and original Housing Commission investments are summarized in the following table.

Property Name	Lender	1 <sup>st</sup> Position Loan Balance/SDHC original loan amount	Interest Rate	Projected Payoff Year	Loan Terms
Alta Vista	WaMu	\$ 587,641	8.134%	2034	30 years/amortized (refinanced in 2004)
	SDHC	\$ N.A.			
Canyon Vista	WaMu	\$ 124,237	9.260%	2027	30 years/amortized
	SDHC	\$ 135,627		2052	3%, 55-year/residual receipts
Euclid Court	Citibank	\$ 172,291	3.875%	2024	30 years amortized
	SDHC	\$ 273,939		2048	3%, 55-year/residual receipts
San Diego	WaMu	\$ 237,825	7.86%	2032	30 years amortized
	SDHC	\$ 220,000		2047	3%, 55-year/residual receipts
Teralta	CCRC	\$ 175,481	9.060%	2025	30 years amortized
	SDHC	\$ 236,557		2050	3%, 55-year/residual receipts
<b>Total</b>		\$2,163,998	7.63% Avg. 1st		

PREVIOUS ACTIONS:

On June 1, 2009, the City Council approved the Community Development Block Grant – Recovery (CDBG-R) Program Substantial Amendment which included the approval of the financing of rehabilitation hard construction costs for the San Diego Apartments (\$266,000) and the Euclid Court Apartments (\$418,000).

On June 3, 2009, the Housing Commission Loan Committee voted (4-0) to approve the loan with the following conditions: (a) the borrower must maintain a minimum capitalized reserve account of \$108,000; (b) annual deposits to the reserve accounts will be made at \$350 per unit; and, (c) the borrower must submit a quarterly operations report to the Housing Commission.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The proposed development received a positive vote of support by the City Heights Planning Area Committee at its regular meeting on July 21, 2008. The group voted with 14 in favor, one opposed, and two abstentions to support the acquisition/rehabilitation project.

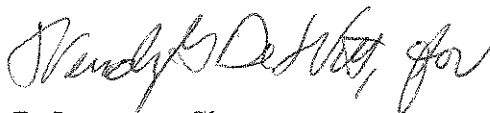
ENVIRONMENTAL REVIEW:

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

KEY STAKEHOLDERS & PROJECTED IMPACTS:

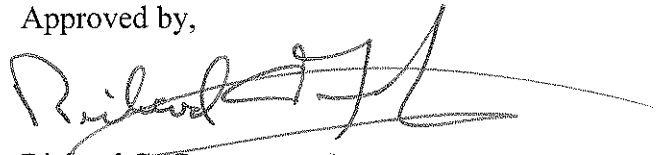
The current owner is the City Heights Community Development Corporation (CHCDC), a California nonprofit public benefit corporation. Stakeholders include CHCDC as the nonprofit owner, manager and developer and the community of City Heights. The project is expected to have a positive impact on the community because it will contribute to the quality of the surrounding neighborhood and increase the life of this much-needed rental housing affordable to low-income individuals and families by rehabilitating and preserving the affordability of 60 rental units for 55 years.

Submitted by,



D. Lawrence Clemens  
Senior Vice President

Approved by,



Richard C. Gentry  
President & Chief Executive Officer

- Attachments:
1. Location Map
  2. Development Summary
  3. Development Timeline
  4. Housing Commission Preliminary Inspection Reports (5)
  5. General Application Form
  6. Appraisal Summary\*
  7. Developer's Financial Statement \*
  8. Developer's Disclosure Statement\*

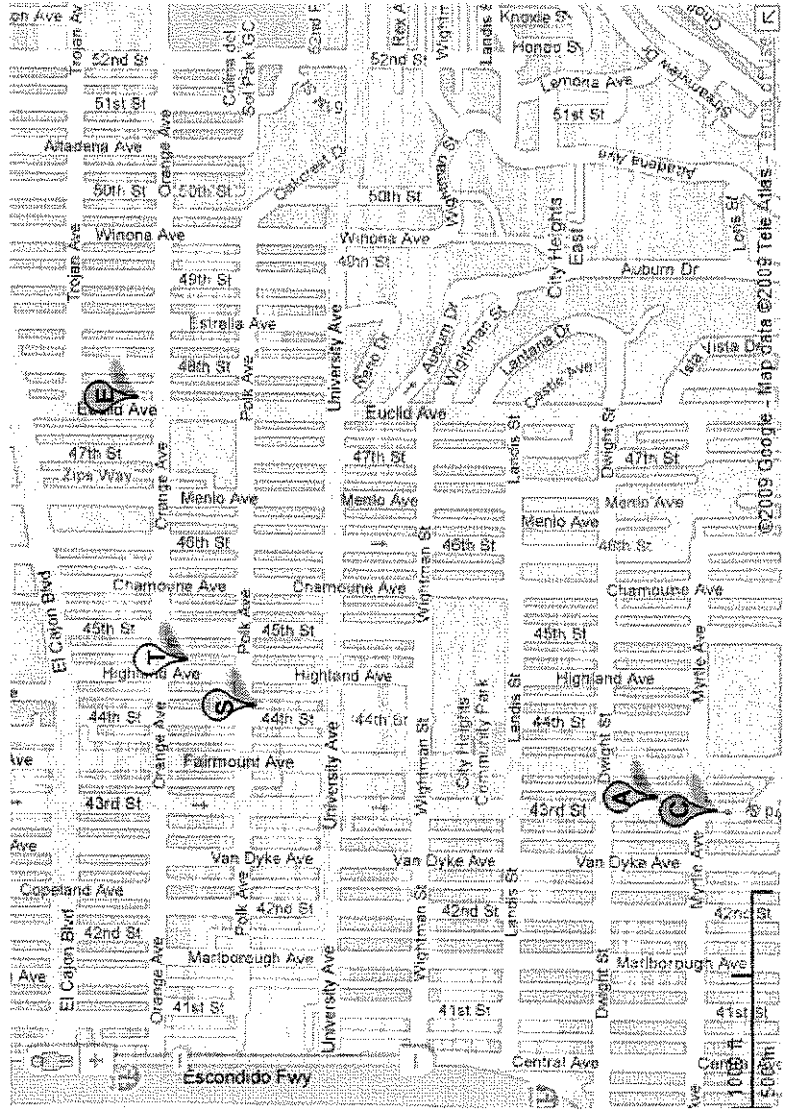
A copy is available for review at the Housing Commission offices located at 1122 Broadway, Suite 300 and at the offices of the City Clerk located on the 2<sup>nd</sup> floor of 202 "C" Street.






Information: W. Dewitt (619) 578-7590

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Attachment 1: Location Map

# City Heights Community Development Corporation Properties



-  3535 43rd St Alta Vista  
San Diego, CA 92105
-  4085 44th St San Diego Apartments  
San Diego, CA 92105
-  4165 Highland Ave Teralka Court  
San Diego, CA 92105
-  4217 Euclid Ave Euclid Court  
San Diego, CA 92115
-  3429 43rd St Canyon Vista  
San Diego, CA 92105

## ATTACHMENT 2

### DEVELOPMENT SUMMARY

Name: City Heights CDC - 5 Property Rehabilitation  
Location: Various Locations in City Heights  
Description: Rental housing for low-income families  
Sponsor: City Heights Community Development Corporation

#### Unit Affordability

Total # of units: 60  
Assisted units: 60  
Restricted rents: 4 studio @ \$404 (35% AMI) and \$581 (50% AMI)  
26 one-bedroom @ \$485 (35% AMI) and \$670 (50% AMI)  
2 two-bedroom @ \$803, \$821, and \$865 (60% AMI)  
3 three-bedroom @ \$952 (60% AMI)

Market rent: studio units rent for approximately \$630 and \$691 per month  
one-bedroom units rent for approximately \$770 and \$780 per month  
two-bedroom units rent for approximately \$1,000 and \$1,180 per month  
three-bedroom units rent for approximately \$1,600 per month

Percent of AMI: rents for 16 units at 35 percent, rents for 14 units at 50 percent,  
and rents for 30 units at 60 percent of Area Median Income

Affordability: 55 years

#### Development Cost

Total rehabilitation cost: \$ 2,473,467  
HC development cost: \$ 1,789,467\*assumes CDBG-R funding  
Per-unit development cost for 60 units: \$ 41,224  
HC cost for 60 units: \$ 29,824\*  
HC subsidy per bedroom (93 br's): \$ 19,241\*

#### Sources of Funds

Housing Commission Loan \$ 2,473,467 without CDBG-R funding  
4 Previous HC Residual Receipts Loans \$ 866,123

#### Pro Forma Summary

Estimated annual income: \$ 486,358 (year 1)  
Estimated annual expense: \$ 266,834 (year 1)  
Annual 1<sup>st</sup> position loan debt service: \$ 124,938 (1.76 ratio / year 1)  
Annual 2<sup>nd</sup> position HC loan debt svc: \$ 66,477 (1.42 ratio / year 1)  
Estimated residual cash flow: \$ 14,054 (year 1)



**ATTACHMENT 3**

**VISTA GRANDE APARTMENTS  
ESTIMATED DEVELOPMENT TIMELINE**

June 19, 2009	Loan to the Housing Commission for recommendation of approval
July 21, 2009	Loan to the Housing Authority of the City of San Diego for approval
July 31, 2009	Loan closing
August 2009	Start of rehabilitation
March 2010	Project completion

## **ATTACHMENT 4**

### **SAN DIEGO HOUSING COMMISSION**

#### **PRELIMINARY INSPECTION REPORTS**

- Alta Vista Apartments (12 units), 3535-3545 43<sup>rd</sup> Street
- Canyon Vista Apartments (8 units), 3429-3431 43<sup>rd</sup> Street
- Euclid Court (11 units), 4217-4231 Euclid Avenue
- San Diego Apartments (16 units), 4085 44<sup>th</sup> Street
- Teralta Court (13 units), 4165-4175 Highland Avenue



Housing Rehabilitation

## PRELIMINARY INSPECTION REPORT

TO: Carlos De Baca, Project Manager

FROM: John Impson, Housing Construction Specialist  
John Ayala Jr., Housing Construction Specialist

DATE: April 24, 2009

RE: Alta Vista Apartments  
3535-3545 43<sup>rd</sup> Street  
San Diego, CA

Per your request, Housing Rehabilitation Section staff performed a representative inspection of the above referenced property on April 2, 2009. The purpose of the inspection was to review the overall condition of the property, both interior and exterior and prepare a cost estimate for the proposed project. The attached cost estimate is broken into three different classifications (1) existing conditions at site, (2) work that can be delayed for up to 5 years and (3) work that can be delayed for up to 15 years.

The project consists of 2 two story buildings with 12 apartments which are all 2 bedroom 2 bath units and it was constructed in 1985. The buildings are constructed of wood framing with stucco and wood clapboard siding with single pane aluminum sliding windows. Roofing is gable and currently has compositions shingles.

An inspection for the presence of hazardous materials was not performed during the site visit and no reports from previous testing were provided. Because of the age of the structures, it is unlikely that lead is present.

As indicated above a representative sample of 7 unit interiors were inspected along with the exterior of the buildings and project site. The scope of the inspection does not cover items that were concealed at the time of inspection or were inaccessible.

The overall condition of the exterior is in fair condition. The following conditions require immediate attention: roofs of both buildings are approx. 24 years old and showing signs of potential failure, two large landings/decks are showing signs of structural failure and need replacement, all upper decks need recoating, all handrails are old and need replacement, 14 damaged stair treads need replacement at this time, wood fencing on both the south and north sides of the property is broken/leaning and needs replacing, some wood trim and siding have termite and other damage, trim needs to be replaced and recommend covering the siding area with stucco, both buildings have stucco damage which needs patching and the entire buildings power washed and painted, both buildings need fumigation for termite and pest control, 6 water heaters need replacement at this time and 6 more in five years, and upgrading of the landscape irrigation as well as plant material.

The overall condition of the interior is in fair condition. Items that need upgrading at this time include the following: replacing carpet and vinyl complete in all units, replacement of all sliding closet doors, interior

bedroom and bathroom doors, all new vinyl clad windows, sliding glass doors, kitchen cabinets with counters and sinks, all ranges and refrigerators with energy efficient models, all range hoods, exhaust fans in bathrooms, vanities in all the units, refinish all tub/showers in all units, and replace all toilets with water saving low-flow ADA approved toilets.

Due to the age of the buildings full compliance to ADA requirements is not possible; however, in assessing the needs of this property and to reasonably accommodate the Universal Design Features for people with disabilities the following items are included in our estimate: all 6 ground floor units to be upgraded. All will have lever handles installed in kitchens, bedrooms, bathrooms and faucets. All toilets will be replaced with 17" high compliant toilets. Note: should this project be brought to fruition property owner should be advised to consult with an Accessibility Compliance Architect before arriving at a final scope of work.

After completing the inspection and determining what work needs to be completed at this time the preliminary cost estimate is \$471,634. This cost is based upon current local costs of material and labor and includes Federal Wage (Davis-Bacon) labor rates. The cost estimate includes contractor profit and overhead.

Costs associated with testing and remediation of hazardous materials, including temporary relocation, have not been included in the estimate.

If you need any further clarification regarding the report please feel free to contact John Impson at (619)578-7514 or John Ayala Jr. at (619)578-7516.

PRELIMINARY COST ESTIMATE  
3535-3545 43rd Street  
San Diego, CA  
April 24, 2009

DESCRIPTION	EXISTING	5 YEARS	15 YEARS
<b>EXTERIOR:</b>			
Fencing - New (236 l.f.) North & south sides and unit dividers.	\$ 11,800.00	\$ -	\$ 14,000.00
Landscape Irrigation - Repair & Upgrade	\$ 2,500.00	\$ 1,000.00	\$ 2,500.00
Landscape - New Drought Tolerant Plants	\$ 1,500.00	\$ 500.00	\$ 800.00
Stucco - Wrap/Stucco/Colorcoat (3,240 s.f. of siding to be covered)	\$ 7,000.00	\$ -	\$ -
Wood Trim Repair - 120 l.f.	\$ 2,400.00	\$ -	\$ 3,500.00
Paint - Patch and paint stucco and wood trim complete. (6,048 s.f.)	\$ 13,000.00	\$ -	\$ 15,000.00
Exterior Doors - New (12 doors) Pre-hung steel clad doors.	\$ 7,800.00	\$ -	\$ 8,800.00
Steel Security Doors - New (16 doors)	\$ 4,000.00	\$ 1,000.00	\$ 5,000.00
Storage Doors - New (8 doors)	\$ 3,200.00	\$ -	\$ 4,000.00
Water Heaters - New (Replace 6 - 30 gal W/H)	\$ 5,700.00	\$ 5,700.00	\$ 12,600.00
Fire Extinguishers - New (2)	\$ 400.00	\$ 400.00	\$ 550.00
Exterior Lighting - Replacement (18)	\$ 4,050.00	\$ 1,000.00	\$ 5,000.00
Roofing - New Both Buildings (Approx. 7,488 s.f.)	\$ 32,000.00	\$ -	\$ -
Railings - Replacement (354 l.f.)	\$ 35,400.00	\$ -	\$ -
Stair Treads - Replacment (14 treads)	\$ 3,850.00	\$ 3,850.00	\$ 7,700.00
2nd Floor Landings - Replacement (Two at 7'x20' each) Includes stairs.	\$ 27,000.00	\$ -	\$ -
2nd Floor Landings - Deck Coatings (500 s.f.)	\$ 4,000.00	\$ 4,000.00	\$ 6,000.00
Parking Lot - Restripe (19 spaces)	\$ 1,235.00	\$ 1,235.00	\$ 1,950.00
Fumugation - Both Buildings	\$ 16,000.00	\$ -	\$ 18,000.00
Mailbox Banks - All New (Two banks with 6 slots each)	\$ 1,000.00	\$ -	\$ 1,300.00
Gutters - Replace all. (200 l.f.)	\$ 3,356.00	\$ -	\$ 4,356.00
<b>INTERIOR:</b>			
Flooring: Carpet - New (90 s.y. each x 12 units = 1,080 s.y.)	\$ 28,080.00	\$ -	\$ 30,000.00
Vinyl - New (19 s.y. each x 12 units = 228 s.y.)	\$ 5,928.00	\$ -	\$ 7,500.00
Patching/Painting - Complete (11,700 s.f. of floor space)	\$ 18,000.00	\$ 8,000.00	\$ 20,000.00
Sliding Closet Doors - All new (24 sets)	\$ 8,400.00	\$ 1,400.00	\$ 9,000.00
Interior Doors - All new pre-hung (48 doors)	\$ 24,000.00	\$ 2,000.00	\$ 15,000.00
Windows - All New (52 windows) New windows to be vinyl clad.	\$ 39,000.00	\$ -	\$ -
Window Coverings - All New (52 sets of blinds)	\$ 6,500.00	\$ 3,250.00	\$ 7,500.00
Sliding Glass Doors - All New (10 doors) New doors to be vinyl clad.	\$ 12,000.00	\$ -	\$ -
Sliding Glass Door Coverings - All New (10 sets)	\$ 2,000.00	\$ 1,000.00	\$ 3,000.00
Kitchen Cabinets - All New (12 sets) Wall/base/counters/sinks.	\$ 49,500.00	\$ -	\$ -
Range - All New (12 ranges)	\$ 8,400.00	\$ -	\$ 10,000.00
Range Hoods - All New (12 range hoods)	\$ 3,000.00	\$ -	\$ 4,000.00
Refrigerators - All New (12 refrigerators)	\$ 11,700.00	\$ -	\$ 14,000.00
Tub/Shower - Refinish (Two per unit x 12 = 24 Shower/Tubs)	\$ 19,200.00	\$ -	\$ 22,000.00
Tub/Shower Valve - Replace Two per unit x 12 = 24 shower valves)	\$ 7,200.00	\$ 1,000.00	\$ 8,000.00
Toilets - All New (two per unit x 12 = 24 toilets) ADA Comfort height.	\$ 15,000.00	\$ 2,500.00	\$ 17,500.00
Vanities - All New (two per unit x 12 = 24) Cabinets/Counters/Sinks	\$ 15,600.00	\$ 1,950.00	\$ 17,000.00
Exhaust Fans - All New (two per unit x 12 = 24 fans)	\$ 5,400.00	\$ -	\$ 6,500.00
Bathroom Accessories - All New (two sets per unit x 12 = 24 sets)	\$ 3,240.00	\$ 1,120.00	\$ 3,600.00
Electrical - Minor Repairs (15 light fixtures & 36 outlets/switches)	\$ 2,295.00	\$ 1,500.00	\$ 2,500.00
<b>TOTAL ESTIMATE</b>	<b>\$ 471,634.00</b>	<b>\$ 42,405.00</b>	<b>\$ 308,156.00</b>



Housing Rehabilitation

## PRELIMINARY INSPECTION REPORT

To: Carlos C de Baca Project Manager

From: Tom Parron and Kim Skinner, Housing Construction Specialist

Date: April 23, 2009

Re: Canyon Vista Apartments  
3429-3431 43<sup>rd</sup> St.  
San Diego, CA 92105

Per your request, Housing Rehabilitation staff performed a representative inspection of the above referenced property on April 10<sup>th</sup>, 2009. The purpose of the inspection was to review the overall condition of the property, both interior and exterior and prepare a cost estimate for the proposed project. The attached cost estimate is broken into three different classifications (1) existing conditions at the site, (2) work that can be delayed for up to 5 years and (3) work that can be delayed for up to 15 years.

The project consists of 2 two-story buildings with 4 two bedroom/ 1 bath apartments in each building and was built in 1940. The property has a separate laundry building with 2 washers and 2 dryers; the property also has a small play area. The buildings are constructed of wood framing with stucco walls and wood double hung and wood fixed windows. Roofs are of gable style and covered with composition shingles.

An inspection for the presence of hazardous materials was not performed during the site visit and one (1) report conducted in 1996 was provided. Due to the age of the buildings and the age of the report the results of the report seem to be of limited scope and a new lead inspection report will be required before preparation of the bid packet.

As indicated above a representative sample of 5 unit interiors were inspected along with the complete exterior of the buildings and project site. The scope of the inspection does not cover items that were concealed at the time of the inspection or were inaccessible.

The overall condition of the exterior is in fair condition. The following conditions require immediate attention: repair and paint the wood components consisting of fascia, rafter tails, starter boards, deck joists and decking, window sills and hand rails; fumigate the buildings for termites, roaches and other pests; power wash the complete exterior and patch defects in stucco and repaint; replace concrete walks, landings and steps with the addition of access ramps and sections of concrete parking area; remove 7 trees adjacent to the west side of the 3429 building; replace all single pane windows; replace 2 entry doors, 8 security doors and all locksets on ground floor; replace all security lights; upgrade 9 electrical services with new enclosure and panel covers, install 50 amp subpanels in each unit with 1 new receptacle per bedroom; re-roof laundry room; repair and modify existing rain gutters and down spouts; replace wood fencing north and south sides and replace tubular steel fencing west side between concrete columns and cut back landscaping; move rear gate and concrete return

for access; connect security gate electric locks front and rear; repair and repaint east wood fence panels; restripe west side parking area.

The overall condition of the interior is in fair condition. Items needing upgrading at this time include the following: replace carpeting complete; kitchen countertops/sinks replace 4 now and 4 in five years; repair kitchen sink drain plumbing; replace kitchen flooring in 4 units now and 4 in 15 years; remove and replace 2 ovens/refrigerators now, 2 in five years and 4 in 15 years; refinish hardwood floors in 2 units now, 2 in 5 years and 4 in 15 years; bath tile shower surround re-grout lower portion in all units; install shower doors all units; replace bath vinyl flooring in 4 units now and 4 in five years; replace bath vanities in 2 units now, 2 in 5 years and 4 in 15 years; replace all bath vent fans; repair wall heaters; install new closet doors in hallway; install new cabinet doors in 1 kitchen; rewire each unit complete, add 50 amp sub panel per unit with 1 additional outlet per bedroom and replace all switches, outlet receptacles and install GFCI's in bath and kitchen; replace all smoke detectors in each unit with SDHC provided smoke detectors (free); 4 of the quick release security bars need repairing. The overall condition of the walls, ceilings and painted finish were in good condition but are in need of minor refinishing; replace 6 of the hot water heaters and 4 enclosures; repair 4 wall heaters.

The laundry room is in fair condition. Items needing immediate attention are: holes in wall repaired; paint; replace the skylight and replace the water heater.

Due to the age of the building full compliance to ADA requirements is not possible, however, in assessing the needs of this property and to reasonably accommodate the Universal Design Features for people with disabilities the following items are included in our estimate: all 4 ground floor units to be upgraded. The units having knobs on the security and entrance doors, the bathroom and bedroom doors as well as the bathroom vanity sink, tub/shower and the kitchen sink faucets are to be replaced with lever handles; upgrade the standard toilets to 17 inch access height. Note: should this project be brought to fruition, property owner should be advised to consult with an Accessibility Compliance Architect before arriving at a final scope of work.

After completing the inspection and determining what work needs to be completed at this time the preliminary cost estimate is \$192,500. This cost is based upon current local costs of material and labor rates. The cost estimate includes contractor profit and overhead.

Costs associated with testing and remediation of hazardous materials, including temporary relocation, has not been included in the estimate.

If you need any further clarification regarding the report please feel free to contact me at (619) 578-7525.

**PRELIMINARY COST ESTIMATE w/o DAVIS BACON WAGES**

Canyon Vista Apartments

3429-3431 43<sup>rd</sup> St.

San Diego, CA

23-Apr-09

DESCRIPTION		EXISTING	5 YEARS	15 YEARS
<b>EXTERIOR:</b>				
Roofing	40 squares @ \$200 (2 main buildings) 5 squares @ \$ 200 (Laundry)	\$1,000	\$8,000	
Windows	72 @ \$ 650	\$34,200		
Doors	Replace 2 ext, 16 lower floor lever handles, 8 security screens	\$4,700		
Paint	Patch and paint 2 buildings & laundry exterior	\$16,000		
Fencing	Side A-25lf steel, B- 95 ft., C-76 lf paint existing wood, D-95 lf	\$7,300		\$8,000
Concrete	Access ramps, landings, steps, flatwork, parking	\$42,000		
Raingutter	Repair complete with proper drainage	\$3,300		
Electric	Ext security lights and gates	\$2,100		
Decks	Repair wood decking and handrails	\$1,000		
Plumbing	Water Heaters 6 now, 3 in 5 years	\$6,300	\$3,200	\$9,600
Electric Service	Bring service panels to code 8 units + laundry	\$2,400		
Landscaping	Tree/shrub trimming and removal	\$2,300		
Fumigation	All buildings, includes relocation	\$12,600		
		\$135,200	\$11,200	\$17,600
<b>INTERIOR:</b>				
Electric	Rewire, add one receptacle per bedroom, add 50 amp sub panel per unit.	\$16,000		
Plumbing	Maintenance/code/access height toilets/lever handles	\$5,700	\$1,100	\$1,100
Doors	8 closet doors, 12 lever handles	\$2,000		
Carpets	2 bedrooms ea. 8 units	\$4,800		
Hrdwd fir	living room/dining/hall approx. 300 sq. ft. ea 2 units now	\$6,000	\$4,700	\$9,300
Paint	Interior misc. paint & finish work	\$4,000	\$4,000	\$4,000
Appliances	2 ea Refrigerator/Stove now	\$2,200	\$2,100	\$4,300
Countertops/sinks	4 now, 4 in five years	\$5,100	\$5,100	
KI/Bath flooring	4 now, 4 in five years	\$3,700	\$3,700	
Wall heaters	Maintenance	\$1,300		
Shower doors	8 ea	\$2,800		
Security release	4 now,4 in five years	\$800	\$800	
Cabinet Doors	1 Unit 15 doors	\$1,400		
Shower Tile	Re-grout 8 tile surrounds and caulk	\$1,500		
		\$57,300	\$21,500	\$18,700
<b>TOTAL ESTIMATE</b>		<b>\$192,500</b>	<b>\$32,700</b>	<b>\$36,300</b>





Housing Rehabilitation

## PRELIMINARY INSPECTION REPORT

TO: Carlos De Baca, Project Manager

FROM: John Impson, Housing Construction Specialist  
John Ayala Jr., Housing Construction Specialist

DATE: May 11, 2009

RE: Euclid Court Apartments  
4217-4231 Euclid Avenue  
San Diego, CA 92115

Per your request, Housing Rehabilitation Section staff performed a representative inspection of the above referenced property on April 13, 2009. The purpose of the inspection was to review the overall condition of the property, both interior and exterior and prepare a cost estimate for the proposed project. The attached cost estimate is broken into three different classifications (1) existing conditions at site, (2) work that can be delayed for up to 5 years and (3) work that can be delayed for up to 15 years.

The project consists of 2 two story and 3 single story buildings with 11 apartments of which 10 are 1 bedroom 1 bath and one which is 2 bedroom 2 bath and was constructed in 1946. The buildings are constructed of wood framing with stucco with dual glazed vinyl windows. Roofing is hip and currently has composition shingles.

An inspection for the presence of hazardous materials was not performed during the site visit and no reports from previous testing were provided. Because of the age of the structures, it is likely that lead is present. A comprehensive lead inspection and risk assessment is necessary to comply with HUD requirements and/or local ordinances if any work is performed. In addition, based on age and/or scope of work, testing for the presence of asbestos is required.

As indicated above a representative sample of 7 unit interiors were inspected along with the exterior of the buildings and project site. The scope of the inspection does not cover items that were concealed at the time of inspection or were inaccessible.

The overall condition of the exterior is in fair condition. The following conditions require immediate attention: roofs of all buildings are aged showing signs of potential failure, wood trim and facia has termite and other damage, all 5 buildings have some stucco damage which needs patching, texturing and colorcoat, all 5 buildings need fumigation for termite and pest control, waste and supply lines are old & failing and need replacing, all 12 water heaters are at the end of life expectancy and need replacement, and upgrading of the landscape irrigation as well as plant material.

The overall condition of the interior is in fair condition. Items that need upgrading at this time include the following: replacing carpet and vinyl complete in all units, replacement of all interior bedroom, bathroom and

closet doors, kitchen cabinets with counters and sinks, all ranges and refrigerators with energy efficient models, all range hoods, vanities in all the units, replacement of tub/showers in all units, and replace all toilets with water saving low-flow ADA approved toilets.

Due to the age of the buildings full compliance to ADA requirements is not possible; however, in assessing the needs of this property and to reasonably accommodate the Universal Design Features for people with disabilities the following items are included in our estimate: all 7 ground floor units to be upgraded. All will have lever handles installed in kitchens, bedrooms, bathrooms and faucets. All toilets will be replaced with 17" high compliant toilets. Note: should this project be brought to fruition property owner should be advised to consult with an Accessibility Compliance Architect before arriving at a final scope of work.

After completing the inspection and determining what work needs to be completed at this time the preliminary cost estimate is \$355,041. This cost is based upon current local costs of material and labor. The cost estimate includes contractor profit and overhead.

Costs associated with testing and remediation of hazardous materials, including temporary relocation, have not been included in the estimate.

If you need any further clarification regarding the report please feel free to contact John Impson at (619)578-7514 or John Ayala Jr. at (619)578-7516.

**PRELIMINARY COST ESTIMATE**

4217-4231 Euclid Avenue

San Diego, CA

Revised May 11, 2009

DESCRIPTION	EXISTING	5 YEARS	15 YEARS
<b>EXTERIOR:</b>			
Fencing - Repair/Paint (275 l.f.)	\$ 4,675.00	\$ 4,675.00	\$ -
Fencing - New (275 l.f.) North & south sides and unit dividers.	\$ -	\$ -	\$ 13,750.00
Landscape Irrigation - Repair & upgrade	\$ 4,675.00	\$ 850.00	\$ 6,500.00
Landscape - New drought tolerant plants	\$ 2,975.00	\$ 850.00	\$ 4,500.00
Wood Trim Repair - Complete through-out (Facia/Window Trim/Etc.)	\$ 7,863.00	\$ -	\$ -
Stucco - All buildings. Patch/Texture/Colorcoat (7,135 s.f.)	\$ 29,750.00		\$ 5,000.00
Paint - Patch and paint wood trim on all 5 buildings. (7,135 s.f.)	\$ -	\$ 8,925.00	\$ 15,750.00
Exterior Doors - New (15 doors) Pre-hung steel clad doors.	\$ 8,288.00	\$ -	\$ 11,750.00
Steel Security Doors - New (9 doors now, 6 doors - 5 years)	\$ 1,913.00	\$ 1,275.00	\$ 5,250.00
Storage & Washroom Doors - New (5 doors)	\$ 1,700.00	\$ -	\$ 3,500.00
Water Heaters - All New (Replace 12 - 30 gal W/H)	\$ 9,690.00	\$ -	\$ 12,600.00
Fire Extinguishers - New (4)	\$ 680.00	\$ 680.00	\$ 1,200.00
Exterior Lighting - Replacement (18)	\$ 3,443.00	\$ 1,063.00	\$ 6,500.00
Roofing - New All 5 buildings (Approx. 8,500 s.f.)	\$ 36,550.00	\$ -	\$ 5,000.00
Gutters - Replace All (764 l.f.)	\$ 7,650.00	\$ 1,275.00	\$ 11,750.00
Railings - Repair/Paint (160 l.f.)	\$ 2,975.00	\$ 2,975.00	\$ 5,500.00
Laundry Room - Miscellaneous Repairs	\$ 1,700.00	\$ 680.00	\$ 3,500.00
Garage Doors - Repair All (8 doors)	\$ 1,700.00	\$ -	\$ -
Garage Doors - Replace (4 doors - 5 years, 8 - 15 years)	\$ -	\$ 5,100.00	\$ 13,000.00
Fumigation - All 5 Buildings	\$ 14,875.00	\$ -	\$ -
Cabana - Repair & Re-roof (280 s.f.) Complete replacement - 15 years	\$ 3,825.00	\$ 1,275.00	\$ 8,000.00
Plumbing - Replumb of waste & supply lines (50% now & 50% - 5 years.	\$ 9,350.00	\$ 9,350.00	\$ -
<b>INTERIOR:</b>			
Flooring: Carpet - All New (652 s.y.)	\$ 14,409.00	\$ 3,931.00	\$ 18,952.00
Vinyl - All New (188 s.y.)	\$ 4,155.00	\$ 1,135.00	\$ 6,450.00
Patching/Painting - Complete (7,535 s.f. of floor space)	\$ 14,025.00	\$ 14,025.00	\$ 19,000.00
Interior Doors - All new pre-hung (36 doors)	\$ 15,300.00	\$ 2,550.00	\$ 9,000.00
Windows - Repair All (Approx. 80 windows)	\$ 7,650.00	\$ 1,700.00	\$ 5,000.00
Window Coverings - All New (80 sets of blinds)	\$ 4,250.00	\$ 4,250.00	\$ 12,000.00
Kitchen Cabinets - All New (11 sets) Wall/base/counters/sinks.	\$ 38,659.00	\$ -	\$ -
Kitchen Cabinets - Repair/Refinish	\$ -	\$ 4,250.00	\$ 7,500.00
Range - All New (11 ranges)	\$ 6,545.00	\$ -	\$ -
Range Hoods - All New Including Electrical (11 range hoods)	\$ 7,013.00	\$ -	\$ -
Refrigerators - All New (11 refrigerators)	\$ 9,116.00	\$ -	\$ -
Tub/Shower - Replace (12 Tub/Showers)	\$ 30,600.00	\$ -	\$ -
Tub/Shower - Repair/Refinish	\$ -	\$ 4,250.00	\$ 7,500.00
Toilets - All New (12 toilets) ADA Comfort height.	\$ 5,844.00	\$ -	\$ -
Vanities - All New (12) Cabinets/Counters/Sinks	\$ 6,630.00	\$ 1,105.00	\$ 8,500.00
Bathroom Accessories - All New (12 sets)	\$ 1,377.00	\$ -	\$ -
Electrical - Repairs ( All new light fixtures & outlets/switches)	\$ 7,013.00	\$ -	\$ -
Gas Heaters - All New (Two per unit x 11 = 22 wall heaters)	\$ 22,440.00	\$ -	\$ -
Furnace - Repair	\$ -	\$ 850.00	\$ 1,000.00
ADA Upgrades - Widening doorways in first floor units.	\$ 5,738.00	\$ -	\$ -
<b>TOTAL ESTIMATE</b>	<b>\$ 355,041.00</b>	<b>\$ 77,019.00</b>	<b>\$ 227,952.00</b>



Housing Rehabilitation

## PRELIMINARY INSPECTION REPORT

TO: Carlos C. deBaca, Project Manager

FROM: Tom Parron & Kim Skinner, Housing Construction Specialist

DATE: April 16, 2009

RE: San Diego Apartments  
4085 44<sup>th</sup> Street  
San Diego, CA 92105

Per your request, Housing Rehabilitation Section staff performed a representative inspection of the above referenced property on April 2, 2009. The purpose of the inspection was to review the overall condition of the property, both interior and exterior and prepare a cost estimate for the proposed project. The attached cost estimate is broken into three different classifications (1) existing conditions at site, (2) work that can be delayed for up to 5 years and (3) work that can be delayed for up to 15 years.

The project consists of 1 two story building with 16 apartments which are all 1 bedroom & 1 bath and was constructed in 1984. The building is constructed of wood framing with stucco & wood clapboard siding with single pane aluminum rolling windows. Roofing is a gable and currently has composition shingles.

An inspection for the presence of hazardous materials was not performed during the site visit and no reports from previous testing were provided. Because of the age of the structures, it is unlikely that lead is present. A comprehensive lead inspection and risk assessment is necessary to comply with HUD requirements and/or local ordinances if any work is performed. In addition, based on the scope of work, testing for the presence of asbestos is not required.

As indicated above a representative sample of 8 unit interiors were inspected along with the complete exterior of the building and project site. The scope of the inspection does not cover items that were concealed at the time of inspection or were inaccessible.

The overall condition of the exterior is in fair condition. The following conditions require immediate attention. The wood components of the building consisting of the fascia, rafter tails, deck joist, steps, stringers, siding, mid-broad band & trim on all sides of the structure show signs of rot, wood boring insects, splitting and warping which we recommend a portion of each to be replaced and all components painted in addition the building should be fumigated for termites and roachs. The stucco is in good condition and we recommend repairing and patching defects and power wash complete exterior. The concrete walks and public sidewalk has extensive cracking & settling throughout in addition to uplifting from tree roots, we recommend complete replacement and covering all bare soil areas next to the building on side B. The Aluminum single pane windows are original and no longer operate efficiently, all need replacing. The entrance security screens and doors are in fair to poor condition with missing locksets, damaged doors & jambs, it is our recommendation to

replace 2 entrance doors/jambes, the hotwater heater room double door, and install 2 security screens and several lockset on existing security screen doors. The security and individual unit light fixtures are in poor condition due to age, it is recommended to replace all security lights and install 2 on south side of building as well as replace 8 unit fixture lights. Two of the security lights are connected with illegal wiring, our recommendation is to enclose cables in metal conduit. The roof shows signs of aging and is nearing the end of its life expectancy with many uplifting shingles and a few missing tabs and needs and total replacement is recommended. The gutters are bent & sagging and needs replacing completely. The front lawn sprinkler is not operating, the original system watered the north and front side, new concrete will cover the north side completely. The pepper tree on the northwest corner of property has caused the walkway to lift up, creating a safety hazard, we recommend it's removal in order to prevent the roots in the future from undermining the new concrete walk. The tubular metal fencing at the west & east side of the property has extensive rusting and the cedar fence on the north side as well as a 34 foot section at the southeast corner of property has deteriorated beyond repair, we recommend their replacement. The metal hand rails & security bars are rusting and it is our recommendation to have them scrapped and painted. The electrical closet door at the corner of the southeast wall is none functional and has to be rebuilt. The exterior wood mail box shed is deteriorated and we recommend its replacement. The asphalt parking area has deteriorated and we recommend resurfacing it and ADA stripping.

The overall condition of the interior is in fair condition. Items needing upgrading at this time include the following: The following conditions require immediate attention: the carpeting was in poor condition and we recommend total replacement. The kitchen cabinets & countertops were in fair to poor we recommend replacing 4 units now, then 4 more in 5 years and the last 8 in 15 yrs. The bathroom vanities were in fair to poor condition and we recommend replacing 5 units, then 5 more units in 5 yrs and the last 6 in 15 yrs. The fiberglass tub & surrounds were in good to poor condition and the poor condition was from cracks and holes in the tub & surround, we recommend replacing 2 units now then 2 more in 5 yrs and 4 units in 15 yrs. The diverter/spout/drain & overflow assembly in the showers were in good to poor condition and we recommend replacing 8 units now and all 16 in 15 yrs. The wall furnaces are original and lacked thermostats in all units except 2, we did not test units and tenants haven't turned them on or didn't know how, we recommend installing thermostats/testing and repairing all now and in 5 years replace all units. The bathroom vent fans in all cases did not work, we recommend replacing all units. The electrical switch plate cover was cracked in one unit, in one unit a receptacle was defective, in 2 units the smoke detectors were missing or didn't work, our recommendation it to repair. The vinyl flooring in the kitchen areas were in good to poor condition, our recommendation is to replace the floors in 3 units. The range hoods were in fair to poor condition and we recommend replacing 4 now, then 4 in 5 yrs and 8 in 15 yrs. The electric range and refrigerator were in fair to poor condition our recommendation is to replace 3 ranges & 3 refrigerators immediately, the 3 of each in 5 years and the final 8 in 15 yrs. The quick release security bars in the bedrooms were not working in 3 units and need repairing. The overall condition of the walls & ceilings were in good condition but some units need some repairs.

The overall condition of the laundry & hot water tank rooms were in poor condition. Items needing upgrading at this time include the following: The 85 gallon gas hot water heater is 17 years old and has failed in the past, we recommend replacing immediately. The floor that the heater is resting on is bare plywood, we recommend covering the floor with hardibacker board and sheet vinyl with a drain installed to handle any leaks in the future. The walls and ceiling in the laundry are in poor condition, we recommend repairing damage in ceiling from leak and painting room completely.

Due to the age of the building full compliance to ADA requirements is not possible, however, in assessing the needs of this property and to reasonably accommodate the Universal Design Features for people with disabilities the following items are included in our estimate: All 8 ground floor units to be upgraded; have all knobs on the security & entrance doors & the bathroom & bedroom door as well as the bathroom vanity, tub/shower and the kitchen sink faucets be replaced with lever handles; upgrade the standard toilets to 17 inch high ones. Note: should this project be brought to fruition property owner should be advised to consult with an Accessibility Compliance Architect before arriving at a final scope of work.

After completing the inspection and determining what work needs to be completed at this time the preliminary cost estimate is \$265,848. This cost is based upon current local costs of material and labor and includes Federal Wage (Davis-Bacon) labor rates. The cost estimate includes contractor profit and overhead.

Costs associated with testing and remediation of hazardous materials, including temporary relocation, have not been included in the estimate.

If you need any further clarification regarding the report please feel free to contact me at (619)578-7525 .

**PRELIMINARY COST ESTIMATE**  
**4085 44<sup>th</sup> Street, San Diego, CA 92105**  
**4/8/2009**

Description		EXISTING	5 YEARS	15 YEARS
EXTERIOR	repair stucco & power wash	\$1,500		
	Irrigation system	\$3,000		
	Roof	\$11,250		\$11,250
	Gutters & drains	\$9,023		
	Repair and replace wood siding, trim and prime & paint	\$30,080		\$8,000
	Mid-broad bands, trim	\$4,680		
	Concrete walks	\$23,692		
	Tree removal	\$2,500		
	38 windows replaced	\$22,800		
	repair and replace entrance & security doors	\$2,960		\$2,960
	Replace wood & tubular metal fencing	\$15,599		\$15,599
	Parking Area	\$4,700		\$4,700
	repair and replace step/stringer/porches then paint	\$5,500		\$5,500
	Hot water heater room door, floor	\$950		
	Electrical-fixtures, illegal wiring,	\$4,500		
	repair and replace fascia & rafter tails-prime/paint	\$7,500	\$7,500	\$7,500
	fumigation & relocation	\$14,644		\$14,644
	mail box&service panel door	\$2,350		
	paint security bars/hand rails	\$3,600		\$3,600
	ada compliant-interior-doors & faucet handles	\$18,400		
	replace gas waterheater 85 gal	\$3,500		\$3,500
INTERIOR	Replace 4 kitchen cabinets-wall & base units w/sink	\$16,000	\$16,000	\$32,000
	replace 5 vanities complete in bath	\$3,250	\$7,150	\$10,400
	Electrical repairs: light fixt., switches, receptacles ets-16 units	\$4,800		
	remove & replace carpets 80% of 16 units	\$10,800		\$10,800
	install vinyl &hardibacker flooring –hot water tank room	\$1,700		
	install floor drain in hotwater tank room	\$650		
	remove & replace 2 fiberglass tubs w/surround & bi pass doors	\$4,000	\$4,000	\$8,000
	tub & shower diverter assemblies -8 units	\$2,200		
	wall furnaces repair and add thermostats 75%	\$6,000	\$32,000	
	kitchen sheet vinyl replaced in 3 units 200 SF	\$1,600	\$1,600	\$3,200
	Replace 4 range hoods	\$1,000	\$1,000	\$2,000
	Replace 3 ranges	\$2,400	\$2,400	\$8,000
	Replace 3 refrigerators	\$2,400	\$2,400	\$8,000
	remove & replace 8 toilets-ada low flow	\$5,000		\$5,000
	8 smoke detectors replaced	\$320		
	repair quick release security bars- 3 units	\$1,000		\$1,000
OTHER	Scaffolding	\$10,000		
<b>TOTAL ESTIMATE</b>		<b>\$265,848</b>	<b>\$74,050</b>	<b>\$166,653</b>



Housing Rehabilitation

## PRELIMINARY INSPECTION REPORT

TO: Carlos De Baca, Project Manager

FROM: John Impson, Housing Construction Specialist  
John Ayala Jr., Housing Construction Specialist

DATE: April 24, 2009

RE: Teralta Court Apartments  
4165-4175 Highland Avenue  
San Diego, CA 92105

Per your request, Housing Rehabilitation Section staff performed a representative inspection of the above referenced property on April 2, 2009. The purpose of the inspection was to review the overall condition of the property, both interior and exterior and prepare a cost estimate for the proposed project. The attached cost estimate is broken into three different classifications (1) existing conditions at site, (2) work that can be delayed for up to 5 years and (3) work that can be delayed for up to 15 years.

The project consists of 2 two story buildings with 13 apartments of which 4 are 1 bedroom 1 bath, 8 are 2 bedroom 2 bath and one is 3 bedroom 2 bath units and it constructed in 1986. The buildings are constructed of wood framing with stucco with vinyl clad dual glazed windows. Roofing is gable and currently has composition shingle.

An inspection for the presence of hazardous materials was not performed during the site visit and no reports from previous testing were provided. Because of the age of the structures, it is unlikely that lead is present

As indicated above a representative sample of 9 unit interiors were inspected along with the exterior of the buildings and project site. The scope of the inspection does not cover items that were concealed at the time of inspection or were inaccessible.

The overall condition of the exterior is in fair condition. The following conditions require immediate attention: roofs of both buildings are approx. 23 years old and showing signs of potential failure, all handrails are old and need replacement, 20 damaged stair treads need replacement at this time, wood fencing on both the south and north sides of the property is broken/leaning and needs replacing, wood trim and siding have termite and other damage, trim needs to be replaced, both buildings have stucco damage which needs patching and the entire buildings power washed and painted, both buildings need fumigation for termite and pest control, upgrading of the landscape irrigation as well as plant material and playground equipment and surface.

The overall condition of the interior is in fair condition. Items that need upgrading at this time include the following: replacing carpet and vinyl complete in all units, replacement of all sliding closet doors, interior bedroom and bathroom doors, sliding glass doors, kitchen cabinets with counters and sinks, all ranges and



refrigerators with energy efficient models, all range hoods, exhaust fans in bathrooms, vanities in all the units, refinish all tub/showers in all units, and replace all toilets with water saving low-flow ADA approved toilets.

Due to the age of the buildings full compliance to ADA requirements is not possible; however, in assessing the needs of this property and to reasonably accommodate the Universal Design Features for people with disabilities the following items are included in our estimate: all 6 ground floor units to be upgraded. All will have lever handles installed in kitchens, bedrooms, bathrooms and faucets. All toilets will be replaced with 17" high compliant toilets. Note: should this project be brought to fruition property owner should be advised to consult with an Accessibility Compliance Architect before arriving at a final scope of work.

After completing the inspection and determining what work needs to be completed at this time the preliminary cost estimate is \$427,252.00. This cost is based upon current local costs of material and labor and includes Federal Wage (Davis-Bacon) labor rates. The cost estimate includes contractor profit and overhead.

Costs associated with testing and remediation of hazardous materials, including temporary relocation, have not been included in the estimate.

If you need any further clarification regarding the report please feel free to contact John Impson at (619)578-7514 or John Ayala Jr. at (619)578-7516.

PRELIMINARY COST ESTIMATE

4165-4175 Highland Avenue

San Diego, CA

April 24, 2009

DESCRIPTION	EXISTING	5 YEARS	15 YEARS
<b>EXTERIOR:</b>			
Fencing - New (200 l.f.) North & south sides	\$ 10,000.00	\$ 1,000.00	\$ 5,000.00
Landscape Irrigation - Repair & Upgrade	\$ 2,500.00	\$ 1,000.00	\$ 3,000.00
Landscape - New Drought Tolerant Plants	\$ 1,500.00	\$ 500.00	\$ 1,000.00
Playground - Replace equipment & surface.	\$ 12,000.00	\$ 1,000.00	\$ 15,000.00
Wood Trim Repair - 200 l.f.	\$ 4,000.00	\$ 500.00	\$ 2,000.00
Paint - Patch and paint stucco and wood trim complete. (7,000 s.f.)	\$ 15,000.00	\$ 2,500.00	\$ 20,000.00
Exterior Door - New (13 doors)	\$ 25,000.00	\$ 2,600.00	\$ 6,400.00
Steel Security Doors - New (13 doors)	\$3,250.00	\$ 1,000.00	\$ 3,500.00
Storage And Meter Room Doors - New (10 doors)	\$ 5,000.00	\$ -	\$ 6,000.00
Garage Doors - Replace all. (8 doors)	\$ 12,000.00		\$ 14,000.00
Water Heaters - Replace 6 - 30 gal and 4 - 80 gal)	\$ -	\$ 5,500.00	\$ 25,000.00
Fire Extinguishers - New (4)	\$ 800.00	\$ 800.00	\$ 1,000.00
Exterior Lighting - Replacement (18)	\$ 4,050.00	\$ 1,000.00	\$ 5,000.00
Roofing - New Both Buildings (Approx. 7,488 s.f.)	\$ 32,000.00	\$ -	\$ -
Railings - Replacement (160 l.f.)	\$ 16,000.00	\$ -	\$ -
Stair Treads - Replacment (20 treads)	\$ 5,500.00	\$ 2,750.00	\$ 8,000.00
Solar Panels - Removal & reinstallation when roofing replaced.	\$ 5,000.00	\$ -	\$ -
Rain Gutters 150 ln.ft	\$ 1,000.00	\$ 1,000.00	\$ 5,000.00
Parking Lot - Restripe (13 spaces)	\$ 845.00	\$ 845.00	\$ 1,000.00
Fumugation - Both Buildings	\$ 16,000.00	\$ -	\$ 18,000.00
Intercom System - Replacement (2 call boxes)	\$ 1,800.00	\$ -	\$ -
Mailbox Banks - All New (Two banks with 7 slots each)	\$ 1,200.00	\$ -	\$ 1,500.00
<b>INTERIOR:</b>			
Flooring: Carpet - New (90 s.y. each x 13 units = 1,170 s.y.)	\$ 30,420.00	\$ -	\$ 33,000.00
Vinyl - New (19 s.y. each x 13 units = 247 s.y.)	\$ 6,422.00	\$ -	\$ 8,000.00
Patching/Painting - Complete (11,700 s.f. of floor space)	\$ 19,500.00	\$ -	\$ 22,000.00
Sliding Closet Doors - All new (17 sets)	\$ 5,950.00	\$ 1,400.00	\$ 7,000.00
Interior Doors - All new pre-hung (48 doors)	\$ 24,000.00	\$ -	\$ -
Window Coverings - All New (52 sets of blinds)	\$ 6,500.00	\$ 3,250.00	\$ 7,500.00
Sliding Glass Doors - All New (8 doors) New doors to be vinyl clad.	\$ 9,600.00	\$ -	\$ -
Sliding Glass Door Coverings - All New (8 sets)	\$ 1,600.00	\$ 800.00	\$ 2,000.00
Kitchen Cabinets - All New (13 sets) Wall/base/counters/sinks.	\$ 53,625.00	\$ -	\$ -
Range - All New (13 ranges)	\$ 9,100.00	\$ -	\$ 10,000.00
Range Hoods - All New (13 range hoods)	\$ 3,250.00	\$ -	\$ 4,000.00
Refrigerators - All New (13 refrigerators)	\$ 12,675.00	\$ -	\$ 14,000.00
Tub/Shower - Refinish (22 Shower/Tubs)	\$ 17,600.00	\$ -	\$ 19,600.00
Tub/Shower Valve - Replace (22 shower valves)	\$ 6,600.00	\$ 1,500.00	\$ 7,500.00
Toilets - All New (22 toilets) ADA Comfort height.	\$ 13,750.00	\$ 2,500.00	\$ 15,250.00
Vanities - All New (22 vanities) Cabinets/Counters/Sinks	\$ 14,300.00	\$ 2,950.00	\$ 15,700.00
Exhaust Fans - All New (22 fans)	\$ 4,950.00	\$ -	\$ 6,000.00
Bathroom Aecessories - All New (22 sets)	\$ 2,970.00	\$ 1,120.00	\$ 3,200.00
Electrical - Minor Repairs (15 light fixtures & 36 outlets/switches)	\$ 2,295.00	\$ 1,500.00	\$ 2,500.00
Electric Heaters - Repair-(22 heaters)	\$ 7,700.00	\$ 1,400.00	\$ 8,900.00
<b>TOTAL ESTIMATE</b>	<b>\$ 427,252.00</b>	<b>\$ 38,415.00</b>	<b>\$ 326,550.00</b>

ATTACHMENT 5  
GENERAL APPLICATION FORM

# SAN DIEGO HOUSING COMMISSION GENERAL APPLICATION FORM - Project Overview

DATE: June 10, 2009

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

REQUEST FOR:  EARLY ASSISTANCE  TOTAL PROJECT FUNDING \$ 2,473,467  
 TECHNICAL ASSISTANCE  REHABILITATION LOAN \$ 1,789,467  
  CBDG-R GRANT \$ 684,000

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

PROJECT CONDITION:  UNIMPROVED SITE  RESIDENTIAL  COMMERCIAL  
YEAR BUILT: various  EXISTING STRUCTURE  OTHER (DESCRIBE)

PROJECT NAME: City Heights Proposed REHAB ONLY 60 HOME Units

ADDRESS: 5 various locations San Diego CA 92105  
STREET CITY STATE ZIP

LEGAL DESCRIPTION: various 2601, 2707, 2302  
LOT NO. BLOCK NO. SUBDIVISION NAME ASSESSORS PARCEL NO. CENSUS TRACT

SITE CONTROL:  DEED  OPTION  OTHER (DESCRIBE)

DWELLING UNITS:	4	26	27	3				
	0-BEDROOM	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	TOTAL UNITS	# of stories

HC Assisted Units:	4	26	27	3			60	
	0-BEDROOM	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	TOTAL UNITS	

EXISTING USES OF PROPERTY: 5 separate affordable housing sites No. of Building: 5

DESCRIPTION OF PROPOSED PROJECT: Rehabilitation of 60 existing affordable housing units on five separate existing City Heights CDC properties. Assistance to include operating and replacement reserves.

Appraised Value \$4,030,000.00

APPLICANT/BORROWER:

NAME: City Heights CDC CONTACT PERSON: Jay Powell  
ADDRESS: 4283 El Cajon Boulevard San Diego CA 92105  
STREET CITY STATE ZIP  
TELEPHONE: ( 619 ) 584 1535 FAX NO. ( 619 ) 584-7992 E-mail address: jll@cityheightscd.org

LEGAL DESCRIPTION OF APPLICANT:

FOR PROFIT CORPORATION  NONPROFIT CORPORATION  PARTNERSHIP  INDIVIDUAL OWNER  
 CHDO  OTHER DESCRIBE

TAXPAYER IDENTIFICATION NUMBER: 95-3661177

CURRENT OWNER/SELLER INFORMATION:

NAME: City Heights CDC LEGAL DESCRIPTION: various  
ADDRESS: 4283 El Cajon Boulevard San Diego CA 92105  
STREET CITY STATE ZIP  
TELEPHONE: ( 619 ) 584 1535 FAX NO. ( 619 ) 584-7992

ZONING: Multi-family residential COMMUNITY PLAN AREA: City Heights  
COUNCIL DISTRICT: 3 SCHOOL DISTRICT: San Diego Unified School District

SIGNATURE PRINT NAME TITLE DATE

**SAN DIEGO HOUSING COMMISSION  
APPLICANT INTEREST FORM - AI**

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED

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

PROJECT NAME: City Heights Community Development Corporation - Rehab Loan Application  
 ADDRESS: 4283 El Cajon Blvd. San Diego CA 92105  
ADDRESS CITY STATE ZIP  
 OWNERSHIP NAME: City Heights Community Development Corporation DATE: June 10, 2009

1. City Heights Community Development Co. Jay Powell, Executive Director Owner  
NAME TITLE/POSITION NATURE OF INTEREST  
4283 El Cajon Blvd., Ste 220 619/584-7992 100%  
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST  
San Diego CA 92105  
CITY STATE ZIP

2. Jeff Ott Board President \_\_\_\_\_  
NAME TITLE/POSITION NATURE OF INTEREST  
3502 Utah Street 619-223-6880 \_\_\_\_\_  
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST  
San Diego CA 92104  
CITY STATE ZIP

3. Theresa Quiroz Board Vice President \_\_\_\_\_  
NAME TITLE/POSITION NATURE OF INTEREST  
4719 Baily Place \_\_\_\_\_  
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST  
San Diego CA 92105  
CITY STATE ZIP

4. Stephen Russell Board Treasurer \_\_\_\_\_  
NAME TITLE/POSITION NATURE OF INTEREST  
3406 Cherokee Avenue \_\_\_\_\_  
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST  
San Diego CA 92104  
CITY STATE ZIP

5. Rich Kacmar Board Secretary \_\_\_\_\_  
NAME TITLE/POSITION NATURE OF INTEREST  
4084 45th St. \_\_\_\_\_  
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST  
San Diego CA 92105  
CITY STATE ZIP

6. Tony LoPresti Board Member \_\_\_\_\_  
NAME TITLE/POSITION NATURE OF INTEREST  
3415 Cherokee Avenue 619-474-0220 \_\_\_\_\_  
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST  
San Diego CA 92104  
CITY STATE ZIP

7. Ramon Espinal Board Member \_\_\_\_\_  
NAME TITLE/POSITION NATURE OF INTEREST  
4876 49th St. \_\_\_\_\_  
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST  
San Diego CA 92115  
CITY STATE ZIP

8. Marigold Hernly Board Member \_\_\_\_\_  
NAME TITLE/POSITION NATURE OF INTEREST  
2139 Crenshaw St. \_\_\_\_\_  
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST  
San Diego CA 92105  
CITY STATE ZIP

USE ADDITIONAL SHEETS AS NECESSARY



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

DATE: June 10, 2009

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

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

PROJECT NAME: City Heights Proposed REHAB ONLY 60 HOME Units  
 ADDRESS: 5 various locations San Diego CA 92105  
STREET CITY STATE ZIP

TOTAL NUMBER OF UNITS: 60

OPERATING EXPENSE ITEM	ANNUAL COST	COST PER UNIT	COST PER SQ. FT.
<b>Administrative Expenses</b>			
Office Supplies & Equipment	\$ 600	\$ 10	\$ 0.02
Telephone	\$ 800	\$ 13	\$ 0.02
Training & Travel	\$	\$	\$
Payroll Services	\$ 35,569	\$ 593	\$ 1.05
Program Services	\$ 22,200	\$ 370	\$ 0.65
Other: Misc. Admin	\$ 175	\$ 3	\$ 0.01
<b>Subtotal</b> Percent of Total <b>22%</b>	\$ 59,344	\$ 989	\$ 1.74
<b>Marketing Expenses</b>			
Advertising	\$ 500	\$ 8	\$ 0.01
Other:	\$	\$	\$
<b>Subtotal</b> Percent of Total <b>0%</b>	\$ 500	\$ 8	\$ 0.01
<b>Professional Fees</b>			
Property Management	\$ 45,965	\$ 766	\$ 1.35
Auditing Services	\$	\$	\$
Legal Services	\$ 3,000	\$ 50	\$ 0.09
Other:	\$	\$	\$
<b>Subtotal</b> Percent of Total <b>18%</b>	\$ 48,965	\$ 816	\$ 1.44
<b>Utilities</b>			
Electric	\$ 11,000	\$ 183	\$ 0.32
Gas	\$ 6,376	\$ 106	\$ 0.19
Water/Sewer	\$ 30,259	\$ 504	\$ 0.89
Other:	\$	\$	\$
<b>Subtotal</b> Percent of Total <b>18%</b>	\$ 47,635	\$ 794	\$ 1.40
<b>Contract Services</b>			
Exterminating	\$	\$	\$
Trash Removal	\$ 10,220	\$ 170	\$ 0.30
Security Patrol	\$	\$	\$
Building/Grounds Maintenance	\$ 42,545	\$ 709	\$ 1.25
Janitorial Services	\$	\$	\$
Repair Services	\$ 8,086	\$ 135	\$ 0.24
Elevator & Other Equipment	\$	\$	\$
Garage Operations/Maintenance	\$	\$	\$
Other: Pest Control	\$ 2,543	\$ 42	\$ 0.07
<b>Subtotal</b> Percent of Total <b>24%</b>	\$ 63,394	\$ 1,057	\$ 1.86
<b>Cleaning &amp; Decorating</b>			
Painting Supplies	\$ 4,560	\$ 76	\$ 0.13
Grounds Supplies	\$ 4,560	\$ 76	\$ 0.13
Other:	\$	\$	\$
<b>Subtotal</b> Percent of Total <b>3%</b>	\$ 9,120	\$ 152	\$ 0.27
<b>Taxes &amp; Insurance</b>			
Real Property Tax Assessment	\$ 375	\$ 6	\$ 0.01
Property Insurance	\$ 9,200	\$ 153	\$ 0.27
Director's & Officer's Insurance	\$	\$	\$
Other:	\$ 2,000	\$ 33	\$ 0.06
<b>Subtotal</b> Percent of Total <b>4%</b>	\$ 11,575	\$ 193	\$ 0.34
<b>Other</b>			
SDHC Monitoring Fees	\$ 3,300	\$ 55	\$ 0.10
Other: Replacement Reserves	\$ 21,000	\$ 350	\$ 0.62
Other: SDHC Debt Svc - See Proforma (2r)	\$	\$	\$
Other: Employee Apartments	\$ 2,000	\$ 33	\$ 0.06
<b>Subtotal</b> Percent of Total <b>10%</b>	\$ 26,300	\$ 438	\$ 0.77
<b>Total Annual Operating Costs</b>	\$ 266,834	\$ 4,447	\$ 7.84

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

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

DATE: June 10, 2009

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

PROJECT NAME: City Heights Proposed REHAB ONLY 60 HOME Units  
 ADDRESS: 5 various locations San Diego CA 92105  
 STREET CITY STATE ZIP  
 Number of Units

DEVELOPMENT COST ITEM	PERCENT	AMOUNT
<b>ACQUISITION / LAND COST</b>		
LAND		\$
BUILDINGS		\$
SUBTOTAL		\$
LEGAL/BROKER'S FEE/TITLE		\$
OTHER <u>1st Position Loans (4) - Euclid Ct. not incld</u>		\$
TOTAL ACQUISITION / LAND COST		\$
<b>REHABILITATION / CONSTRUCTION</b>		
CDBG-R Grant (Euclid Ct. & San Diego Apts.)		\$ <u>683,433</u>
DEMOLITION		\$
HOME Loan (Alta Vista, Canyon Vista, Teralta Ct.)		\$ <u>1,153,986</u>
TOTAL HARD COSTS		\$ <u>1,837,419</u>
GENERAL REQUIREMENTS	%	\$
CONTRACTOR'S OVERHEAD	%	\$
CONTRACTOR'S PROFIT	%	\$
TOTAL REHABILITATION / CONSTRUCTION		\$ <u>1,837,419</u>
CONSTRUCTION CONTINGENCY	<u>10.0</u> %	\$ <u>183,742</u>
BOND PREMIUM		\$
<b>CONSTRUCTION LOAN</b>		
CONSTRUCTION INTEREST COST		\$
APPLICATION FEE		\$
LOAN ORIGINATION FEE		\$
OTHER		\$
<b>PERMANENT LOAN</b>		
APPLICATION FEE		\$
LOAN ORIGINATION FEE		\$
OTHER		\$
<b>RELOCATION COST</b>		
<b>ARCHITECTURAL FEES</b>		
DESIGN		\$
SUPERVISION		\$
TOTAL ARCHITECTURAL FEES	%	\$
<b>SURVEYS, SOIL BORINGS, &amp; ENGINEERING</b>		
		\$

DEVELOPMENT COST ITEM	PERCENT	AMOUNT
<b>LEGAL, PERMIT, &amp; AUDIT</b>		
SDHC'S LEGAL (not to exceed)		\$ <u>5,000</u>
BORROWER'S LEGAL		\$ <u>5,000</u>
LENDERS' LEGAL		\$
PERMITS		\$
TITLE & RECORDING		\$
INSURANCE		\$
AUDIT		\$
TAXES DURING CONSTRUCTION		\$
OTHER		\$
TOTAL LEGAL, PERMIT, & AUDIT		\$ <u>10,000</u>
<b>OTHER COSTS</b>		
DEVELOPER'S FEE	<u>5.1</u> %	\$ <u>125,000</u>
CONSULTANT FEE	<u>1.6</u> %	\$ <u>40,000</u>
APPRAISAL COSTS		\$ <u>6,820</u>
ENVIRONMENTAL STUDY		\$ <u>9,090</u>
MARKET STUDY		\$
MARKETING & RENT-UP		\$
SDHC MONITOR SET-UP		\$ <u>500</u>
SDHC LOAN ORIGINATION FEE		\$ <u>2,000</u>
REPLACEMENT RESERVES <u>3</u> MONTHS		\$ <u>108,000</u>
OPERATING RESERVES <u>3</u> MONTHS		\$ <u>112,374</u>
<b>REHABILITATION PROJECTS:</b>		
SDHC TECHNICAL SERVICES FEE (\$5,000)		\$ <u>5,000</u>
Relocation		\$ <u>20,900</u>
Lead Inspections		\$ <u>6,500</u>
Construction Management		\$ <u>40,000</u>
Existing Reserves		\$ <u>(54,940)</u>
TOTAL OTHER COSTS		\$ <u>421,244</u>
SOFT COSTS CONTINGENCY	<u>5</u> %	\$ <u>21,062</u>
TOTAL DEVELOPMENT COST		\$ <u>2,473,467</u>



**SAN DIEGO HOUSING COMMISSION  
DEVELOPMENT FORM - SOURCES AND USES OF FUNDS - SU**

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

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

PROJECT NAME: City Heights Proposed REHAB ONLY 60 HOME Units  
 ADDRESS: 5 various locations San Diego CA 92105  
STREET CITY STATE ZIP

**SOURCES**

POSITION	TERMS	COMMITMENT	AMORTIZED	DEFERRED	TAX CREDIT	GRANT	EQUITY
1ST <u>VARIOUS LENDERS</u>	30 YRS. 8.35 %	<input checked="" type="checkbox"/> Y/N DATE OR EXPECTED	\$ 1346596				
2ND <u>SDHC</u>	55 YRS. 3.00 %	<input checked="" type="checkbox"/> Y/N DATE OR EXPECTED	\$ 1,789,467				
(Select one) Residual Receipts or Amortized	<input type="checkbox"/>	Subsidy/Assisted Unit Subsidy/Assisted Bdrm	\$ 41,224 \$ 26,596				
3RD <u>CBDG-R Grant</u>		<input type="checkbox"/> Y/N DATE OR EXPECTED	\$	\$		\$ 684,000	
4TH		<input type="checkbox"/> Y/N DATE OR EXPECTED	\$	\$		\$	
TAX CREDITS		<input type="checkbox"/> Y/N DATE OR EXPECTED			\$		
EQUITY		<input type="checkbox"/> Y/N DATE OR EXPECTED					\$
TOTAL		\$ 2,473,467	\$ 1,789,467	\$	\$	\$ 684,000	\$

**FUNDING SCHEDULE FOR SOURCES**

TOTAL	CLOSING	CONSTRUCTION PERIOD			COMPLETION 4TH QUARTER	RENT UP QTRS 5 & 6
		1ST QUARTER	2ND QUARTER	3RD QUARTER		
Legal/Appraisal/Env Study/Reimbursables	# \$ 73,410	\$ 73,410				
30 per cent of Rehab/ Balance	* \$ 800,019		\$ 800,019			
30 per cent of Rehab/ Balance	* \$ 800,019		\$ 800,019			
30 per cent of Rehab/ Balance	* \$ 616,277			\$ 616,277		
10 per cent of Rehab/ Balance	* \$ 183,742			\$ 183,742		
TOTAL	\$ 2,473,467	\$ 73,410	\$ 800,019	\$ 800,019	\$ 800,019	\$

**INFORMATION ON CONSTRUCTION LOAN**

CONSTRUCTION LENDER: San Diego Housing Commission  
 CONSTRUCTION TIME: 6 to 8 mo's (MONTHS)  
 CONSTRUCTION INTEREST: \_\_\_\_\_ %  
 COMMITTED:  YES  NO  
 DATE OF COMMITMENT/EXPECTED: July 15, 2009

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

PLEASE PROVIDE ALL KNOWN INFORMATION - CHECK ALL BOXES THAT APPLY

Date: June 10, 2009

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

PROJECT NAME: City Heights Proposed REHAB ONLY 60 HOME Units  
 ADDRESS: 5 various locations San Diego CA 92105  
STREET CITY STATE ZIP

Replacement Reserve	\$ <u>21,000</u>	LP Asset Mgmt Fee	\$ <u>          </u>	GP Management Fee	\$ <u>          </u>
Rental Income	\$ <u>506,484</u>	Project Income Increase	<u>2.50</u> %	Mortgage Amount	\$ <u>1346596</u>
Other Income	\$ <u>5,472</u>	Operating Exp. Increase	<u>3.50</u> %	Mortgage Rate	<u>8.560</u>
Operating Expenses	\$ <u>266,834</u>	Vacancy Loss	<u>5.00</u> %	Mortgage Term(Years)	<u>30</u>
LP & GP Annual Increase	<u>          </u> %	Deferred Dev. Fee	\$ <u>          </u>	Interest on Deff. Dev. Fee	<u>3.00</u> %

SDHC Participation \$ 2,473,467 Residual Receipts  Interest Rate 3.000 %  
 or  
 Percent of Residual to HC 50% Amortize  Term (Years) 55

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Gross Project Income	\$ 511,956	\$ 524,755	\$ 537,874	\$ 551,321	\$ 565,104
Vacancy	\$ 25,598	\$ 26,238	\$ 26,894	\$ 27,566	\$ 28,255
Effective Gross Income	\$ 486,358	\$ 498,517	\$ 510,980	\$ 523,755	\$ 536,848
Operating Expense	\$ 266,834	\$ 276,174	\$ 285,840	\$ 295,844	\$ 306,199
Net Operating Income	\$ 219,524	\$ 222,344	\$ 225,140	\$ 227,910	\$ 230,650
Debt Service (1st)	\$ 124,938	\$ 124,938	\$ 124,938	\$ 124,938	\$ 124,938
Coverage (1st)	<u>1.76</u>	<u>1.78</u>	<u>1.80</u>	<u>1.82</u>	<u>1.85</u>
SDHC Debt Svc (2nd)	\$ 66,477	\$ 66,477	\$ 66,477	\$ 66,477	\$ 66,477
Debt Service (2nd)	<u>1.42</u>	<u>1.47</u>	<u>1.51</u>	<u>1.55</u>	<u>1.59</u>
Replacement Reserve	\$ In OE's Above	\$ In OE's Above	\$ In OE's Above	\$ In OE's Above	\$ In OE's Above
Cash Flow	\$ 28,109	\$ 30,929	\$ 33,725	\$ 36,496	\$ 39,235
LP Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -
GP Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Dev. Fee Pmt.	\$ -	\$ -	\$ -	\$ -	\$ -
SDHC Residual Receipts	\$ 14,054	\$ 15,464	\$ 16,863	\$ 18,248	\$ 19,617
Net Cash Flow	\$ 14,054	\$ 15,464	\$ 16,863	\$ 18,248	\$ 19,617

	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Income	\$ 579,231	\$ 593,712	\$ 608,555	\$ 623,769	\$ 639,363
Vacancy	\$ 28,962	\$ 29,686	\$ 30,428	\$ 31,188	\$ 31,968
Effective Gross Income	\$ 550,270	\$ 564,026	\$ 578,127	\$ 592,580	\$ 607,395
Operating Expense	\$ 316,916	\$ 328,008	\$ 339,488	\$ 351,370	\$ 363,668
Net Operating Income	\$ 233,354	\$ 236,019	\$ 238,639	\$ 241,210	\$ 243,727
Debt Service (1st)	\$ 124,938	\$ 124,938	\$ 124,938	\$ 124,938	\$ 124,938
Coverage (1st)	<u>1.87</u>	<u>1.89</u>	<u>1.91</u>	<u>1.93</u>	<u>1.95</u>
SDHC Debt Svc (2nd)	\$ 66,477	\$ 66,477	\$ 66,477	\$ 66,477	\$ 66,477
Debt Service (2nd)	<u>1.63</u>	<u>1.67</u>	<u>1.71</u>	<u>1.75</u>	<u>1.79</u>
Replacement Reserve	\$ In OE's Above	\$ In OE's Above	\$ In OE's Above	\$ In OE's Above	\$ In OE's Above
Cash Flow	\$ 41,939	\$ 44,604	\$ 47,224	\$ 49,795	\$ 52,312
LP Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -
GP Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Dev. Fee	\$ -	\$ -	\$ -	\$ -	\$ -
SDHC Residual Receipts	\$ 20,970	\$ 22,302	\$ 23,612	\$ 24,898	\$ 26,156
Net Cash Flow	\$ 20,970	\$ 22,302	\$ 23,612	\$ 24,898	\$ 26,156

	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Gross Income	\$ 655,347	\$ 671,731	\$ 688,524	\$ 705,737	\$ 723,380
Vacancy	\$ 32,767	\$ 33,587	\$ 34,426	\$ 35,287	\$ 36,169
Effective Gross Income	\$ 622,580	\$ 638,144	\$ 654,098	\$ 670,450	\$ 687,211
Operating Expense	\$ 376,396	\$ 389,570	\$ 403,205	\$ 417,317	\$ 431,923
Net Operating Income	\$ 246,183	\$ 248,574	\$ 250,893	\$ 253,133	\$ 255,288
Debt Service (1st)	\$ 124,938	\$ 124,938	\$ 124,938	\$ 124,938	\$ 124,938
Coverage (1st)	<u>1.97</u>	<u>1.99</u>	<u>2.01</u>	<u>2.03</u>	<u>2.04</u>
SDHC Debt Svc (2nd)	\$ 66,477	\$ 66,477	\$ 66,477	\$ 66,477	\$ 66,477
Debt Service (2nd)	<u>1.82</u>	<u>1.86</u>	<u>1.89</u>	<u>1.93</u>	<u>1.96</u>
Replacement Reserve	\$ In OE's Above	\$ In OE's Above	\$ In OE's Above	\$ In OE's Above	\$ In OE's Above
Cash Flow	\$ 54,768	\$ 57,159	\$ 59,478	\$ 61,718	\$ 63,873
LP Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -
GP Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Dev. Fee	\$ -	\$ -	\$ -	\$ -	\$ -
SDHC Residual Receipts	\$ 27,384	\$ 28,579	\$ 29,739	\$ 30,859	\$ 31,936
Net Cash Flow	\$ 27,384	\$ 28,579	\$ 29,739	\$ 30,859	\$ 31,936

ATTACHMENT 6  
APPRAISAL SUMMARY



## Memorandum

To: Loan Committee  
From: Carlos C. de Baca <sup>20</sup> Project Manager  
Date: For the Agenda of June 3, 2009  
Subject: Appraisal Comments  
RE: City Heights Portfolio Refinance Request

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The following comments are based on a review of appraisals submitted. Generally speaking, the following items are consistent in all appraisals:

- Date of Valuation: September 15, 2008
- Date of Report: November 14, 2008
- The Appraisal is performed by Michael J. Thiel, MAI, Goldrush Realty Advisers.
- The appraised hypothetical value is based on an opinion that assumes that the proposed rehab has been complete. No "As-Is" values are included. When considering the current appraised value of the portfolio, each appraisal will need to be reduced by the estimated rehab cost in order to determine the current "As-Is" value. The rehab value also contains the estimated value for installing the capitalized items over the next 15 years.
- The opinion of value is also based on the maximum allowable rents, assuming that these rents are charged. The Appraiser acknowledges that the CHCDC Board has not been aggressively maintaining rents at allowable levels. He states that it is a goal of the Board to increase contract rents to help facilitate the operation and maintenance of the properties. These increases will be completed incrementally to assist tenants in adjusting to the increased rents. No timetable was included in this matter.
- City Heights CDC requested to the appraiser that the "Cost Approach" and "Sales Comparison" methods be omitted as "Not Applicable"

The projects reviewed in this memo are those to be considered for potential HOME funding. It is proposed that additional rehabilitation will be performed to a standard acceptable to the San Diego Housing Commission beyond the rehab considered as part of the appraised value below. The following five projects contain the characteristics described below:

**ALTA VISTA, 3535-3545 43<sup>rd</sup> Street, 12 – two bedroom units**

Hypothetical Value = \$1,390,000 (\$115,833/unit)

Assumption that \$161,669 in rehab is completed.

**CANYON VISTA APARTMENTS, 3429-31 43<sup>rd</sup> Street, 8 Apartments – 8 two bedroom units**

Hypothetical Value = \$700,000 (\$87,500/unit)



Appraisal Comments  
For the Agenda of June 3, 2009

**EUCLID COURT APARTMENTS, 4217-31 Euclid Avenue, 11 Apartments – 2 studios, 8 – one bedroom, and 1 - two bedroom unit**

Hypothetical Value = \$720,000 (\$65,455/unit)

Assumption that \$265,000 in rehab is completed

**SAN DIEGO APARTMENTS, 4085 44<sup>th</sup> Street, 16 Apartments – 2 studios, 14 – one bedroom units**

Hypothetical Value = \$610,000 (\$38,125/unit)

Assumption that \$58,216 in rehab is completed

**TERALTA APARTMENTS, 4165-4175 Highland Avenue, 13 Apartments – 4 – one bedroom units, 6 two bedroom units, 3 – three bedroom units**

Hypothetical Value = \$1,130,000 (\$86,923/unit)

Assumption that \$99,469 in rehab is completed

The combined hypothetical value of the five properties, assuming that the rehabilitation is completed per the appraisal is:

**\$4,550,000**



*A Summary Appraisal Report of*

**ALTA VISTA**

3535-3545 43rd Street  
San Diego, California 92105

*Prepared for*

Mr. Larry Graff

City Heights Community Development Corporation

4283 El Cajon Boulevard, Suite 220

El Cajon, CA 92105

*Date of Valuation*

September 15, 2008

*Date of Report*

November 14, 2008

*GRAI File # 10463-03.002*

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SOUTHERN CALIFORNIA OFFICE

2226 ORANGE GROVE PLACE  
ESCONDIDO, CA 92027  
TEL 760.489.8787  
FAX 760.494.4459

NORTHERN CALIFORNIA OFFICE

13311 CLAIREPOINTE WAY  
OAKLAND, CA 94619  
TEL 510.336.0052  
FAX 510.336.0069



November 14, 2008  
Mr. Larry Graff  
City Heights Community Development Corporation  
4283 El Cajon Boulevard  
Suite 220  
El Cajon, CA 92105

Subject: Alta Vista  
A 12-Unit Apartment Complex  
3535-3545 43rd Street  
San Diego, California 92105

Dear Mr. Graff:

At your request, we present our appraisal of the referenced property. This appraisal report comprises a summary document outlining our research, analysis, and conclusions. The purpose of the appraisal is to estimate the hypothetical value as is of the fee simple estate of the subject property, effective September 15, 2008, the date of inspection assuming the proposed maintenance has been completed. Proposed expenditures include \$6,300 for health-safety issues, \$30,000 for immediate repair items, \$10,000 for short-term items to be completed within 24 months, and \$115,369 for capital items over the next 15 years.

The subject property consists of 12 apartment units containing a gross living area of 10,296 square feet. The improvements were constructed in 1985. Parking consists of 17 total spaces, or 1.42 spaces per apartment unit. On the date of our inspection, the project was 100.0% occupied.

The 12 two-bedroom units are restricted to low-income residents. Currently, maximum allowable rents are \$867 for three units and \$1,133 for the remaining 9 units. Based on conversations with the client, the City Heights Community Development Corporation Board has not historically been increasing rents for the tenants. However, it is the goal of the Board to increase contract rents to the maximum allowable rents to help facilitate the operation and maintenance of the property. These increases will be completed incrementally in an effort to assist tenants in adjusting to the increased rents.

After an examination of the subject property and market data we have formed an opinion that the hypothetical value as if of the fee simple estate of the Alta Vista property on September 15, 2008 assuming the proposed rehab has been completed is:

**\$1,390,000**

Mr. Graff  
November 14, 2008  
Page 2

This letter is part of the following appraisal report, which includes a description of the subject property as well as a discussion of the reasoning that has resulted in our opinion. This appraisal is subject to certain assumptions and limiting conditions that are made a part of this report.

The appraisal report was prepared for City Heights Community Development Corporation in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). Our estimate of value is based on the maximum rents of \$867 for three units and \$1,133 for the remaining 9 units as reported by the client.

Thank you for allowing us the opportunity to be of service. Should you have any questions please contact the undersigned at the Southern California office, 760-489-8787.

Sincerely,  
GOLDRUSH REALTY ADVISORS INC.

A handwritten signature in black ink, appearing to read 'M. Thiel', with a large, stylized flourish at the end.

Michael J. Thiel, MAI  
Certificate # AG011299  
Expires 11/10/09



**TABLE OF CONTENTS**

<b>SECTION 1.0 – EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>SECTION 2.1 – STANDARD ASSUMPTIONS AND LIMITING CONDITIONS.....</b>	<b>2</b>
<b>SECTION 2.2 – SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS.....</b>	<b>5</b>
<b>SECTION 2.3 – CERTIFICATION OF MICHAEL J. THIEL, MAI .....</b>	<b>6</b>
<b>SECTION 3.0 – GENERAL INFORMATION .....</b>	<b>7</b>
<b>SECTION 4.1 – MARKET AREA DATA – SAN DIEGO COUNTY.....</b>	<b>9</b>
PHYSICAL AND ENVIRONMENTAL FORCES.....	9
GOVERNMENTAL FORCES .....	9
SOCIAL FORCES.....	10
ECONOMIC FORCES.....	10
APARTMENT MARKET STATISTICS – SAN DIEGO REGION.....	11
<b>SECTION 4.2 – NEIGHBORHOOD DATA.....</b>	<b>12</b>
PHYSICAL AND ENVIRONMENTAL FORCES.....	12
EXPOSURE/MARKETING TIME ESTIMATE .....	12
<b>SECTION 5.1 – THE SITE.....</b>	<b>14</b>
TAXES AND ASSESSMENTS .....	15
<b>SECTION 5.2 – THE IMPROVEMENTS .....</b>	<b>17</b>
PROPERTY OVERVIEW.....	17
IMPROVEMENT RATINGS (POST REHAB).....	18
DESCRIPTION OF IMPROVEMENTS- POST REHAB .....	18
POLICIES & TENANT PROFILES .....	19
FUNCTIONAL/EXTERNAL OBSOLESCENCE.....	19
<b>SECTION 6.1 – THE VALUATION PROCESS .....</b>	<b>20</b>
VALUATION METHODOLOGY.....	20
<b>SECTION 6.2 – HIGHEST AND BEST USE .....</b>	<b>21</b>
AS THOUGH VACANT.....	21
AS CURRENTLY IMPROVED .....	21
<b>SECTION 7.1 – INCOME CAPITALIZATION APPROACH.....</b>	<b>22</b>
SUBJECT’S CURRENT RENT ROLL .....	22
MARKET RENTAL RATE COMPARISON .....	22
ANCILLARY INCOME .....	26
VACANCY AND COLLECTION LOSS .....	26
PRO FORMA EXPENSES.....	27
OVERALL CAPITALIZATION RATE .....	32
CONCLUSION—INCOME CAPITALIZATION APPROACH.....	34
<b>SECTION 7.2 – SALES COMPARISON APPROACH.....</b>	<b>36</b>
<b>SECTION 7.3 – COST APPROACH.....</b>	<b>37</b>
<b>SECTION 8.0—MARKET VALUE CONCLUSION—FEE SIMPLE ESTATE, MAINTENANCE COMPLETE .....</b>	<b>38</b>
CONCLUSION – FEE SIMPLE ESTATE (MAINTENANCE COMPLETE).....	38

**APPENDICES**

**APPENDIX A – ENGAGEMENT LETTER**

**APPENDIX B – RENT ROLL AND OPERATING STATEMENTS**

**APPENDIX C – QUALIFICATIONS OF APPRAISER(S)**

**APPENDIX D – SITE AND BUILDING DIAGRAMS & OTHER SUBJECT DOCUMENTATION**

**APPENDIX E – MAPS AND PHOTOGRAPHS OF THE SUBJECT PROPERTY**

**APPENDIX F – MAPS AND PHOTOGRAPHS OF COMPARABLE PROPERTIES**

**SECTION 1.0 – EXECUTIVE SUMMARY**

---

<i>Subject Property</i>	Alta Vista 3535-3545 43rd Street San Diego, California 92105	
<i>Map Coordinate</i>	1269-H6	
<i>Assessor's Parcel No.</i>	476-022-08 & 476-022-09	
<i>Site Data</i>		
<i>Size of Site</i>	0.287 Acres	
<i>Parcel Shape</i>	Rectangular	
<i>Zoning</i>	CUPD-CU-3-6 - Central Urbranized Planned District is intended to accommodate development with strip commercial characteristics and medium density residential use. Maximum density is one unit per 1,500 square feet of site area, or 7 units. Minimum parking is 2.0 spaces per 2BR unit, or 24 spaces. Based on the subject's 12 units and 17 parking spaces, the existing improvements represent a legal, non-conforming use.	
<i>Improvement Data</i>		
<i>Number of Units/Size</i>	12 Units; 10,296 SF of Gross Living Area	
<i>Date of Construction</i>	1985 according to public records	
<i>Type of Building(s)</i>	2 two-story walk-up buildings	
<i>Current Occupancy %</i>	100.0%	
<i>Highest and Best Use</i>		
<i>As Though Vacant</i>	Multi-family residential development	
<i>As Improved</i>	Continued multi-family residential use	
<i>Property Rights Appraised</i>	Fee Simple Estate	
<i>Exposure Time</i>	Six to 12 months	
<i>Marketing Time</i>	Six to 12 months	
<i>Concluded Estimates</i>	<i>As of</i>	
<i>Hypothetical Mkt Value</i>	<i>09/15/08</i>	<i>Repairs Complete/Max. Allowable Rents Used</i>
<i>Income Capitalization</i>	\$1,390,000	NOI \$97,434, Capitalized at 7.00%
<i>Sales Comparison</i>	Omitted	Omitted Per Client – Not Applicable
<i>Cost Approach</i>	Omitted	Omitted Per Client – Not Applicable
<i>Fee Simple Value</i>	\$1,390,000	Rehab Complete
<i>GRAI Project Team</i>		
<i>Site Visited by:</i>	Michael J. Thiel, MAI	
<i>Market Researched by:</i>	Michael J. Thiel, MAI	
<i>Report Written by:</i>	Michael J. Thiel, MAI	



*A Summary Appraisal Report of*

**CANYON VISTA**

3429-31 43rd St.  
San Diego, California 92105

*Prepared for*  
Mr. Larry Graff  
City Heights Community Development Corporation  
4283 El Cajon Boulevard,, Suite# 220  
San Diego, CA 92105

*Date of Valuation*  
September 15, 2008

*Date of Report*  
December 12, 2008

*GRAI File # 10463-10*

---

SOUTHERN CALIFORNIA OFFICE

2226 ORANGE GROVE PLACE  
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NORTHERN CALIFORNIA OFFICE

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OAKLAND, CA 94619  
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FAX 510.336.0069



December 12, 2008  
Mr. Larry Graff  
City Heights Community Development Corporation  
4283 El Cajon Boulevard,  
Suite# 220  
San Diego, CA 92105

Subject: Canyon Vista  
A 8-Unit Apartment Complex  
3429-31 43rd St.  
San Diego, California 92105

Dear Mr. Graff:

At your request, we present our appraisal of the referenced property. This appraisal report comprises a summary document outlining our research, analysis, and conclusions. The purpose of the appraisal is to estimate the hypothetical value as is of the fee simple estate of the subject property, effective September 15, 2008, the date of inspection assuming the proposed maintenance has been completed. Proposed expenditures include \$3,800 for health-safety issues, \$58,000 for immediate repair items, \$40,000 for short-term items, and \$39,038 for capital improvements over the next 15 years.

The subject property consists of 8 apartment units containing a gross living area of 6,048 square feet. The improvements were constructed in 1940. Parking consists of 8 total spaces, or 1.00 spaces per apartment unit. On the date of our inspection, the project was 100.0% occupied.

The eight units are restricted to low-income residents earning 50% of the area median income (AMI). Currently, maximum allowable rents are \$840 and contract rents are \$711. Based on conversations with the client, the City Heights Community Development Corporation Board has not historically been increasing rents for the tenants. However, it is the goal of the Board to increase contract rents to the maximum allowable rents to help facilitate the operation and maintenance of the property. These increases will be completed incrementally in an effort to assist tenants in adjusting to the increased rents.

After an examination of the subject property and market data we have formed an opinion that the hypothetical value as if of the fee simple estate of the Canyon Vista property on September 15, 2008 assuming the proposed maintenance has been completed is:

**\$700,000**

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FAX 510.336.0069

Mr. Graff  
December 12, 2008  
Page 2

This letter is part of the following appraisal report, which includes a description of the subject property as well as a discussion of the reasoning that has resulted in our opinion. This appraisal is subject to certain assumptions and limiting conditions that are made a part of this report.

The appraisal report was prepared for City Heights Community Development Corporation in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). Our estimate of value is based on the maximum rents the property owner is allowed to charge as dictated by the local housing agency.

Thank you for allowing us the opportunity to be of service. Should you have any questions please contact the undersigned at the Southern California office, 760-489-8787.

Sincerely,  
GOLDRUSH REALTY ADVISORS INC.

A handwritten signature in black ink, appearing to read "M. Thiel", with a large, stylized flourish at the end.

Michael J. Thiel, MAI  
Certificate # AG011299  
Expires 11/10/09

**TABLE OF CONTENTS**

SECTION 1.0 – EXECUTIVE SUMMARY .....1

SECTION 2.1 – STANDARD ASSUMPTIONS AND LIMITING CONDITIONS.....2

SECTION 2.2 – SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS.....5

SECTION 2.3 – CERTIFICATION OF MICHAEL J. THIEL, MAI.....6

SECTION 3.0 – GENERAL INFORMATION .....7

SECTION 4.1 – MARKET AREA DATA – SAN DIEGO COUNTY.....9

    PHYSICAL AND ENVIRONMENTAL FORCES.....9

    GOVERNMENTAL FORCES.....9

    SOCIAL FORCES.....10

    ECONOMIC FORCES.....10

    APARTMENT MARKET STATISTICS – SAN DIEGO REGION.....11

SECTION 4.2 – NEIGHBORHOOD DATA .....13

    PHYSICAL AND ENVIRONMENTAL FORCES.....13

    EXPOSURE/MARKETING TIME ESTIMATE .....13

SECTION 5.1 – THE SITE.....15

    TAXES AND ASSESSMENTS .....16

SECTION 5.2 – THE IMPROVEMENTS .....18

    PROPERTY OVERVIEW.....18

    IMPROVEMENT RATINGS.....19

    DESCRIPTION OF IMPROVEMENTS.....19

    POLICIES & TENANT PROFILES.....20

    FUNCTIONAL/EXTERNAL OBSOLESCENCE.....21

SECTION 6.1 – THE VALUATION PROCESS .....22

    VALUATION METHODOLOGY .....22

SECTION 6.2 – HIGHEST AND BEST USE .....23

    AS THOUGH VACANT.....23

    AS CURRENTLY IMPROVED .....23

SECTION 7.1 – INCOME CAPITALIZATION APPROACH.....24

    SUBJECT’S CURRENT RENT ROLL .....24

    MARKET RENTAL RATE COMPARISON .....24

    ANCILLARY INCOME .....28

    VACANCY AND COLLECTION LOSS .....28

    PRO FORMA EXPENSES.....28

    OVERALL CAPITALIZATION RATE .....33

    CONCLUSION—INCOME CAPITALIZATION APPROACH.....36

SECTION 7.2 – SALES COMPARISON APPROACH.....38

SECTION 7.3 – COST APPROACH.....39

SECTION 8.0—MARKET VALUE CONCLUSION—FEE SIMPLE ESTATE, MAINTENANCE COMPLETE  
& MAXIMUM ALLOWABLE RENTS IN PLACE .....40

    CONCLUSION – FEE SIMPLE ESTATE (MAINTENANCE COMPLETE).....40

**APPENDICES**

APPENDIX A – ENGAGEMENT LETTER

APPENDIX B – RENT ROLL AND OPERATING STATEMENTS

APPENDIX C – QUALIFICATIONS OF APPRAISER(S)

APPENDIX D – SITE AND BUILDING DIAGRAMS & OTHER SUBJECT DOCUMENTATION

APPENDIX E – MAPS AND PHOTOGRAPHS OF THE SUBJECT PROPERTY

APPENDIX F – MAPS AND PHOTOGRAPHS OF COMPARABLE PROPERTIES



**SECTION 1.0 – EXECUTIVE SUMMARY**

---

<i>Subject Property</i>	Canyon Vista 3429-31 43rd St. San Diego, California 92105	
<i>Map Coordinate</i>		
<i>Assessor's Parcel No.</i>	476-100-03-00	
<i>Site Data</i>		
<i>Size of Site</i>	0.215 Acres	
<i>Parcel Shape</i>	Rectangular	
<i>Zoning</i>	CUPD CU-3-6 - Central Urbanized Planned District and Central Urbanized Commercial Zone is intended to accommodate development with strip commercial characteristics and medium density residential use. With a commercial component, maximum multi-family density is 29 DU per acre. Without a commercial component, the density is reduced to 75% of this total, or 22 DU per acre for a maximum of 4.7 or 5 units. Minimum parking is 2.0 spaces for 2BR units, or 16 spaces. Based on the subject's 8 units and 8 parking spaces, the existing improvements represent a legal, non-conforming use.	
<i>Improvement Data</i>		
<i>Number of Units/Size</i>	8 Units; 6,048 SF of Gross Living Area	
<i>Date of Construction</i>	1940 according to public records	
<i>Type of Building(s)</i>	2 two-story walk-up buildings	
<i>Current Occupancy %</i>	100.0%	
<i>Highest and Best Use</i>		
<i>As Though Vacant</i>	Hold for future multi-family residential development	
<i>As Improved</i>	Continued multi-family residential use	
<i>Property Rights Appraised</i>	Fee Simple Estate	
<i>Exposure Time</i>	Six to 12 months	
<i>Marketing Time</i>	Six to 12 months	
<i>Concluded Estimates</i>	<i>As of</i>	
<i>Hypothetical Mkt Value</i>	09/15/08	<i>Comment – Maintenance Complete – Maximum Allowable Rents in Place</i>
<i>Income Capitalization</i>	\$700,000	NOI \$48,709, Capitalized at 7.00%
<i>Sales Comparison</i>	Omitted	Omitted Per Client – Not Applicable
<i>Cost Approach</i>	Omitted	Omitted Per Client – Not Applicable
<i>Fee Simple Value</i>	\$700,000	Maintenance Complete
<i>GRAI Project Team</i>		
<i>Site Visited by:</i>	Michael J. Thiel, MAI	
<i>Market Researched by:</i>	Michael J. Thiel, MAI	
<i>Report Written by:</i>	Michael J. Thiel, MAI	



*A Summary Appraisal Report of*

**EUCLID COURT**

4217-4231 Euclid Ave.  
San Diego, California 92115

*Prepared for*

Mr. Larry Graff  
City Heights Community Development  
4283 El Cajon Boulevard, Suite # 220  
San Diego, CA 92105

*Date of Valuation*

September 15, 2008

*Date of Report*

November 24, 2008

*GRAI File # 10463-05*

---

SOUTHERN CALIFORNIA OFFICE  
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ESCONDIDO, CA 92027  
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NORTHERN CALIFORNIA OFFICE  
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OAKLAND, CA 94619  
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FAX 510.336.0069



November 24, 2008  
Mr. Larry Graff  
City Heights Community Development  
4283 El Cajon Boulevard  
Suite # 220  
San Diego, CA 92105

Subject: Euclid Court  
A 11-Unit Apartment Complex  
4217-4231 Euclid Ave.  
San Diego, California 92115

Dear Mr. Graff:

At your request, we present our appraisal of the referenced property. This appraisal report comprises a summary document outlining our research, analysis, and conclusions. The purpose of the appraisal is to estimate the hypothetical value of the fee simple estate of the subject property, effective September 15, 2008, the date of inspection assuming proposed maintenance has been completed. Estimated expenditures include \$140,825 for Health Safety Issues, \$25,000 for immediate repairs, and \$99,175 for capital improvements over the next 15 years.

The subject property consists of 11 apartment units containing a gross living area of 6,021 square feet. The improvements were constructed in 1946. Parking consists of 8 total spaces, or 0.73 spaces per apartment unit. On street parking is available. On the date of our inspection, the project was 90.9% occupied.

The 11 units are restricted to low-income residents. Maximum allowable rents are \$539 and \$594 for the two studio units, \$668 for the one-bedroom units, and \$818 for the two-bedroom unit. Contract rents are \$505 (average) for the studio units, \$609 (average) per month for the one-bedroom units, and \$745 for the two-bedroom unit. Based on conversations with the client, the City Heights Community Development Corporation Board has not historically been increasing rents for the tenants. However, it is the goal of the Board to increase contract rents to the maximum allowable rents to help facilitate the operation and maintenance of the property. These increases will be completed incrementally in an effort to assist tenants in adjusting to the increased rents.

After an examination of the subject property and market data we have formed an opinion that the hypothetical value of the fee simple estate of the Euclid Court property on September 15, 2008 assuming the proposed maintenance has been completed is:

**\$720,000**

Mr. Graff  
November 24, 2008  
Page 2

This letter is part of the following appraisal report, which includes a description of the subject property as well as a discussion of the reasoning that has resulted in our opinion. This appraisal is subject to certain assumptions and limiting conditions that are made a part of this report.

The appraisal report was prepared for City Heights Community Development in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). Our estimate of value is based on the maximum rents provided by the client based on agreements with various government entities.

Thank you for allowing us the opportunity to be of service. Should you have any questions please contact the undersigned at the Southern California office, 760-489-8787.

Sincerely,  
GOLDRUSH REALTY ADVISORS INC.

A handwritten signature in black ink, appearing to read "M. Thiel", with a large, stylized loop at the end.

Michael J. Thiel, MAI  
Certificate # AG011299  
Expires 11/10/09

**TABLE OF CONTENTS**

SECTION 1.0 – EXECUTIVE SUMMARY .....1

SECTION 2.1 – STANDARD ASSUMPTIONS AND LIMITING CONDITIONS.....2

SECTION 2.2 – SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS.....5

SECTION 2.3 – CERTIFICATION OF MICHAEL J. THIEL, MAI.....6

SECTION 3.0 – GENERAL INFORMATION.....7

SECTION 4.1 – MARKET AREA DATA – SAN DIEGO COUNTY.....9

    PHYSICAL AND ENVIRONMENTAL FORCES.....9

    GOVERNMENTAL FORCES.....9

    SOCIAL FORCES.....10

    ECONOMIC FORCES.....10

    APARTMENT MARKET STATISTICS – SAN DIEGO REGION.....11

SECTION 4.2 – NEIGHBORHOOD DATA.....12

    PHYSICAL AND ENVIRONMENTAL FORCES.....12

    EXPOSURE/MARKETING TIME ESTIMATE.....12

SECTION 5.1 – THE SITE.....14

    TAXES AND ASSESSMENTS.....15

SECTION 5.2 – THE IMPROVEMENTS .....17

    PROPERTY OVERVIEW.....17

    IMPROVEMENT RATINGS.....18

    DESCRIPTION OF IMPROVEMENTS.....19

    POLICIES & TENANT PROFILES.....19

    FUNCTIONAL/EXTERNAL OBSOLESCENCE.....20

SECTION 6.1 – THE VALUATION PROCESS .....21

    VALUATION METHODOLOGY.....21

SECTION 6.2 – HIGHEST AND BEST USE .....22

    AS THOUGH VACANT.....22

    AS CURRENTLY IMPROVED.....22

SECTION 7.1 – INCOME CAPITALIZATION APPROACH.....23

    SUBJECT’S CURRENT RENT ROLL.....23

    MARKET RENTAL RATE COMPARISON.....23

    ANCILLARY INCOME.....29

    VACANCY AND COLLECTION LOSS.....30

    PRO FORMA EXPENSES.....30

    OVERALL CAPITALIZATION RATE.....35

    CONCLUSION—INCOME CAPITALIZATION APPROACH.....37

SECTION 7.2 – SALES COMPARISON APPROACH.....39

SECTION 7.3 – COST APPROACH.....40

SECTION 8.0 – MARKET VALUE – FEE SIMPLE ESTATE, MAINTENANCE COMPLETE.....41

    CONCLUSION – FEE SIMPLE ESTATE (MAINTENANCE COMPLETE).....41

**APPENDICES**

APPENDIX A – ENGAGEMENT LETTER

APPENDIX B – RENT ROLL AND OPERATING STATEMENTS

APPENDIX C – QUALIFICATIONS OF APPRAISER(S)

APPENDIX D – SITE AND BUILDING DIAGRAMS & OTHER SUBJECT DOCUMENTATION

APPENDIX E – MAPS AND PHOTOGRAPHS OF THE SUBJECT PROPERTY

APPENDIX F – MAPS AND PHOTOGRAPHS OF COMPARABLE PROPERTIES

**SECTION 1.0 – EXECUTIVE SUMMARY**

---

<i>Subject Property</i>	Euclid Court 4217-4231 Euclid Ave. San Diego, California 92115	
<i>Map Coordinate</i>		
<i>Assessor's Parcel No.</i>	471-321-11-00	
<i>Site Data</i>		
<i>Size of Site</i>	0.140 Acres	
<i>Parcel Shape</i>	Rectangular	
<i>Zoning</i>	RM-1-1 - Residential - Multiple Unit zone allows a maximum density of 1 DU per 3,000 SF for a maximum of 2 units. Minimum parking is 1.25 spaces for a studio up to 400 SF, 1.5 spaces per unit for one-bedroom units, and 2.0 spaces for 2BR units or 17 spaces. Based on the subject's 11 units and 8 parking spaces, the existing improvements represent a legal, non-conforming use.	
<i>Improvement Data</i>		
<i>Number of Units/Size</i>	11 Units; 6,021 SF of Gross Living Area	
<i>Date of Construction</i>	1946 according to public records	
<i>Type of Building(s)</i>	5 one- and two-story walk-up building	
<i>Current Occupancy %</i>	90.9%	
<i>Highest and Best Use</i>		
<i>As Though Vacant</i>	Multi-family residential development	
<i>As Improved</i>	Continued multi-family residential use	
<i>Property Rights Appraised</i>	Fee Simple Estate	
<i>Exposure Time</i>	Six to 12 months	
<i>Marketing Time</i>	Six to 12 months	
<i>Concluded Estimates</i>	<i>As of</i>	
<i>Hypothetical Mkt Value</i>	<u>09/15/08</u>	<u><i>Comment – Maintenance Complete</i></u>
<i>Income Capitalization</i>	\$720,000	NOI \$48,578, Capitalized at 6.75%
<i>Sales Comparison</i>	Omitted	Omitted Per Client – Not Applicable
<i>Cost Approach</i>	Omitted	Omitted Per Client – Not Applicable
<i>Fee Simple Value</i>	\$720,000	Maintenance Complete
<i>GRAI Project Team</i>		
<i>Site Visited by:</i>	Michael J. Thiel, MAI	
<i>Market Researched by:</i>	Michael J. Thiel, MAI	
<i>Report Written by:</i>	Michael J. Thiel, MAI	



*A Summary Appraisal Report of*

**SAN DIEGO**

4085 44th Street  
San Diego, California 92105

*Prepared for*

Mr. Larry Graff

City Heights Community Development Corporation

4283 El Cajon Boulevard, Suite 220

San Diego, CA 92105

*Date of Valuation*

September 15, 2008

*Date of Report*

November 21, 2008

GRAI File # 10463-04.002

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SOUTHERN CALIFORNIA OFFICE  
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FAX 510.336.0069





November 21, 2008  
Mr. Larry Graff  
City Heights Community Development Corporation  
4283 El Cajon Boulevard  
Suite 220  
San Diego, CA 92105

Subject: San Diego  
A 16-Unit Apartment Complex  
4085 44th Street  
San Diego, California 92105

Dear Mr. Graff:

At your request, we present our appraisal of the referenced property. This appraisal report comprises a summary document outlining our research, analysis, and conclusions. The purpose of the appraisal is to estimate the hypothetical value as is of the fee simple estate of the subject property, effective September 15, 2008, the date of inspection assuming the proposed maintenance has been completed. Proposed expenditures include \$2,175 for Health Safety Issues, \$791 for immediate repairs, \$1,250 for short-term items, and approximately \$54,000 for capital improvements over the next 12 years.

The subject property consists of 16 apartment units containing a gross living area of 5,654 square feet. The improvements were constructed in 1984. Parking consists of 5 total spaces, or 0.31 spaces per apartment unit. On the date of our inspection, the project was 81.3% occupied.

The 16 units are restricted to low-income seniors or disabled residents earning 35% of the area median income (AMI). Currently, maximum allowable rent is \$461 for the studio units and \$522 for the one-bedroom units. Contract rent is \$385 for the studio units and \$452 (average) per month for the one-bedroom units. Based on conversations with the client, the City Heights Community Development Corporation Board has not historically been increasing rents for the tenants. However, it is the goal of the Board to increase contract rents to the maximum allowable rents to help facilitate the operation and maintenance of the property. These increases will be completed incrementally in an effort to assist tenants in adjusting to the increased rents.

After an examination of the subject property and market data we have formed an opinion that the hypothetical value as if of the fee simple estate of the San Diego property on September 15, 2008 assuming the proposed maintenance has been completed is:

**\$610,000**

Mr. Graff  
November 21, 2008  
Page 2

This letter is part of the following appraisal report, which includes a description of the subject property as well as a discussion of the reasoning that has resulted in our opinion. This appraisal is subject to certain assumptions and limiting conditions that are made a part of this report.

The appraisal report was prepared for City Heights Community Development Corporation in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). Our estimate of value is based on the maximum rent allowed by HUD for residents earning 35% of the AMI.

Thank you for allowing us the opportunity to be of service. Should you have any questions please contact the undersigned at the Southern California office, 760-489-8787.

Sincerely,  
GOLDRUSH REALTY ADVISORS INC.

A handwritten signature in black ink, appearing to read "M. Thiel", with a large, stylized loop at the end.

Michael J. Thiel, MAI  
Certificate # AG011299  
Expires 11/10/09

**TABLE OF CONTENTS**

SECTION 1.0 – EXECUTIVE SUMMARY .....1

SECTION 2.1 – STANDARD ASSUMPTIONS AND LIMITING CONDITIONS.....2

SECTION 2.2 – SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS.....5

SECTION 2.3 – CERTIFICATION OF MICHAEL J. THIEL, MAI .....6

SECTION 3.0 – GENERAL INFORMATION .....7

SECTION 4.1 – MARKET AREA DATA – SAN DIEGO COUNTY.....9

    PHYSICAL AND ENVIRONMENTAL FORCES.....9

    GOVERNMENTAL FORCES.....9

    SOCIAL FORCES.....10

    ECONOMIC FORCES.....10

    APARTMENT MARKET STATISTICS – SAN DIEGO REGION.....11

SECTION 4.2 – NEIGHBORHOOD DATA.....12

    PHYSICAL AND ENVIRONMENTAL FORCES.....12

    EXPOSURE/MARKETING TIME ESTIMATE.....12

SECTION 5.1 – THE SITE.....14

    TAXES AND ASSESSMENTS.....15

SECTION 5.2 – THE IMPROVEMENTS .....17

    PROPERTY OVERVIEW.....17

    IMPROVEMENT RATINGS.....18

    DESCRIPTION OF IMPROVEMENTS.....18

    POLICIES & TENANT PROFILES.....19

    FUNCTIONAL/EXTERNAL OBSOLESCENCE.....20

SECTION 6.1 – THE VALUATION PROCESS .....21

    VALUATION METHODOLOGY.....21

SECTION 6.2 – HIGHEST AND BEST USE .....22

    AS THOUGH VACANT.....22

    AS CURRENTLY IMPROVED.....22

SECTION 7.1 – INCOME CAPITALIZATION APPROACH.....23

    SUBJECT’S CURRENT RENT ROLL.....23

    MARKET RENTAL RATE COMPARISON.....23

    ANCILLARY INCOME.....28

    VACANCY AND COLLECTION LOSS.....28

    PRO FORMA EXPENSES.....29

    OVERALL CAPITALIZATION RATE.....33

    CONCLUSION—INCOME CAPITALIZATION APPROACH.....36

SECTION 7.2 – SALES COMPARISON APPROACH.....38

SECTION 7.3 – COST APPROACH.....39

SECTION 8.0–MARKET VALUE – FEE SIMPLE ESTATE, MAINTENANCE COMPLETE.....40

    CONCLUSION – FEE SIMPLE ESTATE (MAINTENANCE COMPLETE).....40

**APPENDICES**

APPENDIX A – ENGAGEMENT LETTER

APPENDIX B – RENT ROLL AND OPERATING STATEMENTS

APPENDIX C – QUALIFICATIONS OF APPRAISER(S)

APPENDIX D – SITE AND BUILDING DIAGRAMS & OTHER SUBJECT DOCUMENTATION

APPENDIX E – MAPS AND PHOTOGRAPHS OF THE SUBJECT PROPERTY

APPENDIX F – MAPS AND PHOTOGRAPHS OF COMPARABLE PROPERTIES

**SECTION 1.0 – EXECUTIVE SUMMARY**

---

<i>Subject Property</i>	San Diego 4085 44th Street San Diego, California 92105	
<i>Map Coordinate</i>	1269-H5	
<i>Assessor's Parcel No.</i>	471-462-03	
<i>Site Data</i>		
<i>Size of Site</i>	0.140 Acres	
<i>Parcel Shape</i>	Rectangular	
<i>Zoning</i>	RM-1-1 - Residential - Multiple Unit zone allows a maximum density of 1 DU per 3,000 SF for a maximum of 2 units. Minimum parking is 1.25 spaces for a studio up to 400 SF and 1.5 spaces per unit for one-bedroom units or 24 spaces. Based on the subject's 16 units and 5 parking spaces, the existing improvements represent a legal, non-conforming use.	
<i>Improvement Data</i>		
<i>Number of Units/Size</i>	16 Units; 5,654 SF of Gross Living Area	
<i>Date of Construction</i>	1984 according to public records	
<i>Type of Building(s)</i>	1 two-story walk-up building	
<i>Current Occupancy %</i>	81.3%	
<i>Highest and Best Use</i>		
<i>As Though Vacant</i>	Multi-family residential development	
<i>As Improved</i>	Continued multi-family residential use	
<i>Property Rights Appraised</i>	Fee Simple Estate	
<i>Exposure Time</i>	Six to 12 months	
<i>Marketing Time</i>	Six to 12 months	
<i>Concluded Estimates</i>	<i>As of</i>	
<i>Hypothetical Mkt Value</i>	<i>09/15/08</i>	<i>Comment – Maintenance Complete</i>
<i>Income Capitalization</i>	\$610,000	NOI \$38,034, Capitalized at 6.25%
<i>Sales Comparison</i>	Omitted	Omitted Per Client – Not Applicable
<i>Cost Approach</i>	Omitted	Omitted Per Client – Not Applicable
<i>Fee Simple Value</i>	\$610,000	Maintenance Complete
<i>GRAI Project Team</i>		
<i>Site Visited by:</i>	Michael J. Thiel, MAI	
<i>Market Researched by:</i>	Michael J. Thiel, MAI	
<i>Report Written by:</i>	Michael J. Thiel, MAI	



*A Summary Appraisal Report of*

**TERALTA COURT**

4165-4175 Highland Avenue  
San Diego, California 92105

*Prepared for*

Mr. Larry Graff

City Heights Community Development  
4283 El Cajon Boulevard, Suite # 220  
San Diego, CA 92105

*Date of Valuation*

September 15, 2008

*Date of Report*

December 2, 2008

*GRAI File # 10463-08*

---

SOUTHERN CALIFORNIA OFFICE  
2226 ORANGE GROVE PLACE  
ESCONDIDO, CA 92027  
TEL 760.489.8787  
FAX 760.494.4459

---

NORTHERN CALIFORNIA OFFICE  
13311 CLAIREPOINTE WAY  
OAKLAND, CA 94619  
TEL 510.336.0052  
FAX 510.336.0069



December 2, 2008  
Mr. Larry Graff  
City Heights Community Development  
4283 El Cajon Boulevard  
Suite # 220  
San Diego, CA 92105

Subject: Teralta Court  
A 13-Unit Apartment Complex  
4165-4175 Highland Avenue  
San Diego, California 92105

Dear Mr. Graff:

At your request, we present our appraisal of the referenced property. This appraisal report comprises a summary document outlining our research, analysis, and conclusions. The purpose of the appraisal is to estimate the hypothetical value as is of the fee simple estate of the subject property, effective September 15, 2008, the date of inspection assuming the proposed rehab has been completed. Proposed expenditures include \$4,700 for life-safety issues and \$5,520 for immediate repair items, and \$89,249 for capital improvements over the next 15 years.

The subject property consists of 13 apartment units containing a gross living area of 8,829 square feet. The improvements were constructed in 1986. Parking consists of 20 total spaces, or 1.54 spaces per apartment unit. On the date of our inspection, the project was 100.0% occupied.

The 13 units are restricted to low-income residents earning between 44% and 51% of the area median income (AMI). Currently, maximum allowable rents are \$658 for the one-bedroom units, \$805 for the two-bedroom units; and \$949 for the three-bedroom units. Contract rents are \$585 for one-bedroom units; \$715 for two-bedroom units, and \$843 for three-bedroom units. Based on conversations with the client, the City Heights Community Development Corporation Board has not historically been increasing rents for the tenants. However, it is the goal of the Board to increase contract rents to the maximum allowable rents to help facilitate the operation and maintenance of the property. These increases will be completed incrementally in an effort to assist tenants in adjusting to the increased rents.

After an examination of the subject property and market data we have formed an opinion that the hypothetical value as if of the fee simple estate of the Teralta Court property on September 15, 2008 assuming the proposed rehab has been completed is:

**\$1,130,000**

SOUTHERN CALIFORNIA OFFICE  
2226 ORANGE GROVE PLACE  
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13311 CLAIREPOINTE WAY  
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Mr. Graff  
December 2, 2008  
Page 2

This letter is part of the following appraisal report, which includes a description of the subject property as well as a discussion of the reasoning that has resulted in our opinion. This appraisal is subject to certain assumptions and limiting conditions that are made a part of this report.

The appraisal report was prepared for City Heights Community Development in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). Our estimate of value is based on the maximum rents the property owner is allowed to charge as dictated by the local housing agency.

Thank you for allowing us the opportunity to be of service. Should you have any questions please contact the undersigned at the Southern California office, 760-489-8787.

Sincerely,  
GOLDRUSH REALTY ADVISORS INC.

A handwritten signature in black ink, appearing to read "M. Thiel", with a large, stylized flourish at the end.

Michael J. Thiel, MAI  
Certificate # AG011299  
Expires 11/10/09



**TABLE OF CONTENTS**

SECTION 1.0 – EXECUTIVE SUMMARY .....	1
SECTION 2.1 – STANDARD ASSUMPTIONS AND LIMITING CONDITIONS.....	2
SECTION 2.2 – SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS.....	5
SECTION 2.3 – CERTIFICATION OF MICHAEL J. THIEL, MAI.....	7
SECTION 3.0 – GENERAL INFORMATION.....	8
SECTION 4.1 – MARKET AREA DATA – SAN DIEGO COUNTY.....	10
PHYSICAL AND ENVIRONMENTAL FORCES.....	10
GOVERNMENTAL FORCES.....	10
SOCIAL FORCES.....	11
ECONOMIC FORCES.....	11
APARTMENT MARKET STATISTICS – SAN DIEGO REGION.....	12
SECTION 4.2 – NEIGHBORHOOD DATA.....	13
PHYSICAL AND ENVIRONMENTAL FORCES.....	13
EXPOSURE/MARKETING TIME ESTIMATE.....	13
SECTION 5.1 – THE SITE.....	15
TAXES AND ASSESSMENTS.....	16
SECTION 5.2 – THE IMPROVEMENTS.....	18
PROPERTY OVERVIEW.....	18
IMPROVEMENT RATINGS (POST REHAB).....	19
DESCRIPTION OF IMPROVEMENTS- POST REHAB.....	19
POLICIES & TENANT PROFILES.....	20
FUNCTIONAL/EXTERNAL OBSOLESCENCE.....	21
SECTION 6.1 – THE VALUATION PROCESS.....	22
VALUATION METHODOLOGY.....	22
SECTION 6.2 – HIGHEST AND BEST USE.....	23
AS THOUGH VACANT.....	23
AS CURRENTLY IMPROVED.....	23
SECTION 7.1 – INCOME CAPITALIZATION APPROACH.....	24
SUBJECT’S CURRENT RENT ROLL.....	24
MARKET RENTAL RATE COMPARISON.....	24
ANCILLARY INCOME.....	30
VACANCY AND COLLECTION LOSS.....	31
PRO FORMA EXPENSES.....	31
OVERALL CAPITALIZATION RATE.....	36
CONCLUSION—INCOME CAPITALIZATION APPROACH.....	38
SECTION 7.2 – SALES COMPARISON APPROACH.....	40
SECTION 7.3 – COST APPROACH.....	41
SECTION 8.0–MARKET VALUE CONCLUSION–FEE SIMPLE ESTATE, MAINTENANCE COMPLETE.....	42
CONCLUSION – FEE SIMPLE ESTATE (REHAB COMPLETE).....	42

**APPENDICES**

APPENDIX A –ENGAGEMENT LETTER

APPENDIX B – RENT ROLL AND OPERATING STATEMENTS

APPENDIX C – QUALIFICATIONS OF APPRAISER(S)

APPENDIX D – SITE AND BUILDING DIAGRAMS & OTHER SUBJECT DOCUMENTATION

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**SECTION 1.0 – EXECUTIVE SUMMARY**

---

<i>Subject Property</i>	Teralta Court 4165-4175 Highland Avenue San Diego, California 92105	
<i>Map Coordinate</i>	1269-H5	
<i>Assessor's Parcel No.</i>	471-382-05 & 471-382-06	
<i>Site Data</i>		
<i>Size of Site</i>	0.287 Acres	
<i>Parcel Shape</i>	Rectangular	
<i>Zoning</i>	RM-1-1 - Residential Multiple Unit allows a maximum of one DU per 3,000 square feet of 14.5 units per acre. Based on the subject's 12,502-square foot site, a maximum of 4 dwelling units would be allowed. Minimum parking is 1.5 spaces for 1BR units, 2.0 spaces per 2BR units, and 2.25 spaces for 3BR units for a minimum of 25 spaces. Based on the subject's 13 units, the existing improvements represent a legal, non-conforming use.	
<i>Improvement Data</i>		
<i>Number of Units/Size</i>	13 Units; 8,829 SF of Gross Living Area	
<i>Date of Construction</i>	1986 according to public records	
<i>Type of Building(s)</i>	2 two-story walk-up building	
<i>Current Occupancy %</i>	100.0%	
<i>Highest and Best Use</i>		
<i>As Though Vacant</i>	Hold for future multi-family residential development	
<i>As Improved</i>	Continued multi-family residential use	
<i>Property Rights Appraised</i>	Fee Simple Estate	
<i>Exposure Time</i>	Six to 12 months	
<i>Marketing Time</i>	Six to 12 months	
<i>Concluded Estimates</i>	<i>As of</i>	
<i>Hypothetical Mkt Value</i>	09/15/08	<i>Comment – Maintenance Complete – Maximum Allowable Rents in Place</i>
<hr/>		
<i>Income Capitalization</i>	\$1,130,000	NOI \$79,182, Capitalized at 7.00%
<i>Sales Comparison</i>	Omitted	Omitted Per Client – Not Applicable
<i>Cost Approach</i>	Omitted	Omitted Per Client – Not Applicable
<i>Fee Simple Value</i>	\$1,130,000	Maintenance Complete
<i>GRAI Project Team</i>		
<i>Site Visited by:</i>	Michael J. Thiel, MAI	
<i>Market Researched by:</i>	Michael J. Thiel, MAI	
<i>Report Written by:</i>	Michael J. Thiel, MAI	

ATTACHMENT 7  
DEVELOPER'S FINANCIAL STATEMENT

*INDEPENDENT AUDITORS' REPORT  
& FINANCIAL STATEMENTS  
OF  
CITY HEIGHTS COMMUNITY  
DEVELOPMENT CORPORATION*

*AUGUST 31, 2008*

CITY HEIGHTS COMMUNITY DEVELOPMENT CORPORATION

AUGUST 31, 2008

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3-4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-13
SUPPLEMENTARY INFORMATION	
Schedule of Apartment Notes Payable and Interest Accrued and Expensed	15

## INDEPENDENT AUDITORS' REPORT

---

To the Board of Directors of  
City Heights Community Development Corporation

We have audited the accompanying statement of financial position of City Heights Community Development Corporation (a nonprofit organization) as of August 31, 2008, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's August 31, 2007 financial statements, which were audited by other auditors whose report dated March 5, 2008 expressed an unqualified opinion on those financial statements.

We conducted our audit 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of City Heights Community Development Corporation as of August 31, 2008, and the result of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Apartment Notes Payable and Interest Accrued and Expensed on page 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Dunlap, Dunlap & Peck*

**Dunlap, Dunlap & Peck, CPAs**  
Escondido, California  
23 April 2009

**City Heights Community Development Corporation**  
**Statement of Financial Position**  
**August 31, 2008**  
(With Comparative Totals for 2007)

	<u>8/31/2008</u>	<u>8/31/2007</u>
<b>ASSETS:</b>		
Cash & Cash Equivalents	\$ 1,187,352	\$ 1,193,447
Investments in CDs	267,154	257,225
Accounts Receivable		
Bridgeport	35,032	45,186
Hollywood Palms	32,366	31,307
Metro	19,542	31,620
Property Rents	20,594	11,057
Other	84,611	33,575
Allowance for Doubtful Accounts	(4,200)	-
Grants Receivable		
CDBG	93,924	131,059
City of San Diego	33,786	51,153
Other Assets		
Prepaid Costs - Model Neighborhood	-	6,578
Pre Development - Model Neighborhood	30,706	30,706
Prepaid Expenses & Deposits	9,579	6,003
Loan Fees (Amortized)	58,113	60,113
Fixed Assets		
Land	2,260,228	2,260,228
Apartments & Buildings	3,810,432	3,810,432
Furniture & Equipment	160,610	160,610
Vehicles	42,855	42,855
Accumulated Depreciation	<u>(1,624,382)</u>	<u>(1,487,859)</u>
<b>Total Assets</b>	<b><u>\$ 6,518,302</u></b>	<b><u>\$ 6,675,295</u></b>
<b>LIABILITIES:</b>		
Accounts Payable / Accrued Liability	\$ 42,505	\$ 142,333
Accrued Vacation	52,985	46,772
Funds Held for Benefit of Others	4,225	6,565
Tenant Security Deposits Liability	52,692	39,160
Accrued Liability - Settlement	-	102,232
Apartment Notes Payable & Accrued Interest		
Notes Payable - Financial Institutions	1,965,208	1,999,697
Notes Payable - CCRC	179,694	184,967
Notes Payable - SDHC - Amortized	370,015	383,633
Notes Payable - SDHC - Unamortized	2,782,547	2,782,547
Notes Payable - LISC - Unamortized	925,000	925,000
Accrued Interest - Amortized Loans	40,125	13,152
Accrued Interest - Unamortized Loans	<u>882,370</u>	<u>809,274</u>
<b>Total Liabilities</b>	<b>7,297,366</b>	<b>7,435,332</b>
<b>NET ASSETS:</b>		
Unrestricted	(860,465)	(815,264)
Temporarily Restricted	<u>81,401</u>	<u>55,227</u>
<b>Total Net Assets</b>	<b><u>(779,064)</u></b>	<b><u>(760,037)</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 6,518,302</u></b>	<b><u>\$ 6,675,295</u></b>

The Accompanying Notes are an Integral Part of the Financial Statements



**City Heights Community Development Corporation**  
Statement of Activities  
August 31, 2008  
(With Comparative Totals for 2007)

<b>UNRESTRICTED NET ASSETS</b>	<u>2008</u>	<u>2007</u>
<b>SUPPORT AND REVENUE</b>		
Rentals	\$ 1,074,130	\$ 1,032,229
Grants		
Public	298,251	246,849
Private	3,637	29,331
Developer Fees	27,191	111,235
Donations	14,870	50,136
Management / General Partner Fees	130,156	123,373
Resident Coordination Fees	203,211	190,910
Administration	59,228	56,628
Maintenance Contracts	400,824	419,030
Fair Booths	0	15,215
Other Income	73,570	25,893
Interest Income	30,258	37,869
Income Released from Restrictions	111,562	5,207
<b>TOTAL UNRESTRICTED REVENUE and SUPPORT</b>	<u>2,426,688</u>	<u>2,343,905</u>
 <b>EXPENSES</b>		
Program Services		
Enterprise (20)	686,091	549,464
Economic Development (30)	118,774	122,055
Housing Operations (40)	883,193	1,029,341
Housing Development (50)	139,420	117,100
Community Development (60, 70)	168,776	158,458
Community Outreach (80)	239,427	209,256
	<u>2,235,681</u>	<u>2,185,674</u>
Supporting Services		
Management and General Expenses	152,732	100,521
	<u>152,732</u>	<u>100,521</u>
 Total Program & Support	<u>2,388,413</u>	<u>2,286,195</u>
 Interest Expense - Residual Rec. Loans	83,476	85,791
 Total Expenses	<u>2,471,889</u>	<u>2,371,986</u>
 <b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<u>(45,201)</u>	<u>(28,081)</u>
 <b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions - Private Grants	137,736	55,220
Net assets released from restrictions, satisfaction of program restrictions.	(111,562)	(5,207)
 <b>INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS</b>	<u>26,174</u>	<u>50,013</u>
 <b>TEMPORARILY RESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	55,227	5,214
 <b>TEMPORARILY RESTRICTED NET ASSETS, END OF YEAR</b>	<u>81,401</u>	<u>55,227</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**City Heights Community Development Corporation**  
**Statement of Activities**  
**August 31, 2008**  
(With Comparative Totals for 2007)

	<u>2008</u>	<u>2007</u>
<b>PERMANENTLY RESTRICTED NET ASSETS</b>		
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS:		
Receipt of funds	0	0
<b>INCREASE (DECREASE) IN PERMANENTLY RESTRICTED NET ASSETS</b>	<u>0</u>	<u>0</u>
INCREASE (DECREASE) IN NET ASSETS	(19,027)	21,932
PRIOR PERIOD ADJUSTMENTS	0	(38,420)
NET ASSETS AT BEGINNING OF YEAR	<u>(760,037)</u>	<u>(743,549)</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ (779,064)</u></u>	<u><u>\$ (760,037)</u></u>

The Accompanying Notes are an Integral Part of the Financial Statements

City Heights Community Development Corporation  
Statement of Functional Expenses  
For the Year Ended August 31, 2008  
(With Comparative Totals for 2007)

	Enterprise Centers		Economic Development		Housing Operations		Housing Development		Community Development		Community Outreach		Total Programs		Support Services		8/31/2008		8/31/2007	
	20	30	40	50	60/70	80	10	10	10	10	10	10	10	10	10	10	10	10	10	10
<b>EXPENSES:</b>																				
Salaries	\$ 502,687	\$ 90,746	\$ 142,654	\$ 31,838	\$ 124,828	\$ 172,913	\$ 68,027	\$ 1,133,693	\$ 974,528											
Payroll Tax	40,396	7,110	11,243	2,535	9,981	13,877	5,309	85,122	78,828											
Benefits	37,507	4,394	6,103	1,171	4,735	9,008	3,743	62,919	55,084											
<b>Total Payroll &amp; Related</b>	<b>580,590</b>	<b>102,250</b>	<b>160,000</b>	<b>35,544</b>	<b>139,525</b>	<b>195,798</b>	<b>77,078</b>	<b>1,213,707</b>	<b>1,108,438</b>											
Accounting & Auditing	-	-	-	-	-	-	-	-	-											
Advertising	75	-	125	-	50	25	200	275	10,000											
Amortization	-	-	2,000	-	-	-	-	2,000	2,050											
Bad Debts	-	-	7,091	350	-	-	-	7,441	9,186											
Computer Maintenance	277	-	1,471	-	-	2,583	4,331	4,331	10,466											
Contract Services	694	1,904	30,958	22,854	6,952	12,721	76,083	43,540	134,596											
Depreciation	5,181	-	130,226	-	-	-	135,407	1,113	151,591											
Dues & Subscriptions	627	-	136	-	-	-	763	2,082	1,324											
Equipment Repair - Rent/Lease	123	-	53	-	35	112	323	1,212	1,535											
Equipment Purchase /Small Tools	-	-	-	-	-	756	756	-	1,612											
Events	-	-	-	-	-	-	-	-	-											
Insurance	11,397	-	20,438	2,693	-	-	34,528	4,671	39,199											
Interest Expense	-	-	171,691	63,888	-	-	235,580	-	214,450											
Legal	11,872	-	22,319	500	-	-	34,691	5,602	40,293											
Miscellaneous	587	-	1,969	9	10,717	5,366	16,648	7,454	26,102											
Office Expense - Fees	4,907	27	1,467	489	2,151	2,588	11,649	12,293	16,385											
On-Site Manager Residence	-	-	6,446	-	-	-	6,446	-	25,090											
Postage	575	21	849	15	39	47	1,546	5,050	5,498											
Printing / Brochure	148	9,379	1,949	92	1,072	2,137	14,777	12,724	19,277											
Property Assessment	-	-	2,466	5,633	-	-	8,099	2,369	10,468											
Rent	-	-	-	-	-	5,431	5,431	33,251	26,958											
Repairs / Replacements	17,190	-	138,855	3,210	617	220	160,092	126	213,422											
Settlement	-	-	6,044	-	-	-	6,044	-	17,039											
Staff Development / Training	128	349	256	-	495	-	1,228	1,108	3,514											
Telephone / Internet	6,484	-	4,001	-	-	976	11,461	5,657	17,118											
Trash Removal	946	-	22,710	-	-	-	23,656	-	24,170											
Utilities	37	-	124,647	727	-	-	125,411	-	132,761											
Vehicle / Mileage	11,121	294	364	4	269	1,186	13,238	601	17,837											
Overhead Allocation	33,132	4,550	24,642	3,411	6,854	9,481	82,070	(82,069)	1											
<b>TOTAL EXPENSES BEFORE</b>	<b>686,091</b>	<b>118,774</b>	<b>883,193</b>	<b>139,420</b>	<b>168,776</b>	<b>239,427</b>	<b>2,235,661</b>	<b>152,732</b>	<b>2,286,195</b>											
<b>NON AMORTIZED INTEREST</b>	<b>-</b>	<b>-</b>	<b>83,476</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,476</b>	<b>-</b>	<b>85,791</b>											
Interest Expense - Residual Rec. Loans																				
<b>TOTAL EXPENSES AFTER</b>	<b>\$ 686,091</b>	<b>\$ 118,774</b>	<b>\$ 966,669</b>	<b>\$ 139,420</b>	<b>\$ 168,776</b>	<b>\$ 239,427</b>	<b>\$ 2,319,157</b>	<b>\$ 152,732</b>	<b>\$ 2,471,986</b>											
<b>NON AMORTIZED INTEREST</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>											

The Accompanying Notes are an Integral Part of the Financial Statements

**City Heights Community Development Corporation**  
Statement of Cash Flows  
August 31, 2008  
(With Comparative Totals for 2007)

CASH FLOW FROM OPERATING ACTIVITIES:	<u>2008</u>	<u>2007</u>
Change in net assets	\$ (19,027)	\$ 21,932
Adjustments to reconcile change in net assets provided by operating activities:		
Donation of fixed assets	-	-
Realized / Unrealized (Gain) / Loss on Investments		
Depreciation	136,523	151,587
Amortization	2,000	2,051
Loss on Disposal of Assets	-	-
(Increase) Decrease in operating assets:		
Accounts Receivable / Grants Receivables	19,302	(34,064)
Prepaid Expenses - Model Neighborhood	6,578	-
Pre Development - Model Neighborhood	-	87,402
Prepaid Expenses & Deposits	(3,576)	2,518
Increase (Decrease) in operating liabilities:		
Accounts Payable / Accrued Liability	(99,828)	101,522
Accrued Vacation	6,213	8,374
Accrued Interest	100,069	85,535
Deferred Revenue	-	(15,000)
Net Cash Provided by Operating Activities	<u>148,254</u>	<u>411,857</u>
 CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	-	-
Proceeds from Sale of Assets	-	-
Purchase of Investments	-	-
Net reinvestment of investment earnings	(9,929)	(10,433)
Net Cash Used in Investing Activities	<u>(9,929)</u>	<u>(10,433)</u>
 CASH FLOW FROM FINANCING ACTIVITIES:		
Tenant Security Deposits Liability	13,532	5,282
Funds Held for Benefit of Others	(2,340)	(20)
Payments on Notes Payable	(53,380)	(54,625)
Prior Period Adjustment	-	(38,420)
Adjustment - Settlement	(102,232)	17,039
Net Cash Provided by Financing Activities	<u>(144,420)</u>	<u>(70,744)</u>
 NET INCREASE (DECREASE) IN CASH	<u>(6,095)</u>	<u>330,680</u>
CASH, BEGINNING OF YEAR	1,193,447	862,767
CASH, END OF YEAR	<u>\$ 1,187,352</u>	<u>\$ 1,193,447</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**CITY HEIGHTS COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2008**

**NOTE A - ORGANIZATION**

City Heights Community Development Corporation, (the "Corporation") was incorporated June 17, 1981 pursuant to the general nonprofit corporation law of the State of California. The specific purpose of the City Heights Community Development Corporation is to enhance the quality of life in City Heights by working with the community to create quality and affordable housing and livable neighborhoods, foster economic self sufficiency, and stimulate investment.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The Corporation's accounting records and the accompanying financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles (GAAP) whereby all revenue is recognized when earned rather than received and expenses are recognized when incurred rather than when paid.

Financial Statement Presentation

The Corporation reports information regarding its financial position and activities under Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based on the existence of donor-imposed restrictions.

Comparative Financial Information

The amounts shown for the year ended August 31, 2007 in the accompanying financial statements are included to provide a basis for comparison with 2008 and present summarized totals only. Accordingly, the 2007 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Corporations financial statements for the year ended August 31, 2007 from which the summarized information was derived.

Income Taxes

The Corporation is a public not-for-profit corporation organized under the laws of the State of California. As a Section 501 (c) (3) organization, it is exempt from income taxes under the U.S. Internal Revenue Code and Section 23701(d) of the California State Revenue and Taxation Code. Accordingly no provision for income taxes is included in the accompanying financial statements.

**CITY HEIGHTS COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2008**

Contributions

The Corporation reports contributions received according to SFAS No. 116 Accounting for Contributions Received and Contributions Made. Accordingly, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recognized when the donor makes a promise to give to the Corporation.

Donated Services

Donated services from volunteers have not been reflected in the financial statements because the criteria for recognition under SFAS No.116 has not been satisfied. Nevertheless, a substantial number of volunteers donated many hours of their time to the Corporation.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Expense Allocations

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses.

Cash and Cash Equivalents

Per the provisions of FASB Statement No. 95, regarding Statement of Cash Flows, cash equivalents consist primarily of certificate of deposit (CD) accounts and other securities with original maturities of 90 days or less.

Loan Fees

Loan fees totaling \$58,113, net of accumulated amortization, are being amortized on the straight line basis over the loan term of 30 years. Amortization expense was \$2,000 for the year ended August 31, 2008.

Funds Held for the Benefit of Others

The Corporation is the fiscal agent for two neighborhood associations and holds money in trust for those associations.

**CITY HEIGHTS COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2008**

Investments

Investments are stated at the readily determinable fair market value in accordance with statement of financial accounting standard No.124 *Accounting for Certain Investments Held by Not-for-Profit Organizations*.

Accounts Receivable

The Corporations accounts receivable generally consist of rents, maintenance and management fees. The allowance for doubtful accounts as of August 31, 2008 is \$4,200.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the fair value at the date of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which range from ten to thirty years for buildings and improvements and three to seven years for furnishings, equipment, software, and vehicles. Expenditures for maintenance, repairs, and improvements which do not materially extend the useful lives of the assets are charged to operations in the periods incurred.

Advertising

The company expenses advertising costs as incurred.

**NOTE C - CASH & CASH EQUIVALANTS**

Cash consisted of the following on August 31, 2008

	<u>2008</u>
Union Bank of California Accounts	\$ 803,841
Petty Cash	425
American Funds Accounts	<u>383,086</u>
	<u>\$1,187,352</u>

**NOTE D – CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of cash deposits in bank accounts and brokerage firms. The organization maintains cash and cash equivalents with banks and brokerage companies. Accounts at the banks are insured by Federal Deposit Insurance Corporation (FDIC) up to \$100,000 at each institution. The organization had balances in excess of FDIC coverage for the year ended August 31, 2008 of \$703,841. FDIC insurance was increased to \$250,000 in October 2008 which effectively reduces the amount of exposure.

**CITY HEIGHTS COMMUNITY DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2008**

**NOTE E – LINE OF CREDIT**

During the year ended August 31, 2008, the Corporation renewed a line of credit at Union Bank of California with a maximum principal balance of \$26,000. The credit line bears interest at prime plus 2% per annum. The balance on this line of credit as of August 31, 2008 is \$0. The credit line was subsequently renewed on January 12, 2009.

**NOTE F - LEASE OBLIGATION**

The Corporation entered into a month to month lease with San Diego State University Foundation for 2,585 square feet of office space located at 4283 El Cajon Boulevard, San Diego, CA 92105 on August 1, 2007 for a rate of \$3,422.55. The Corporation subsequently renewed the lease on September 23, 2008 for a period of 18 months commencing November 1, 2008 with rent set at \$5,307 for the first 12 months and increased to \$5,466.21 for the final 6 months. The Corporation has a sublease on a portion of the space and earns rental income at the rate of \$650 per month, which it offsets against expense. This sublease subsequently expired on December 31, 2008 and there is no future plane to renew. Future schedule of rents are as follows:

<u>Year Ended</u>	<u>Amount</u>
8/31/2009	\$54,515
8/31/2010	\$57,476

**NOTE G – INVESTMENTS**

Investments, other than money market funds included in cash (See Note C), consist of the following at August 31, 2008 and are shown at fair market value.

	<u>2008</u>
Certificates of Deposits, interest rates, 2.23% to 2.96%, maturing October 2008 through September 2009	\$ <u>267,154</u> \$ <u>267,154</u>

Total interest was \$9,929 for the year ended August 31, 2008. The Corporation did not reinvest the CD maturing October 2008 and transferred the proceeds to a cash operating account.

**NOTE H – MORTGAGES and LOANS PAYABLE**

The Corporation has notes payable on all ten apartments. Eight of the apartments have multiple notes. Five apartments have amortized mortgages through financial institutions. Two apartments have amortized notes payable with the California Community Reinvestment



**CITY HEIGHTS COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2008**

Corporation. Three apartments have amortized notes payable with the San Diego Housing Commission. Eight of the apartments have non amortized interest only loans with the San Diego Housing Commission. These loans require payments only if there are residual receipts. The notes and loans are detailed in a Schedule of Apartment Notes Payable and Interest Accrued and Expensed on page 15. Future scheduled maturities of long term liabilities are as follows:

<u>Year Ending August 31,</u>		<u>Amount</u>
2009	\$	60,152
2010		63,699
2011		67,485
2012		71,527
2013		75,799
Thereafter		<u>5,883,802</u>
	\$	<u>6,222,464</u>

**NOTE I – PENSION PLAN**

The Corporation adopted a defined contribution plan organized under IRS code section 403(b) on September 21, 2000. The plan is open to all full time employees with a minimum of 1000 hours of service to the company that are not subject to collective bargaining. The company does not match employee contributions and there are no intentions by management to begin matching in the future.

**NOTE J – NET ASSETS**

Temporarily Restricted Net Assets consists of contributions for designated programs and expenses in support of programs provided by the Corporation. All temporarily restricted assets released are for satisfaction of purpose.

**NOTE K – LIMITED PARTNERSHIP AGREEMENTS**

Bridgeport Properties Limited Partnership

Bridgeport Properties Limited Partnership was organized on October 1, 1998 for the purpose of acquiring, constructing, rehabilitating, owning, maintaining and operating a 461 unit scattered site apartment community known as Bridgeport Properties in San Diego, California. Forty of these units were consolidated during remodeling and twenty units in four properties have been sold to facilitate redevelopment and school construction. The total number of units remaining is 401.

The original Managing Partner of the Partnership was Metropolitan Area Advisory Committee (MAAC). On November 30, 1998 an Agreement for Substitution of General Partner was signed that substituted City Heights Community Development Corporation as the Managing Partner of Bridgeport Enterprises. As the Managing Partner, the Corporation currently is entitled to a

**CITY HEIGHTS COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2008**

management fee in the amount of the greater of \$20,000 per year or 1.25% of the gross rental receipts in a calendar year provided that the partnership debt service coverage ratio (DSCR) is greater than 1.15. If the DSCR falls below 1.15, the fee earned is \$20,000 or 1.0% of the gross rental receipts whichever is greater. Once the developer fee is paid in full, the partnership management fee will increase. During the year ended August 31, 2008, the amount earned was \$46,752.

As the Managing Partner, the Corporation was to provide resident coordination services and to be reimbursed at a service rate set in the budget. For the year ended December 31, 2007 the rate was set at \$108,000 or \$9,000 per month for 3.0 full time equivalents (FTE's). For the year ended December 31, 2008, the rate was set at \$111,240 or \$9,270 per month for 3.0 FTE's. During the year ended 8/31/2008 the Corporation agreed to repay any fee in excess of costs and accrued a liability of \$6,972. The total amount earned for the year ended August 31, 2008 was \$103,188.

The Corporation bills and is receiving payments monthly for the charges of resident coordination services and maintenance service fees, and other charges. The Managing General Partner fee is paid out of the partnership surplus cash computed at partnership mid year June 30 and end of year December 31. As of August 31, 2008, the corporation is owed \$35,032 on these billings.

As the Managing Partner, the Corporation was entitled to a Development fee of \$150,000. As of August 31, 2006, \$32,351 has been received, leaving a development fee receivable of \$117,649. Of this amount, \$50,000 is payable to MAAC, the original Managing Partner. In the year ended August 31, 2007, the corporation received \$117,649 and accrued \$50,000 payable to MAAC. The Corporation paid the liability to MAAC during the year ended August 31, 2008.

San Diego / Fox Hollow Limited Partnership

San Diego / Fox Hollow Limited Partnership was organized on May 19, 1998 for the purpose of acquiring, constructing, rehabilitating, owning, maintaining, and operating a 94 unit apartment community know as Fox Hollow in San Diego, California. The Managing General Partner of the Partnership was Community Housing Assistance Program. On August 1, 2001, an Amendment was signed that substituted City Heights Community Development Corporation as the Managing General Partner of San Diego / Fox Hollow Limited Partnership and changed the name of the apartment community to Hollywood Palms.

As the Managing General Partner, the Corporation is entitled to profit distributions based upon the cash flow of the Hollywood Palms Apartments.

As the Managing Partner, the Corporation is entitled to a fee of \$15,000 per year. During the year ended August 31, 2008, the amount earned was \$15,000.

The Corporation provides property management services and is reimbursed at a service rate set in the budget. During the year ended August 31, 2008 the amount earned was \$55,071.

As the Managing Partner, the Corporation was to provide not less than 1.3 full time equivalents (FTE's) of resident coordination services and to be reimbursed at a service rate set in the

**CITY HEIGHTS COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2008**

budget. For the year ended December 31, 2007, the rate was set at \$51,862 or \$4,322 per month for 1.4 FTE's. For the year ended December 31, 2008 the rate was set at \$53,412 or \$4,451 per month for 1.4 FTE's. The total amount earned for the year ended August 31, 2008 was \$52,899.

Metro Villas Housing Partnership

Metro Villas Housing Partnership was organized in June 2002 under a memorandum of understanding for the purpose of acquiring, constructing, rehabilitating, owning, maintaining, and operating a 120 unit apartment community known as Metro Villas in San Diego, California.

A limited Partnership Agreement has been entered into with Metro Villas Interfaith Housing Corp. (a subsidiary of San Diego Interfaith Housing Foundation) as the Administrative Partner, City Heights Community Development Corporation as her Managing General Partner, and with Alliant Capital as the Limited Partner.

As the Managing General Partner, the Corporation is entitled to a Development fee of \$500,000 of which \$150,000 may be deferred and paid out of excess operating profits. A development fee in the amount of \$500,000 has been earned as follows:

8/31/2003	\$110,000
8/31/2004	100,000
8/31/2005	100,000
8/31/2006	124,755
8/31/2007	38,054
8/31/2008	27,191

As the Managing General Partner, the Corporation is entitled to a management fee of \$13,322 per year beginning in January 2004. For the year ended August 31, 2008, the Corporation recorded \$13,333 as Managing General Partner fee.

As the Managing Partner, the Corporation was to provide resident coordination services and to be reimbursed as a service rate set in the budget. For the year ended December 31, 2007, the rate was set at \$46,200 or \$3,850 per month. For the year ended December 31, 2008, the rate was set at \$47,580 or \$3,965 per month. The total amount earned for the year ended August 31, 2008 was \$47,124.

**NOTE L – SETTLEMENT**

A legal settlement with a former employee agreed to by the Corporation during the year ended August 31, 2007 was breached by the claimant during the year ended August 31, 2008. As a result of legal action the remaining balance due was waived. The Corporation removed the liability and recorded the \$20,000 as other income for the year ended August 31, 2008.

## **SUPPLEMENTARY INFORMATION**

**City Height Community Development Corporation**  
**Schedule of Apartment Notes Payable and Interest Accrued and Expensed**  
**August 31, 2008**

	Monthly Prin & Int	Amortized			Non Amortized SDHC/LISC	Accrued Interest	Total Notes & Accr Int	Interest Expense
		Mortgage	CCRC	SDHC				
<b>San Diego Apartment Complex</b>								
Washington Mutual Amort- 8.5%	1,856	240,143				1,573	241,716	19,016
SD Housing Commission Interest Only 3%	-				220,000	106,667	326,667	6,600
<b>Euclid Apartment Complex</b>								
Citibank Amort- 3.875%	1,224	177,556				573	178,129	7,042
SD Housing Commission Interest Only- 3%	-				273,939	113,000	386,939	8,218
<b>Teraita Courts (Highland Avenue)</b>								
CA Reinvestment Corp Amort- 9.06%	1,543		179,694			1,086	180,780	13,237
SD Housing Commission Interest Only- 3%	-				236,557	87,054	323,611	7,097
<b>Alta Vista Apartments</b>								
Washington Mutual Amort- 8.25%	4,654	590,724				4,197	594,921	49,695
<b>Cornerstone Apartments</b>								
SD Housing Commission Amort- 3%	527			90,601		227	90,828	2,776
SD Housing Commission Interest Only- 3%	-				162,500	49,910	212,410	4,875
<b>Canyon Vista Apartments</b>								
Washington Mutual Amort- 9.26%	1,171	125,880				971	126,851	11,773
WA Mutual- AHP Interest Only- 0%	-	24,000					24,000	
SD Housing Commission Interest Only- 3%	-				135,627	43,671	179,198	4,069
<b>Village View Apartments</b>								
Citibank Amort- 7.77%	3,849	466,480				3,020	469,500	36,652
SD Housing Commission Interest Only- 3%	-				808,976	223,318	1,032,294	24,269
<b>Sycamore Court Apartments</b>								
Citibank Amort- 7.76%	2,690	340,425				2,201	342,626	26,656
SD Housing Commission Interest Only- 3%	-				778,500	144,572	923,072	23,355
<b>Harmony Homes</b>								
SD Housing Commission Amort- 3.0%	1,037		186,379			466	186,845	5,701
<b>Westview Home Apartments</b>								
SD Housing Commission Amort- 3.0%	514		93,035			233	93,268	2,845
SD Housing Commission Interest Only- 3%	-				166,448	45,467	211,915	4,993
<b>Model Neighborhood Project- Land</b>								
Local Initiatives Support Interest Only- 6%					925,000	68,811	993,811	55,500
		<u>1,965,208</u>	<u>179,694</u>	<u>370,015</u>	<u>3,707,547</u>	<u>896,917</u>	<u>7,119,381</u>	<u>314,369</u>
					<b>Note Balance</b>	<b>Accrued Interest</b>	<b>Total Notes &amp; Accr Int</b>	<b>Interest Expense</b>
Notes Payable-Financial Institutions					1,965,208	12,535	1,977,743	150,834
Notes Payable- California Community Reinvestment Corporation					179,694	1,086	180,780	13,237
Notes Payable- San Diego Housing Corporation- Amortized					370,015	926	370,941	11,322
Total Amortized Notes					2,514,917	14,547	2,529,464	175,393
Notes Payable- San Diego Housing Corporation- Unamortized					2,782,547	813,559	3,591,821	83,476
Notes Payable- LISC- Unamortized					925,000	68,811	925,000	55,500
Total Non Amortized Notes					3,707,547	882,370	4,516,821	138,976
Total All Notes					<u>6,222,464</u>	<u>896,917</u>	<u>7,046,285</u>	<u>314,369</u>



# Sonnenberg & Company, CPAs

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Leonard C. Sonnenberg, CPA

## City Heights Community Development Corporation Consolidated Financial Statements Year Ended August 31, 2007

### Contents

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 13
SUPPLEMENTARY INFORMATION	
Schedule of Apartment Notes Payable and Interest Accrued and Expensed	14



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Leonard C. Sonnensberg, CPA

## INDEPENDENT AUDITOR'S REPORT

Board of Directors and Members  
City Height Community Development Corporation

We have audited the accompanying consolidated statement of financial position of City Heights Community Development Corporation (a nonprofit organization) as of August 31, 2007, and the related consolidated statements of activities, of functional expenses, and of cash flows for the year then ended. These consolidated financial statements are the responsibility of the Corporation's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Corporation's August 31, 2006 financial statements and, in our report dated December 20, 2006, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the consolidated financial position of City Heights Community Development Corporation as of August 31, 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic statements taken as a whole. The Schedule of Apartment Notes Payable and Interest Accrued and Expensed on page 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

March 5, 2008

  
Sonnensberg & Company, CPAs

City Heights Community Development Corporation  
Statement of Financial Position  
August 31, 2007  
(With Comparative Totals for 2006)

	8/31/07	8/31/06
<b>ASSETS:</b>		
Cash in Bank	\$ 1,193,447	\$ 862,767
Investment in CDs	257,225	246,792
Accounts Receivable		
Bridgeport	45,186	114,508
Hollywood Palms	31,307	31,361
Metro	31,620	23,449
Property Rents	11,057	14,333
Other	33,575	7,504
Grants Receivable		
CDBG		
City of San Diego	131,059	75,646
Other Assets	51,153	34,092
Prepaid Costs - Model Neighborhood	6,578	6,578
Pre Development - Model Neighborhood	30,706	118,108
Prepaid Expenses & Deposits	6,003	8,521
Loan Fees (Amortized)	60,113	62,164
Fixed Assets		
Land		
Apartments & Buildings	2,260,228	2,260,228
Furniture & Equipment	3,810,432	3,810,432
Vehicles	160,610	160,610
Accumulated Depreciation	42,855	42,855
Total Assets	(1,487,859)	(1,336,272)
	\$ 6,675,295	\$ 6,543,676
<b>LIABILITIES:</b>		
Accounts Payable / Accrued Liability	\$ 142,333	\$ 40,811
Accrued Vacation	46,772	38,398
Deferred Revenue		15,000
Funds Held for Benefit of Others	6,565	6,585
Tenant Security Deposits Liability	39,160	33,878
Accrued Liability - Settlement	102,232	85,193
Apartment Notes Payable & Accrued Interest		
Note Payables - Financial Institutions	1,999,697	2,036,203
Note Payables - CCRC	184,967	189,873
Note Payables - SDHC - Amortized	383,633	396,846
Note Payables - SDHC - Unamortized	2,782,547	2,782,547
Note Payables - LISC - Unamortized	925,000	925,000
Accrued Interest - Amortized Loans	13,152	13,408
Accrued Interest - Unamortized Loans	809,274	723,483
Total Liabilities	7,435,332	7,287,225
<b>NET ASSETS:</b>		
Unrestricted	(815,264)	(748,763)
Temporarily Restricted	55,227	5,214
Total Net Assets	(760,037)	(743,549)
Total Liabilities and Net Assets	\$ 6,675,295	\$ 6,543,676

The Accompanying Notes are an Integral Part of the Financial Statements



City Heights Community Development Corporation  
Statement of Activities  
For the Year Ended August 31, 2007  
(With Comparative Totals for 2006)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>8/31/07 Totals</u>	<u>8/31/06 Totals</u>
<b>SUPPORT AND REVENUE:</b>				
Rentals	\$ 1,032,229	\$	\$ 1,032,229	\$ 995,971
Grants				
Public	246,849		246,849	316,163
Private	29,331		29,331	21,987
Developer Fees	111,235		111,235	142,532
Donations	50,136	55,220	105,356	47,357
Management / General Partner Fees	123,373		123,373	117,480
Resident Coordination Service Fees	190,910		190,910	151,999
Administration	56,628		56,628	63,326
Maintenance Contracts	419,030		419,030	393,095
Fair Booths	15,215		15,215	19,410
Other Income	25,893		25,893	32,293
Interest Income	37,869		37,869	22,713
Satisfaction of Restrictions	5,207	(5,207)	0	0
<b>Total Support &amp; Revenue</b>	<u>2,343,905</u>	<u>50,013</u>	<u>2,393,918</u>	<u>2,324,326</u>
<b>EXPENSES:</b>				
Program Services				
Enterprise (20)	549,464		549,464	500,812
Economic Development (30)	122,055		122,055	182,390
Housing Operations (40)	1,029,341		1,029,341	988,083
Housing Development (50)	117,100		117,100	138,676
Community Development (60, 70)	158,458		158,458	152,028
Community Outreach (80)	209,256		209,256	191,856
<b>Total Program Services</b>	<u>2,185,674</u>	<u>0</u>	<u>2,185,674</u>	<u>2,153,845</u>
Support Services				
Management & General	100,521		100,521	159,827
<b>Total Support Services</b>	<u>100,521</u>	<u>0</u>	<u>100,521</u>	<u>159,827</u>
<b>Total Program &amp; Support Services</b>	<u>2,286,195</u>	<u>0</u>	<u>2,286,195</u>	<u>2,313,672</u>
Interest Expense - Residual Rec. Loans	85,791		85,791	83,476
<b>Total Expenses</b>	<u>2,371,986</u>	<u>0</u>	<u>2,371,986</u>	<u>2,397,148</u>
<b>INCREASE (DECREASE) IN NET ASSET:</b>	<u>(28,081)</u>	<u>50,013</u>	<u>21,932</u>	<u>(72,822)</u>
<b>NET ASSETS - BEGINNING</b>	<u>(748,763)</u>	<u>5,214</u>	<u>(743,549)</u>	<u>(684,038)</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>(38,420)</u>		<u>(38,420)</u>	<u>13,311</u>
<b>NET ASSETS - ENDING</b>	<u>\$ (815,264)</u>	<u>\$ 55,227</u>	<u>\$ (760,037)</u>	<u>\$ (743,549)</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**City Heights Community Development Corporation**  
**Statement of Functional Expenses**  
**For the Year Ended August 31, 2007**  
 (With Comparative Totals for 2006)

	Enterprise Centers		Economic Development		Housing Operations		Housing Development		Community Development		Community Outreach		Support Services Mgmt & General		8/31/07 Total Expenses		8/31/06 Total Expenses		
	20	2006	30	2006	40	2006	50	2006	60/70	2006	80	2006	10	2006		2006		2006	
<b>EXPENSES:</b>																			
Salaries	\$ 366,972	\$ 84,759	\$ 225,532	\$ 24,737	\$ 69,768	\$ 158,725	\$ 921,493	\$ 53,033	\$ 974,526	\$ 887,571									
Payroll Tax	25,119	6,601	23,662	2,008	4,825	12,685	74,900	3,928	78,828	81,524									
Benefits	14,002	4,897	25,377	1,018	2,267	5,625	53,186	1,898	55,084	69,213									
<b>Total Payroll &amp; Related</b>	<b>406,093</b>	<b>96,257</b>	<b>274,571</b>	<b>27,763</b>	<b>67,860</b>	<b>177,035</b>	<b>1,049,579</b>	<b>58,859</b>	<b>1,108,438</b>	<b>1,038,308</b>									
Accounting & Audit																			
Advertising	285		350	131	1,205	25	1,996	150	2,146	1,054									
Amortization			2,050				2,050												
Bad Debts			9,186				9,186												
Computer Maintenance	212		675			1,677	2,564												
Contract Services	10,901	4,219	14,617	11,111	43,201	13,905	97,954	2,908	134,596	175,001									
Depreciation	8,162		142,264				150,426												
Dues & Subscriptions	983	1,663	212			1,195	1,195												
Equipment Repair - Rent / Lease		500	92		14,207	178	16,048	1,818	17,866	11,287									
Equipment Purchase / Small Tools						1,600	2,192												
Events							10,600												
Insurance	12,001		22,277	2,835	3,232		40,345												
Interest Expense			138,341	56,109			214,450												
Legal	13,287		2,431	250	103	6,016	7,578												
Miscellaneous	(4,695)	835	1,593		3,829	153	5,433												
Office Expense - Fees	1,180	800	2,225	72	1,803	15	25,090												
On-Site Manager Residence			25,075																
Postage	402	385	569	26	220	1,318	2,920												
Printing / Brochure	67	10,025	1,302	14	2,740		14,148												
Property Assessment			2,783				12,783												
Rent				10,000															
Repairs / Replacements	(500)	1,100					212,982												
Settlement	43,198	37	168,286	1,461			17,039												
Staff Development / Training							3,115												
Telephone / Internet	997	1,500	618		120		9,774												
Trash Removal	5,956		3,698				23,913												
Utilities	449		23,464				131,944												
Vehicle / Mileage	16,402	83	722	1,841	43	295	17,711												
Overhead Allocation	34,084	4,651	24,841	5,487	9,886	7,039	85,988												
<b>TOTAL EXPENSES BEFORE</b>																			
<b>NON AMORTIZED INTEREST</b>	<b>549,464</b>	<b>122,055</b>	<b>1,115,132</b>	<b>117,100</b>	<b>158,458</b>	<b>209,256</b>	<b>2,185,674</b>	<b>100,521</b>	<b>2,286,195</b>	<b>2,313,672</b>									
Interest Expense - Residual Rec. Loans			85,791				85,791												
<b>TOTAL EXPENSES AFTER</b>																			
<b>NON AMORTIZED INTEREST \$</b>	<b>549,464</b>	<b>\$ 122,055</b>	<b>\$ 1,115,132</b>	<b>\$ 117,100</b>	<b>\$ 158,458</b>	<b>\$ 209,256</b>	<b>\$ 2,271,465</b>	<b>\$ 100,521</b>	<b>\$ 2,371,986</b>	<b>\$ 2,397,148</b>									

The Accompanying Notes are an Integral Part of the Financial Statements

City Heights Community Development Corporation

Statement of Cash Flows

For the Year Ended August 31, 2007

(With Comparative Totals for 2006)

	<u>8/31/07</u>	<u>8/31/06</u>
Cash Flows From -		
Operating Activities:		
Operating Income	\$ 2,344,854	\$ 2,314,505
Operating Expenditures	(1,718,291)	(1,861,372)
Interest Expense	(214,706)	(225,715)
Net Cash Flow from Operations	<u>411,857</u>	<u>227,418</u>
Investing Activities:		
Purchase of Fixed Assets	0	3,887
Reinvestment of CD Interest	(10,433)	(7,408)
Net Cash Flow Used by Investing	<u>(10,433)</u>	<u>(3,521)</u>
Financing Activities:		
Tenant Security Deposits Liability	5,282	(4,457)
Funds Held for Benefit of Others	(20)	(4,774)
Payments on Note Payables	(54,625)	(50,754)
Prior Period Adjustment	(38,420)	13,311
Adjustment - Settlement	17,039	
Net Cash Flow (Used) by Financing	<u>(70,744)</u>	<u>(46,674)</u>
Net Increase in Cash	330,680	177,223
Cash and Cash Equivalents at:		
Beginning of Year	<u>862,767</u>	<u>685,544</u>
End of Year	<u>\$ 1,193,447</u>	<u>\$ 862,767</u>
Reconciliation of Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Change in Net Assets	\$ 21,932	\$ (47,264)
Adjustments to Reconcile Change in Net Assets to Net Cash used by Operating Activities:		
Depreciation	151,587	163,151
Amortization	2,051	2,050
(Increase) / Decrease in:		
Grants & Accounts Receivable	(34,064)	(20,047)
Prepaid Costs - Model Neighborhood	0	15,044
Pre Development - Model Neighborhood	87,402	(13,552)
Prepaid Expenses & Deposits	2,518	1,929
Increase / (Decrease) in:		
Accounts Payable / Accrued Liability	101,522	24,268
Accrued Vacation	8,374	16,908
Deferred Revenue	(15,000)	15,000
Accrued Interest	85,535	69,931
Net Cash Provided by Operating Activities	<u>\$ 411,857</u>	<u>\$ 227,418</u>

The Accompanying Notes are an Integral Part of the Financial Statements

City Heights Community Development Corporation  
Notes to Consolidated Financial Statements  
For The Year Ended August 31, 2007

Note 1.        Organization

Nature of Activities

City Heights Community Development Corporation, (the "Corporation") was organized pursuant to the General Nonprofit Corporation Law of the State of California. The specific and general purpose of the Corporation are included in the Articles of Incorporation filed with the California Secretary of State on June 17, 1981 and are summarized within the mission statement "to enhance the quality of life in City Heights by working with our community to create quality affordable housing and livable neighborhoods, foster economic self sufficiency, and stimulate investment."

Income Taxes

The Corporation is a California not-for-profit corporation exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and California State Tax Code 23701(d).

Note 2.        Summary of Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

The Corporation's financial statements have been prepared according to the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No 117, Financial Statements of Not-For-Profit-Organizations. Under SFAS No. 117, the Corporation 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

City Heights Community Development Corporation  
Notes to Consolidated Financial Statements  
For The Year Ended August 31, 2007

Note 2. Summary of Significant Accounting Policies (continued)

Comparative Financial Information

The financial statement includes comparative summary information for the year ended August 31, 2006 which should be read in conjunction with the organization's audited financial statements for the year ended August 31, 2006, from which such information has been derived. The comparative summary information is not intended to be a complete presentation in accordance with generally accepted accounting principles.

Functional Expenses

The cost of providing various programs has been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses.

Cash and Cash Equivalents

Per the provisions of FASB Statement No. 95, regarding "Statement of Cash Flows", cash equivalents consist primarily of certificates of deposits and other securities with original maturities of 90 days or less. Securities, including certificates of deposit, with original maturities over 90 days are generally classified as short-term investments.

Property and Equipment

Property acquired is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair market value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment is depreciated using the straight line method over their useful lives as follows:

Building & improvements	27.5 - 30 years
Furniture and fixtures	7 years
Vehicle	5 years

Depreciation aggregated \$151,591 for the year ended August 31, 2007.

Donated Services

No amounts have been reflected on the financial statements for donated services. The Corporation pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Corporation with specific programs and various committee assignments.

City Heights Community Development Corporation  
Notes to Consolidated Financial Statements  
For The Year Ended August 31, 2007

Note 2. Summary of Significant Accounting Policies (continued)

Loan Fees

Loan fees totaling \$60,113, net of accumulated amortization, are being amortized on the straight line basis over the loan term of 30 years. Amortization expense totaled \$2,050 for the year ended August 31, 2007.

Deferred Revenue

Deferred revenue represents grants received prior to year end and that apply to expenditures for the following Corporation year.

Funds Held for Benefit of Others

CHCDC is the fiscal agent for a program and holds money in trust for the program.

Temporarily Restricted Donations

In addition, CHCDC is required to present a statement of cash flows. CHCDC has also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Unrestricted net assets are all resources over which the board of directors and management have discretion to use in carrying on unrestricted activities of CHCDC in accordance with its bylaws.

Temporarily or permanently restricted net assets are expendable only for purposes specified by the donor or grantor and/or passage of time. When a restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The temporarily restricted net assets were at August 31, 2007 are \$55,227.

Note 3. Bridgeport Properties Limited Partnership

Bridgeport Properties Limited Partnership was organized on October 1, 1998 for the purpose of acquiring, constructing, rehabilitating, owning, maintaining, and operating a 461 unit scattered site apartment community known as Bridgeport Properties in San Diego, California. Forty of these units were consolidated during remodeling and twenty units in four properties have been sold to facilitate redevelopment and school construction. The total number of units remaining is 401.

City Heights Community Development Corporation  
Notes to Consolidated Financial Statements  
For The Year Ended August 31, 2006

Note 3. Bridgeport Properties Limited Partnership (Continued)

The original Managing Partner of the Partnership was Metropolitan Area Advisory Committee (MAAC). On November 30, 1998, an Agreement for Substitution of General Partner was signed that substituted City Heights Community Development Corporation as the Managing Partner of Bridgeport Enterprises. As the Managing Partner, the Corporation currently is entitled to a management fee in the amount of the greater of \$20,000 per year or 1.25% of the gross rental receipts in a calendar year provided that the partnership debt service coverage ratio (DSCR) is greater than 1.15. If the DSCR falls below 1.15, the fee earned is 20,000 or 1.0 % of the gross rental receipts whichever is greater. Once the developer fee is paid in full, the partnership management fee will increase. During the year ended August 31, 2007, the amount earned was \$46,786.

As the Managing Partner, the Corporation was to provide resident coordination services and to be reimbursed at a service rate set in the budget. For the year ended December 31, 2006, the rate was set at \$81,090 or \$6,758 per month for 2.25 full time equivalents (FTE's). For the year ended December 31, 2007, the rate was set at \$108,000 or \$9,000 per month for 3.0 FTE's. The total amount earned for the year ended August 31, 2007 was \$99,030.

The Corporation bills and is receiving payments monthly for the charges of resident coordination services and maintenance service fees, and other charges. The Managing General Partner fee is paid out of partnership surplus cash computed at partnership mid year of June 30 and end of year December 31. As of August 31, 2007, the Corporation is owed \$43,173 on these billings.

As the Managing Partner, the Corporation is entitled to a Development fee of \$150,000. As of August 31, 2006, \$32,351 has been received, leaving a development fee receivable of \$117,649. Of this amount, \$50,000 is payable to MAAC, the original Managing Partner. In the year ended August 31, 2007, the corporation received \$117,649. The corporation accrued the \$50,000 payable to MAAC and paid this amount subsequent to August 31, 2007.

The Corporation entered into two agreements with Co-General and Limited partners effective December 18, 2006 which included Second and Third Amendments to the Partnership agreement and a final capital contribution agreement. These Amendments and agreement effected necessary changes to comply with State Board of Equalization rules delineating duties and responsibilities and authority of the Managing General Partner, resolved distribution of funds from the Limited Partner, and revised the fee payable to the Managing General Partner.

The Corporation received \$46,300 in Managing Partner Fees accrued from the 2002, 2003, and 2005 years. These fees were not accrued on the books of the Corporation and have been recorded as a prior period adjustment. The effect of this adjustment is to increase the beginning net assets.

City Heights Community Development Corporation  
Notes to Consolidated Financial Statements  
For The Year Ended August 31, 2007

Note 4.      San Diego / Fox Hollow Limited Partnership

San Diego / Fox Hollow Limited Partnership was organized on May 19, 1998 for the purpose of acquiring, constructing, rehabilitating, owning, maintaining, and operating a 94 unit apartment community known as Fox Hollow in San Diego, California. The Managing General Partner of the Partnership was Community Housing Assistance Program. On August 1, 2001, an Amendment was signed that substituted City Heights Community Development Corporation as the Managing General Partner of San Diego / Fox Hollow Limited Partnership and changed the name of the apartment community to Hollywood Palms.

As the Managing General Partner, the Corporation is entitled to profit distributions based upon the cash flow of the Hollywood Palms Apartments. The distribution received on July 28, 2004 was in the amount of \$50,000 and covered the period from inception to December 31, 2003.

As the Managing Partner, the Corporation is entitled to a Development fee of \$240,000. Of this amount, \$194,246 was received as of August 31, 2003 and \$22,442 was received in the current year, leaving a development fee receivable of \$23,312. Of the remaining development fee, \$17,780 was received in 2006 and the balance due of \$5,532 was received in 2007.

As the Managing Partner, the Corporation is entitled to a fee of \$15,000 per year. The Managing Partner fee was to begin in 2002. During the year ended August 31, 2007, the amount earned was \$15,000.

The Corporation provides property management services and is reimbursed at a service rate set in the budget. During the year ended August 31, 2007, the amount earned was \$53,658.

As the Managing Partner, the Corporation was to provide not less than 1.3 full time equivalent (FTE) of resident coordination services and to be reimbursed at a service rate set in the budget. For the year ended December 31, 2006, the rate was set at \$43,512 or \$3,628 per month for 1.4 FTE. For the year ended December 31, 2007, the rate was set at \$51,862 or \$4,322 per month for 1.4 FTE. The total amount earned for the year ended August 31, 2007 was \$49,081.

Note 5.      Metro Villas Housing Partnership

Metro Villas Housing Partnership was organized in June, 2002 under a memorandum of understanding for the purpose of acquiring, constructing, rehabilitating, owning, maintaining, and operating a 120 unit apartment community known as Metro Villas in San Diego, California.

A limited Partnership Agreement has been entered into with Metro Villas Interfaith Housing Corp. (a subsidiary of San Diego Interfaith Housing Foundation) as the Administrative Partner, City Heights Community Development Corporation as the Managing General Partner, and with Alliant Capital as the Limited Partner.



City Heights Community Development Corporation  
Notes to Consolidated Financial Statements  
For The Year Ended August 31, 2007

Note 5. Metro Villas Housing Partnership (Continued)

As the Managing General Partner, the Corporation is entitled to a Development fee of \$500,000, of which \$150,000 may be deferred and paid out of excess operating profits. Development fees in the amount of \$472,810 has been earned as follows:

8/31/2003	\$110,000
8/31/2004	100,000
8/31/2005	100,000
8/31/2006	124,755
8/31/2007	38,055

As the Managing General Partner, the Corporation is entitled to a management fee of \$13,322 per year beginning in January 2004. In the year ended August 31, 2007, the Corporation recorded \$13,322 as Managing General Partner fee.

As the Managing Partner, the Corporation was to provide resident coordination services and to be reimbursed at a service rate set in the budget. For the year ended December 31, 2006, the rate was set at \$36,000 or \$3,000 per month. For the year ended December 31, 2007, the rate was set at \$46,200 or \$3,850 per month. The total amount earned for the year ended August 31, 2007 was \$42,800.

Note 6. Line Of Credit Payable

During the year ended August 31, 2002, the Corporation established a line-of credit at Union Bank of California. On March 7, 2002, a revolving line of credit was established with a maximum principal balance of \$26,000. The credit line bears interest at prime plus 2% per annum. The balance on this line of credit as of August 31, 2007 is \$0.

Note 7. Lease Obligations

On March 15, 2002, the Corporation signed an Agreement to Lease with the San Diego State University Foundation for 2,585 square feet of office space located at 4283 El Cajon Boulevard, San Diego, CA 92105. The length of the lease was 60 months and the rent was \$2,585 per month. The lease was extended through July 31, 2007 at the same terms. The Corporation has a sublease on a portion of the space and earns rental income at the rate of \$500 per month, which it offsets against expense. The Corporation entered into a month to month lease on August 1, 2007 for a rate of \$3422.55. Future scheduled rents are as follows:

<u>Year Ending August 31,</u>	<u>Amount</u>
2008	\$ 41,071

City Heights Community Development Corporation  
Notes to Consolidated Financial Statements  
For The Year Ended August 31, 2007

Note 8. Mortgages and Loans Payable

The Corporation has notes payable on all ten apartments. Eight of the apartments have multiple notes. Five apartments have amortized mortgages through financial institutions. Two apartments have amortized notes payable with the California Community Reinvestment Corporation. Three apartments have amortized notes payable with the San Diego Housing Commission. Eight of the apartments have non amortized interest only loans with the San Diego Housing Commission. These loans require payments only if there are residual receipts. The notes and loans are detailed in a Schedule of Apartment Notes Payable and Interest Accrued and Expensed on page 13. Future scheduled maturities of long-term liabilities are as follows:

<u>Year Ending August 31,</u>	<u>Amount</u>
2008	\$ 56,825
2009	60,152
2010	63,699
2011	67,485
2012	71,527
Thereafter	<u>5,956,156</u>
Total	\$ <u>6,275,844</u>

Note 9. Model Neighborhood Project

The Model Neighborhood Project (MNP) was a proposed one block mixed residential and commercial use development within the footprint of the San Diego Model School Development Agency, a joint powers authority. A four parcel property in the MNP was purchased by the Corporation in February 2004 for \$765,000. The Corporation received a loan from the Local Initiatives Support Corporation of \$925,000. This loan paid for the property, prepaid interest and prepaid development costs.

Prior to the year ending August 31, 2007, the Corporation had expended in \$118,108 in pre-development costs. The project is currently being redesigned. The Joint Powers Authority was dissolved in July 2006. Therefore \$87,402 in consultant and architectural cost have been written off as a prior period adjustment leaving \$30,706 in pre-development costs. The effect of this adjustment is to decrease the beginning net assets.

City Heights Community Development Corporation  
Notes to Consolidated Financial Statements  
For The Year Ended August 31, 2007

Note 10. Settlement

In fiscal year 2007, a former employee made an informal claim for unpaid compensation. To avoid the time, expense and uncertainty of litigation, and without admitting any wrongdoing, CHCDC settled the claims with such employee, who waived all claims against CHCDC and released CHCDC from any and all liability.

The cost of the settlement was \$127,232, which includes legal fees estimated at \$25,000. The legal fees will be recorded in the year ended August 31, 2008, as that is when they occurred. The settlement costs of \$102,232 are spread from 2003 to 2007 as documented in the claim. These are recorded as follows:

<u>Year Ending August 31,</u>	<u>Amount</u>
2003	\$ 8,519
2004	25,558
2005	25,558
2006	25,558
2007	<u>17,039</u>
Total	\$ <u>102,232</u>

The amounts due for the years ended August 31, 2003, 2004 and 2005 of \$59,635 are recorded as a prior period adjustment. The effect of this adjustment is to lower the beginning balance of the net assets in the August 31, 2006 comparative column by \$59,635. The amount of \$25,558 for 2006 had previously been recorded as settlement expense in the August 31, 2006 fiscal year. The effect of this adjustment is to further decrease net assets for the year ended August 31, 2006 by an additional \$25,558, for a total decrease of \$85,193. This amount is shown as an accrued liability as of August 31, 2006.

The amount of \$17,038 for year ended August 31, 2007 has been recorded as settlement expense in the August 31, 2007 fiscal year column. This amount increases the accrued liability for the settlement to \$102,232.

City Heights Community Development Corporation  
Schedule of Apartment Notes Payable and Interest Accrued and Expensed  
August 31, 2007

		Monthly Prin & Int	Amortized		Non	Accrued Interest	Total Notes & Accr Int	Interest Expense
			Mortgage	CCRC	SDHC			
San Diego Apartment Complex								
Washington Mutual	Amort - 8.5%	1,856	243,400			1,594	244,994	19,260
SD Housing Commission	Interest Only 3%	0			220,000	100,250	320,250	6,783
Euclid Apartment Complex								
Citibank	Amort - 3.875%	1,224	185,202			598	185,800	7,317
SD Housing Commission	Interest Only 3%	0			273,939	113,228	387,167	8,446
Teralta Courts (Highland Avenue)								
CA Reinvestment Corp	Amort - 9.06%	1,543		184,967		1,118	186,085	13,605
SD Housing Commission	Interest Only 3%	0			236,557	87,250	323,807	7,293
Alta Vista Apartments								
Washington Mutual	Amort - 8.25%	3,355	596,872			2,574	599,446	27,138
Cornerstone Apartments								
SD Housing Commission	Amort - 3%	527		94,149		235	94,384	2,880
SD Housing Commission	Interest Only 3%	0			162,500	50,045	212,545	5,010
Canyon Vista Apartments								
Washington Mutual	Amort - 9.26%	1,171	128,163			989	129,152	11,973
WA Mutual - AHP	Interest Only 0%	0	24,000				24,000	
SD Housing Commission	Interest Only 3%	0			135,627	43,683	179,310	4,181
Village View Apartments								
Citibank	Amort - 7.77%	3,849	476,014			3,082	479,096	37,362
SD Housing Commission	Interest Only 3%	0			808,976	223,992	1,032,968	24,943
Sycamore Court Apartments								
Citibank	Amort - 7.76%	2,690	346,046			2,238	348,284	27,074
SD Housing Commission	Interest Only 3%	0			778,500	145,220	923,720	24,003
Harmony Homes								
SD Housing Commission	Amort - 3.0%	1,037		193,122		483	193,605	5,900
Westview Home Apartments								
SD Housing Commission	Amort - 3.0%	514		96,362		241	96,603	2,944
SD Housing Commission	Interest Only 3%	0			166,448	45,606	212,054	5,132
Model Neighborhood Project - Land								
Local Initiatives Support	Interest Only 6%				925,000		925,000	56,109
		<u>1,999,697</u>	<u>184,967</u>	<u>383,633</u>	<u>3,707,547</u>	<u>822,426</u>	<u>7,098,270</u>	<u>297,354</u>
					Note	Accrued	Total Notes	Interest
					Balance	Interest	& Accr Int	Expense
Notes Payable - Financial Institutions					1,999,697	11,075	2,010,772	130,125
Notes Payable - California Community Reinvestment Corporation					184,967	1,118	186,085	13,605
Notes Payable - San Diego Housing Corporation - Amortized					383,633	959	384,592	11,724
Total Amortized Notes					2,568,297	13,152	2,581,449	155,454
Notes Payable - San Diego Housing Corporation - Unamortized					2,782,547	809,274	3,591,821	85,791
Notes Payable - LISC - Unamortized					925,000	0	925,000	56,109
Total Non Amortized Notes					3,707,547	809,274	4,516,821	141,900
Total All Notes					<u>6,275,844</u>	<u>822,426</u>	<u>7,098,270</u>	<u>297,354</u>



ATTACHMENT 8  
DEVELOPER'S DISCLOSURE STATEMENT

ATTACHMENT E

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

1. Name of CONTRACTOR: City Heights Community Development Corporation
2. Address and Zip Code: 4283 El Cajon Blvd., Ste 220
3. Telephone Number: 619/584-1535
4. Name of Principal Contact for CONTRACTOR: Jay Powell
5. Federal Identification Number or Social Security Number of CONTRACTOR: 95-3661177

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

A corporation (Attach Articles of Incorporation)

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

A partnership known as: \_\_\_\_\_  
(Name)

Check one

General Partnership (Attach statement of General Partnership)

Limited Partnership (Attach Certificate of Limited Partnership)

A business association or a joint venture known as: \_\_\_\_\_  
(Attach joint venture or business association agreement)

A Federal, State or local government or instrumentality thereof.

Other (explain)

7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:  
6/17/81

8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
- a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
  - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
  - c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
  - d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
  - e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%. (Attach extra sheet if necessary)

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: PLEASE SEE ATTACHED	
Address: - Board of Directors Roster	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

Yes - 1 member added (Marigold Hernly) and 1 member removed

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

No

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

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: <del>XXX</del>	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: PLEASE SEE ATTACHED	
Address: - Board of Directors Roster	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

Name, Address and Zip Code	Relationship to CONTRACTOR
Name: N/A	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

15. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project:  
Borrow HOME and/or Rental Housing Trust Funds from the San Diego Housing Commission for the rehabilitation of the portfolio of units outlined within this application.

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

a. In banks/savings and loans:

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

*(no equity requirements identified in proforma)*

Amount: \$ 262,000 - SEE ATTACHED

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

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

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Amount: \$ \_\_\_\_\_

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

*REFER TO AUDITED FINANCIAL STATEMENTS - TAB 11*

Description	Market Value (\$)	Mortgages or Liens (\$)

City Heights Community Development Corp.  
Summary of Cash and Savings  
As of February 28, 2009

<u>Bank Name</u>	<u>Amount</u>
Union Bank of California City Heights Office 4390 University Avenue San Diego, CA 92105 (Checking and savings accounts)	\$676,570
American Funds Service Company P.O. Box 6007 Indianapolis, IN 46206-6007 (Treasury Money Funds)	\$383,778
Citibank 3910 University Avenue San Diego, CA 92105 (One year certificate of deposits)	<u>\$202,330</u>
Total checking and savings	<u>\$1,262,678</u>

Exhibit 16 (a)

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

Name, Address and Zip Code	Contact Name
Name: Union Bank of California	Kathy Patoff
Address: 530 B Street, Ste. 650	VP Corporate Community Development
San Diego, CA 92101	
Name:	
Address:	
Name: Citigroup	Gustavo Bidart
Address: 352 H Street, 2nd Floor	VP Regional Manager Community Relations
Chula Vista, CA 91910	
Name: Washington Mutual (JPMorgan Chase)	Myeisha Gamino
Address: 707 Braodway, 15th Floor	
San Diego, CA 92101	

18. Has the CONTRACTOR or any of the CONTRACTOR's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past 10 years?

Yes  No

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

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19. Has the CONTRACTOR or anyone referred to above as "principals of the CONTRACTOR" been convicted of any felony within the past 10 years?

Yes  No

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

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

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

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

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

Name, Address and Zip Code	Affiliation
Name: N/A	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

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

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

General description of such work:

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

<b>Project Name</b>		
<b>Project Owner Contact Information</b>	Name	Address
<b>Project Location</b>		
<b>Project Details</b>		
<b>Bonding Company Involved</b>	Name	Amount of Contract
<b>Change Order Details</b>		
<b>Change Order Cost</b>		
<b>Litigation Details</b>	Location/Date	Outcome Details

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

22. Provide a detailed and complete statement regarding 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:

City Heights Community Development Corporation (CHCDC) is a community based 501(c)(3) non-profit organization that has been involved in the ownership and management of affordable housing throughout the City Heights community of San Diego for over the last 17+ years. CHCDC owns or is in partnership in a number of properties totalling over 749 affordable housing units. Further, CHCDC is very involved in the provision of services to the local community as well as the residents residing within the units owned and managed by the CDC.

To facilitate this transaction and oversee the rehabilitation of the properties outlined in this funding request package CHCDC has contracted with Lucas Advisory Group, Inc. (David Billings) for its Development Capacity as Project Manager. David brings a strong history in both the development and financing of affordable housing projects for over the past 12 years. Please see attached resume for David.



23. Does any member of the governing body of the San Diego Housing Commission ("COMMISSION"), Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of the COMMISSION, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor?

Yes  No

If yes, explain.

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

Please see attached CHCDC information and resume for development consultant David Billings

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

Yes  No

If yes, explain:

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

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

Check coverage(s) carried:

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

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

Check coverage(s) carried:

- Comprehensive Form
- Owned
- Hired
- Non-Owned

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

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

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

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

27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the COMMISSION setting forth the provisions of this nondiscrimination clause.

28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the COMMISSION, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the COMMISSION, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.

29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the COMMISSION, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

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

Government Entity Making Complaining	Date	Resolution

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

N/A

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

Government Agency	License Description	License Number	Date Issued (Original)	Status (Current)	Revocation (Yes/No)

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

None

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

The requested Rehabilitation loan with enable deferred maintenance issues to be resolved as well as other potential Fire, Life, Safety issues which will significantly reduce annual Operating Expenses increasing the potential cash flow of the respective properties. This will facilitate the additional debt service as well as free up cash for Residual Receipt payments that had previously been utilized for artificially high operating expenses due to the current ongoing deferred maintenance costs.

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

Date	Entity Involved (i.e. City Commission, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
	Please see attachment F		
	- CHCDC San Diego HC		
	- Affordable Housing Portfolio		

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Project Name and Description: \_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

Name	Experience

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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


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

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

Executed this 13<sup>th</sup> day of March, 20 09, at San Diego, California.

CONTRACTOR

by:



Signature

Jay Powell, Executive Director

Title

CERTIFICATION

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

By: *MC Pauer* By: \_\_\_\_\_  
Title: Executive Director Title: \_\_\_\_\_  
Dated: 3-16-2009 Dated: \_\_\_\_\_

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

JURAT

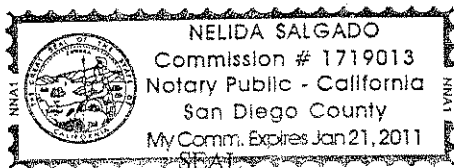
State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 16 day of March, 2009

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

*Nelida Salgado*  
Signature of Notary

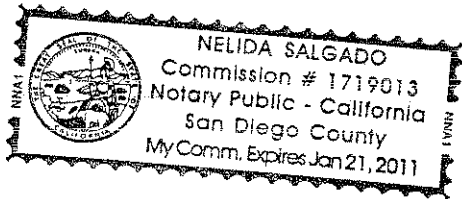


# CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

State of **California**  
County of **San Diego**

On 3/16/2009, before me, Nelida Salgado, Notary Public

personally appeared Harry Charles Powell  
Name(s) of signer(s)



Place Notary Seal Above

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s), on the instrument the person(s), or the entity upon behalf of which the person(s) 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 Nelida Salgado  
Signature of Notary Public





Department of the Treasury  
Internal Revenue Service

FRESNO, CA 93888

City Heights Community Development Corporation  
Required Attachment  
Non Profit Tax Exempt Form

In reply refer to: 8916604923  
Apr. 04, 1997 LTR 858C N  
95-3661177 0000 00 000

65020

CITY HEIGHTS COMMUNITY DEVELOPMENT  
CORPORATION  
4265 FAIRMOUNT AVE STE 200  
SAN DIEGO CA 92105-1266557

RECEIVED APR 14 1997

Taxpayer Identification Number: 95-3661177  
Tax Period(s): Dec 31, 1996

Form: ALL

Dear Taxpayer:

You are not required to file Form 940 because you have been determined to be an exempt organization under section 501(c)(3) of the Internal Revenue Code; therefore, you are exempt from paying Federal unemployment tax. Please destroy any Form 940 returns you may have received. Do not make tax deposits for Federal unemployment tax.

We will send you a refund for your payments for the current year. You may request refunds for payments made in previous years by filing a Form 843 claim. You must file a claim for refund within three years from the return due date, or within two years from the date you paid the tax, whichever is later.

Even though you are not liable for the Federal tax, you could be liable for the state tax. States establish and operate their own systems. Therefore, you should contact your state to find out whether you are required to make contributions under the state unemployment compensation law.

If you do not owe any other taxes, we will refund the money you paid with your return or by Federal tax deposit in six to eight weeks.

If you have questions about this letter, please write us at the address shown above. If you prefer, you may call the IRS telephone number listed in your local directory. An employee there may be able to help you, but this office is most familiar with your case.

Whenever you write, please include your telephone number in the spaces below, and the hours you can be reached. Also include a copy of this letter. Keep a copy of this letter for your records.

Telephone Number (619) 584-1535 Hours 8:30am-5:00pm





# **CITY HEIGHTS**

## **Community Development Corporation**

**Our Mission, why we exist:** To Enhance the Quality of Life in City Heights by Working with Our Community to Create Quality Affordable Housing and Livable Neighborhoods, Foster Economic Self Sufficiency and Stimulate Investment.

**Geography, where we are:** City Heights, California, 92105 (and parts of 104, 114, 115, 116). We are located in the middle, the heart, of the City and County of San Diego, California. Blessed with one of the finest microclimates in the world. Over 3,000 acres approximately defined by El Cajon Boulevard on the North, State Highway 94 on the South, Interstates 805 and 15 on the West and Southwest and 54<sup>th</sup> Street and Chollas Creek on the East. Census tracts encompassed include 16, 24, 25.01, 25.02, 26, 27.01, 27.04 and parts of 17, 21, 23, and 34.01. The northern 2/3rds of this area is designated as the City Heights Redevelopment District. Census Tracts 22, 24, 26, 27.01 and .02 are within the federally designated Enterprise Community for San Diego.

**Demographics, who we are:** We are people who live, volunteer, work and/or play in City Heights, a community with over 80,000 residents. The CHCDC has eleven Board member seats, approximately 40 staff positions and over 100 public members and many more volunteers and project participants. Many of the residents come from many different countries from throughout the world. Over 30 languages and dialects are spoken. Everyone is a "minority" in the "International Village."

**Charter, what we are:** City Heights Community Development Corporation (CHCDC) is incorporated as a private, public benefit, non profit, California corporation designated as a charitable, tax exempt and tax deductible "501.c.3." organization. We are a federally designated Community Housing Development Organization (CHDO). We are a Community Based Development Organization (CBDO).

**Strategy Summary, how we intend to accomplish our mission:** Know our community and our customers, organize our programs, work as a team, define responsibilities and roles, involve residents, choose our goals and priorities, keep a positive attitude, measure our progress, stay focused but stay open to opportunities, make adjustments, work with other organizations, learn, grow, prosper.

**Vision, what sustains us in carrying out our mission:** We envision a community where quality of life standards are recognized and public and private investment continues to increase to achieve a higher quality of life for everyone in City Heights. Residents choose to improve their education and their personal economics and are afforded the opportunity to share in the wealth that is created from a revitalized, redeveloped community. Residents have the opportunity and recognize their responsibility to prepare, obtain and retain a job, a better job, and a career, which makes it possible for them to stay and personally invest in City Heights. We are building a community of neighborhoods that are properly served with basic public facilities including schools, health facilities and neighborhood serving businesses that are accessible. We are building a community where people respect each other regardless of their country of origin, language or economic station.

# City Heights Community Development Corporation (CHCDC)

*Living Learning and Working Together Since 1981 · Celebrating 25+ Years · Preparing for the Next Generation*

## FACT SHEET

**Mission** Enhance the Quality of Life in City Heights by Working with our Community to Create Quality Affordable Housing and Livable Neighborhoods, Foster Economic Self-Sufficiency and Stimulate Investment

**Goals & Programs** CHCDC conducts a comprehensive and consolidated program entitled "Rebuild City Heights" to achieve the organization's mission through outcome driven strategic goals and objectives.

### INCREASE THE AVAILABILITY AND QUALITY OF AFFORDABLE HOUSING

- Manage, Operate and Partner in providing 749 units of quality affordable rental housing at 53 locations
- Participate in mixed residential and commercial use development
- Provide Maintenance Enterprise jobs and services to repair and provide property improvements.
- Provide resident serving and water and energy efficiency improvements and installations

### HELP FAMILIES AND BUSINESSES EARN, SAVE AND INVEST MORE MONEY

- Provide Resident Self-Sufficiency program for 749 households and their neighbors.
- Conduct "Gets to Work and Save!" Job Preparation and Placement and Financial Literacy programs
- Coordinate Food Pantry and Living Essentials Cooperation to keep cost of living down
- Provide access and training for use of computer and information technology at seven study room sites
- Business, Economic and Employment Development and Micro Enterprise Assistance.

### IMPROVE NEIGHBORHOOD RESIDENTIAL AND COMMERCIAL AREAS

- Create and implement neighborhood improvement plans and projects
- Advocate for and implement Safe Routes to School Improvements, Installation and Education
- Support Business Associations storefront and streetscape improvements and maintenance districts
- Publish the City Heights Directory of Business Goods and Services

### INCREASE RESIDENT AND COMMUNITY MEMBER INVOLVEMENT

- Resident Housing Advisory Board and Resident Leadership and Participation.
- Implement Insight Project to better coordinate with other organizations and cooperate on campaigns such as "Mid City Mobility Coalition" (to get residents to Work, School, Shop and Play Safe) and "Neighborhoods First Pilot Project to create and implement a quality of life action plan for Colina Park Neighborhood.

**Meetings** Board of Directors, Second Thursday of alternate months at 6:00 PM; Annual Meeting is held June of each year. Committee and Task Force and Event and Project Steering Committee meetings (schedules available)

**Office** SDSU Dede Alpert Center for Community Engagement; 4283 El Cajon Blvd., Suite 220, City Heights

### BOARD OF DIRECTORS & MANAGEMENT TEAM

Jeffrey Ott	President; Chair, Executive/Personnel Committee; Member, Finance Committee;
Theresa Quiroz	Vice President; Chair, Property Assets and Operations Committee; Member, Executive / Personnel Committee
Steven Russell	Treasurer; Chair, Finance Committee; Member, Executive / Personnel Committee
Rich Kacmar	Secretary; Member Executive/Personnel Committee
Tony LoPresti	Chair, Community and Economic Development Committee
Robert Villarreal	Chair, Resource Development and Communications Committee
Ramon Espinal	Member, Community and Economic Development Committee
Marigold Hernly	Member Property Assets and Operations Committee; Member, Property Development Team

Jay Powell	Executive Director
Julie Young	Associate Director
Lawrence M. Graff	Director, Property Assets and Operations
Wendy Hope	Director, Community and Economic Development.

**Contact us:** Phone: (619) 584-1535 Fax: (619) 584-7992 Email: [info@cityheightscdc.org](mailto:info@cityheightscdc.org) ; Website: [www.cityheightscdc.org](http://www.cityheightscdc.org);  
SDSU Dede Alpert Center for Community Engagement, 4283 El Cajon Blvd., Suite 220,  
City Heights, San Diego, CA 92105

## Resident Self Sufficiency Programs-5 Points of Service

1. After school study and technology program. CHCD will provide access to computer and study facilities available at the "Window to the World" Economic Opportunity Center. The Center is co-located with CHCDC main offices office at 4283 El Cajon Blvd. Access 6 additional on site computer satellites at CHCDC and partner properties throughout Mid City. Tutoring and enhancement of learning opportunities through the use of technology is provided for youth and adults.
2. Food and Living Essentials Cooperation. CHCDC provides opportunities for CHCDC and partner property residents to participate in a donation-based cooperation for joint purchases of food and living essentials as identified by the residents. Monthly distributions are made on a neighborhood area basis from storage areas operated by the cooperation of CHCDC and partner properties.
3. Gets to Work and Save Program. CHCDC CHANGE program conducts workshops and individualized assistance to area residents to enhance their employability. Participants receive personal help with on the job and job training opportunities, receive job referrals and preparation including resume writing and job application assistance. Financial literacy workshops are offered on a quarterly basis. An economic development plan can be created with resident households to identify how they can continue to reduce costs and increase income.
4. Operational assistance. In response to requests and referrals from management personnel of the designated Property Management agent RSS staff assists in educating and informing residents with regard to operational issues such as clarifying rules and procedures, referrals to social services and other resources such as child care, transportation or health services, and assistance in resolution of disputes. RSS staff works with management personnel and residents in the production of information bulletins and/or resident newsletter on a not less than quarterly basis and links to the CHCDC Web site.
5. Parent and Resident Advisory and Activity Councils. Parents are primary candidates to participate in Parent and Resident Advisory and Activities councils. Councils identify programs and projects to increase safety, security and recreational opportunities for families on site and within their neighborhoods. Parent councils are encouraged to work together to provide supervision of children and take a proactive approach in protection of children on site. These groups serve as a nucleus for promotion of community service, leadership training and neighborhood improvement initiatives including recreational and artistic projects involving youth.

On some sites youth councils have evolved to provide resident youth the opportunity to play an active role in planning activities which build leadership.

## **City Heights CHCDC Multi-Family Housing**

### **Metro Villas Apartments**

4071 39<sup>th</sup> Street

Located in the community of City Heights, Metro Center was completed in 2004 as a mixed use project for low-income housing and commercial use. The Metro Villa Home Apartments have 120 units. The shared parking structure has 425 spaces of which 120 are dedicated and 75 shared parking spaces for Metro Villa residents. Metro Career Center is 80,000 square feet and is currently home to San Diego Workforce Partnership, Metro Career Center, Citibank branch and Finance Center, Chicano Federation Daycare Center and a charter middle school and high school opening soon.

### **Bridgeport Properties**

#### **Scattered site project in Mid-City**

Bridgeport Properties consists of 401 units of multi-family housing throughout Mid-city. City Heights Community Development Corporation (CHCDC) joined the partnership in 1998 and has participated in substantial rehabilitation of the properties adding significant resident amenities such as computer labs and resident services. Bridgeport Properties exemplifies a standard of excellence in asset management and services to resident households.

### **Hollywood Palms Apartments**

4066 Home Avenue

Hollywood Palms consists of 94 units of new construction opened August 2002 on the corner of Home and Fairmount Avenues, one block from the 805 Freeway. The project has 2, 3 and 4 Bedroom apartments and includes 3 laundry facilities, a community room, recreation area, community garden, and tot lot. The community room offers high speed internet and computer training.

### **San Diego Apartments**

4085 44<sup>th</sup> Street

The San Diego Apartments were built in 1984 and purchased by the CHCDC in May 1992. It consists of 16, 1 Bedroom apartments designated as senior/disabled housing. This property was purchased from the San Diego Housing Commission.

### **Euclid Court Apartments**

4217-4231 Euclid Avenue

Euclid Court was built in 1946 and purchased by the CHCDC in February 1994. It is a garden style apartment complex with a unit mix of studio, 1 and 2 Bedroom apartments for a total of 11 units. CHCDC performed cosmetic rehabilitation on this property.

**Teralta Court Apartments**  
4165-4175 Highland Avenue

Teralta Court was built in 1986 and had been abandoned when it was acquired by the CHCDC in July 1995. It consists of 13 completely rehabilitated units in a 1, 2, and 3 Bedroom mix, a tot lot and laundry room.

**Alta Vista Apartments**  
3535-3545 43<sup>rd</sup> Street

Alta Vista was built in 1985 and had been abandoned when it was acquired by the CHCDC in December 1995 from CCRC. It is made up of 12, 2 Bedroom/2 Bath units.

**Canyon Vista Apartments**  
3429-3431 43<sup>rd</sup> Street

Canyon Vista was built in 1940 and purchased by the CHCDC in December 1996. It was abandoned and had been being used as drug house. After the CHCDC's purchase it underwent major rehabilitation including the installation of brand new kitchens and bathrooms and became 8, 2 Bedroom units. Units included new patios and decks and a shared tot lot. A new laundry room had also been built on site.

**Cornerstone Apartments**  
3604 Van Dyke Avenue

Cornerstone was built in 1983 and purchased by the CHCDC in June 1997. It under went minor cosmetic rehabilitation including the removal of graffiti, the application of a fresh coat of paint, the installation of safety lighting, and a passive recreation area. It is made up of 7, 2 Bedroom/1.5 Bath apartments.

**Westview Apartments**  
3536 43<sup>rd</sup> Street

Westview was built 1985 and purchased by the CHCDC in August 1998. It under went major rehabilitation to become 5, 2 Bedroom and 1, 1 Bedroom apartments. Westview represents the CHCDC's ability to revitalize major portions of City Heights. Westview was an abandoned property condemned by the City. It was overrun with drugs and onsite prostitution driving down property values and making the 3500 block of City Heights unlivable. After the CHCDC's acquisition and rehabilitation the 3500 block that also consists of Alta Vista and Canyon Vista became a safe livable neighborhood.

**Village View Apartments**  
3820-3831 43<sup>rd</sup> Street

Village View was built in 1985 and purchased by the CHCDC in May 1998. It is currently our largest operating property with 30 units made up of 1, 2, and 3 Bedrooms. Village View was originally 36 units but over the course of rehabilitation was modified to create larger units needed by demographics of City Heights' families. A community room, and picnic area were recently installed at Village View and a tot



lot is planned for the near future. The Village View community is the headquarters for the CHCDC Food Co-op as well as the future site of the CHCDC Computer Technology Center, which will offer high-speed Internet access as well as computer and Internet training. Village View has come a long way since the days before CHCDC's purchase of the property when its abandonment made it a center of prostitution and drug activity. The CHCDC's rehabilitation of this property was an important step in the creation of what is now the City Heights Metro Village.

### **Harmony Home Apartments**

4251 44<sup>th</sup> Street

Harmony Home was built in 1957 and purchased by the CHCDC in December 1998. It consists of 12, 1 Bedroom rehabilitated units. The previous owner of the property disregarded its senior/disabled status and ran it as his own for profit entity until the CHCDC stepped in to purchase the property, rehabilitate it, and restore it to senior/disabled tenancy.

### **Sycamore Court Apartments**

4048-4064.5 48<sup>th</sup> Street

Sycamore Court was built in 1957 and purchased by the CHCDC in December 2000. It is in the process of major rehabilitation, which includes the installation of a brand new laundry facility and community room. Sycamore Court consists of 17, 2 Bedroom units



# DAVID A. BILLINGS

990 HIGHLAND DR. STE 110J • SOLANA BEACH, CALIFORNIA 92075  
PHONE 760.579.3191 • FAX 858.481-4312 • E-MAIL [DBRLLC@SBCGLOBAL.NET](mailto:DBRLLC@SBCGLOBAL.NET)

[DBRDEVELOPMENT.COM](http://DBRDEVELOPMENT.COM)

## CAREER SUMMARY

Real Estate Acquisition, Financing and Development for the creation of affordable and workforce housing for both "for-profit" and "non-profit" corporations

## PROFESSIONAL EXPERIENCE

### **DBR Development LLC, *Managing Member*** (April 2003 – Present)

Developments involved with:

- 28 unit Ima Ikena Housing LLC, Maui, HI (Managing Member)\*
  - 80 unit Grove Garden Condominiums LP, Reno, NV (GP)\*
  - 14 unit Adams Avenue Park LP, San Diego, CA (GP)\*
  - 12 unit 51<sup>st</sup> Street LLC, San Diego, CA (Managing Member)\*
  - 8 unit Marlborough Ave, San Diego, CA (Trustee, Managing Member)\*
- \* Owned within various other entities controlled by David Billings

Responsibilities include:

Principal actively involved in the acquisition and development of multifamily affordable rental properties and condominiums for sale to 1<sup>st</sup> time homebuyers looking to move into the homeownership market. Site selection and acquisition, market and feasibility studies, development analysis, financial structuring, entitlement processing, identifying scope of work, selection and hiring of legal team, architect(s) and general contractor(s) including negotiation and oversight of all project consultants, construction management and sales oversight. Acted as General Partner in various partnerships and as well as an equity investor. Borrowed and repaid in excess of \$10 million in loans for various projects in which I was a guarantor.

### **Lucas Advisory Group, Inc., *President*** (September 2005 – Present)

Consult to the affordable housing arena with site selection, market analysis, financial feasibility and structuring, entitlement and development project management. Function as a liaison between project development owners and cities, communities and development team members including lenders, equity investors, architects, engineers, general contractors, and property management.

Recent consulting projects involved with:

- 132 unit Scattered Site 501(c)(3) portfolio refinance and rehabilitation, San Diego, CA
- 26 unit Mixed Use Affordable Housing New Construction Project, San Diego, CA
- 41 unit Special Needs Housing Project, Santa Ana, CA

### **Foundation for Affordable Housing V, Inc. ("FFAH"), *Director of Development*** (August 2000–April 2004)

Developments involved with:

- 194 unit *San Lucas Senior Housing*, Los Angeles, CA (4% w/TE Bonds, L.A.H.D.)
  - (CA 2001-857)
- 135 unit *Heritage Point Senior Housing*, Redondo Beach, CA (501(c)(3) TE Bonds)
  - (Private Activity Bonds)
- 81 unit *Breezewood Village*, Suisun City, CA (4%/JSJFWHG)

- (CA 2003-939)
- 203 unit *Desert Springs* (4%/MHP)
  - (CA 2003-940)
- 62 unit *Desert Senior Living* (9%)
  - (CA 2005-101)
- 81 unit *Desert Gardens* (9%)
  - (CA 2002-230)
- Analyzed thousands of units and assisted Associate General Partner(s) of various affordable housing LP's of which FFAH was the Managing General Partner

Responsibilities include:

- Business and project development, property analysis, site selection, market analysis, and financial feasibility studies including development budgets, source and use analysis, income and expense models for cash flow projections
- Preparing Requests for Proposals, 9% and 4% Low Income Housing Tax Credit applications, California Housing and Community Development Multi-Housing Program, Federal Home Loan Bank AHP, HOME, Housing Trust Fund and other financial applications
- Obtaining over \$50 million in funding for the development of affordable housing throughout California. Assisted in ground lease negotiations with Redondo Beach School District and the structuring of \$11.39 million 501(c)(3) tax exempt bond for the refinancing of 135 unit affordable senior housing project in Redondo Beach, CA
- Serving as liaison between city and community and the development entities as well as participate in negotiations between our General Partner developers, lenders, investors, architects, engineers, contractors and legal team
- Managing assets and compliance monitoring. Structured sophisticated model to analyze financial feasibility of 63 existing affordable family and senior housing projects.

**Barone Galasso and Associates, Inc., *Project Manager*** (February 1998-June 2000)

Developments involved with:

- 116 unit *Rancho Carrillo Apartments*, Carlsbad, CA (4% w/TE Bonds)
  - (CA 2000-828)
- 40 unit *Vista Verde Apartments*, San Diego, CA (9% w/Housing Trust Funds)
  - (CA 1997-221)
- Multiple other projects analyzed; however, not brought to fruition.

Responsibilities include:

- Analyzing project feasibility including preparation of development and construction budgets, income and expense projections, pro formas, time flow of funds analysis, and sources and uses summaries.
- Selection and oversight of project team and related documentation including schedules from inception of project through completion of construction including architects, engineers, general contractors, lenders, and equity investors
- Packaging of Requests for Proposals, Requests for Qualifications, and loan requests; preparing applications for tax-exempt bonds, Low Income Housing Tax Credits, construction loans, permanent loans, Housing Authority funds, and predevelopment and construction loan draws
- Obtaining all necessary entitlements, permits and variances from various localities

- Serving as owner's representative as development project manager at weekly project meetings
- Negotiation of project cost constraints via value engineering ideas, processing requests for information, negotiating change orders and maintaining open communications facilitating a working environment that enhance problem solving throughout the process
- Presenting to Co-General Partners and investors, public speaking at City Council meetings, Community Advisory Committee meetings, and other public engagements
- Closing construction and permanent financing and assisting property management company(s) in lease-up activities

**San Diego Interfaith Housing Foundation, Real Estate Project Manager**  
(January 1996-February 1998)

Responsibilities include: Acquiring new affordable housing projects, structuring financing, selecting development team, working with lenders, contractors, brokers and buyers. Served as liaison at City Council meetings and other affordable housing related community meetings with the Nonprofit Housing Federation. Initiated an acquisition / rehabilitation program for first-time home buyers in late 1996 and completed five projects within the first year of inception of the program with an average 394% ROI.

**Valley View Properties** (June 1994-January 1996)

Responsibilities include: Acquisition of residential properties for restoration, performance of market analyses on perspective projects, estimation of rehabilitation costs, and determination of market value when rehabilitated, submission and negotiation of offers.

**JEM Construction** (June 1994-July 1995)

Responsibilities include: Supervised on-site construction progress, purchased materials, worked with independent contractors, managed employee relations, and sold the company's general construction services to the marketplace.

**City Line Mortgage Corporation** (August 1992-January 1993)

Responsibilities include: Loan officer responsible for selling VA rate reduction loans to pre-qualified clients with DD-214 forms. Closed 10 loans in first two months of employment.

**El Dorado Asset Management Corporation** (May 1988-May 1990)

Responsibilities include: Acquiring and brokering land, preparing market analyses and feasibility studies for in-house development projects, negotiating property purchases and joint venture opportunities, obtaining building permits, and assisting the project manager in supervision of development projects.

**EDUCATION**

**Bachelor of Arts, Economics** (May 1994)

California State University, Chico

Emphasis: Public Finance/Tax Theory Analysis

**LISC Affordable Housing Development Training Program**

Top three graduate of 1996 year-long statewide program with 30+ students

**PROFESSIONAL LICENSES**

California Real Estate Salespersons (April 1989)

# ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID: DB  
CITYH-1

DATE (MM/DD/YYYY)  
12/30/08

PRODUCER

attering-Rose Insurance  
545 Camino Del Rio S., Ste. A  
San Diego CA 92108  
Phone: 619-291-7777 Fax: 619-291-7776

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

**INSURERS AFFORDING COVERAGE**

NAIC #

INSURER A: California Capital Ins. Co.  
INSURER B:  
INSURER C:  
INSURER D:  
INSURER E:

City Heights Community  
Development Corp  
4283 El Cajon Blvd, Ste. 220  
San Diego CA 92105

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

ADD'L INSUR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	<b>GENERAL LIABILITY</b>				
<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY	6BOP11229572	12/31/08	12/31/09	EACH OCCURRENCE \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100000
<input checked="" type="checkbox"/>	Hired Auto &	6BOP11229572	12/31/08	12/31/09	MED EXP (Any one person) \$ 5000
<input checked="" type="checkbox"/>	Non- Owned	6BOP11229572	12/31/08	12/31/09	PERSONAL & ADV INJURY \$ 1000000
	GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE \$ 2000000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				PRODUCTS - COMP/OP AGG \$ 1000000
	<b>AUTOMOBILE LIABILITY</b>				<b>H&amp;NO Liab</b> 1000000
	<input type="checkbox"/> ANY AUTO				COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS				PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> NON-OWNED AUTOS				
	<b>GARAGE LIABILITY</b>				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: EA ACC \$
	<b>EXCESS/UMBRELLA LIABILITY</b>				AGG \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				EACH OCCURRENCE \$
	<input type="checkbox"/> DEDUCTIBLE				AGGREGATE \$
	<input type="checkbox"/> RETENTION \$				\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>				\$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				WC STATUTORY LIMITS OTHER \$
	If yes, describe under SPECIAL PROVISIONS below				E.L. EACH ACCIDENT \$
	OTHER				E.L. DISEASE - EA EMPLOYEE \$
					E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS  
 ers 10 City Heights Property Locations

<b>CERTIFICATE HOLDER</b>	<b>CANCELLATION</b>
Evidence of Insurance	<p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.</p> <p>AUTHORIZED REPRESENTATIVE  <i>John Ketting</i></p>

December 30, 2008

Julie Young  
4283 El Cajon Blvd, Ste. 220  
San Diego, CA 92105

Re: City Heights Community Development Corporation | CIG Master Policy  
Policy Number: 6BOP11229572  
Effective: 12/31/08 to 12/31/09  
Location: 10 Locations (See Below)

Dear Julie,

Enclosed please find the 2008-2009 renewal policy for the properties referenced below. Coverage has renewed with California Capital Insurance Company (CIG) for a total annual premium of \$17,801.

The coverages provided by this policy are briefly outlined below:

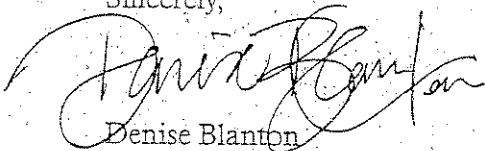
COVERAGES	LIMITS
Location 1 – Special Form/Replacement Cost Applies • 3535-3545 43 <sup>rd</sup> Street, San Diego CA 92105	\$1,125,160
Location 2 – Special Form/Replacement Cost Applies • 3429-3431 43 <sup>rd</sup> Street San Diego CA 92105	\$729,420
Location 3 – Special Form/Replacement Cost Applies • 3604 Van Dyke Avenue San Diego CA 92105	\$746,510
Location 4 – Special Form/Replacement Cost Applies • 4217-4231 Euclid Avenue San Diego CA 92115	\$774,020
Location 5 – Special Form/Replacement Cost Applies • 3820-3832 43 <sup>rd</sup> Street San Diego CA 92105	\$2,775,490
Location 6 – Special Form/Replacement Cost Applies • 3536 43 <sup>rd</sup> Street San Diego CA 92105	\$625,905
Location 7 – Special Form/Replacement Cost Applies • 4048-4064 ½ 48 <sup>th</sup> Street San Diego CA 92105	\$1,497,800
Location 8 – Special Form/Replacement Cost Applies • 4165-75 Highland Avenue San Diego CA 92105	\$1,191,285
Location 9 – Special Form/Replacement Cost Applies • 4085 44 <sup>th</sup> Street San Diego CA 92115	\$663,780
Location 10 – Special Form/Replacement Cost Applies • 4251 44 <sup>th</sup> Street San Diego CA 92115	\$614,790
Building Ordinance (Each Location)	\$100,000
Deductible (Each Location)	\$1,000
General Liability – Occurrence	\$1,000,000
General Liability - Aggregate	\$2,000,000
Hired/Non-Owned Auto Liability	\$1,000,000

Please review the policy and advise our office of any changes or revisions that may be necessary.

This policy has been issued on a Direct Bill basis. This being, you will be billed directly by the carrier (CIG). Please be certain to remit payments directly to CIG in a timely manner in order to avoid any interruptions of coverage.

Thank you for choosing Kettering-Rose Insurance Agents to service your insurance needs. If you should have any questions, please do not hesitate to call our office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Denise Blanton".

Denise Blanton  
Account Manager

# PENNSYLVANIA MANUFACTURERS' ASSOCIATION INSURANCE COMPANY

## WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

### INFORMATION PAGE

NCCI No: 11916

Policy No : PMAIWC 1009978 00

New No. : PMAIWC 1009978 00

SIC Code:

Renewal of Policy No.: NEW

State Unemployment I.D. No. or Identifying Number as Required:

FEIN : 95-3661177

1. Insured: CITY HEIGHTS COMMUNITY DEVELOPMENT  
Mailing: CORP.  
Address: 4283 EL CAJON BLVD. #220  
SAN DIEGO, CA, 92105

Producer: ILLINOIS MIDWEST INSURANCE AGENCY, LLC.  
Mailing: P.O. BOX 9560  
Address: SPRINGFIELD, IL, 62791

Ownership Type: Corporation

DBA Name:

Other workplace not shown above:

2. The policy period is from 01/29/2007 To 01/29/2008 12:01 A.M Standard Time, at the insured's mailing address

3. A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states Listed here :California

B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in Item 3. A. The limits of the liability under Part Two are Bodily Injury by Accident \$ 1,000,000 each accident

Bodily Injury by Disease \$ 1,000,000 each employee

Bodily Injury by Disease \$ 1,000,000 policy limit

C. Other States Insurance: Part Three of the policy applies to the states , if any , listed here:  
All States Except North Dakota , Ohio , Washington , West Virginia , Wyoming

D. This policy includes these endorsements and schedules:

WC 00 01 13 WC 00 04 06 A WC 00 04 22 WC 04 03 01 A WC 04 03 10 WC 04 03 60 A  
WC 04 04 07 WC 04 06 01 A WC 99 00 01 A

4. The premium for this policy will be determined by our Manuals of Rules , Classification , Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classifications	Code No.	Premium Basis		Rate Per \$100 of Remuneration	Estimated Annual Premium
		Total Estimated Annual Remuneration			

Please see Attached Schedule

	Total Manual Premium	27,230
9898	Experience Modification Premium	-2,451
9887	Schedule Rating Premium	-3,717
	Total Standard Premium	21,062
0063	Premium Discount	-1,007
0900	Expense Constant	250
9740	Foreign Terrorism Premium	261
	Estimated Annual Premium	20,566
9695	California Guarantee Fund Assessment	411
9681	California Fraud Surcharge Assessment	34
9682	California Workers' Compensation Admin Fund Assessment	92
9700	California Uninsured Employer's Benefits Fund Assessment	5
9701	California Subsequent Injury Benefits Trust Fund Assessment	13
	Total Amount Due	21,121
	Policy Minimum Premium	1,000

Indicated below , Interim Adjustments of Premium shall be made :

Annually       Semi Annually       Quarterly       Monthly

uing Office:

Deposit Premium :

Countersigned by:

*Robert Kettling*

**Philadelphia Insurance Companies**  
**One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004**  
**610.617.7900 Fax: 610.617.7940**

**FLEXIPLUS FIVE**  
 NOT-FOR-PROFIT ORGANIZATION DIRECTORS & OFFICERS LIABILITY INSURANCE  
 EMPLOYMENT PRACTICES LIABILITY INSURANCE  
 FIDUCIARY LIABILITY INSURANCE  
 WORKPLACE VIOLENCE INSURANCE  
 INTERNET LIABILITY INSURANCE

Philadelphia Indemnity Insurance Company

Philadelphia Insurance Company

Policy Number: PHSD356409

**DECLARATIONS**

**NOTICE: EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THIS POLICY IS WRITTEN ON A CLAIMS MADE BASIS AND COVERS ONLY THOSE CLAIMS FIRST MADE DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN. THE AMOUNTS INCURRED FOR DEFENSE COST SHALL BE APPLIED AGAINST THE RETENTION.**

Item 1. Parent Organization and Address:  
 City Heights Community  
 Development Corp.  
 4283 El Cajon Blvd Ste 220  
 San Diego, CA 92105-1289

Internet Address: www. n/a

Item 2. Policy Period: From: 09/01/2008 To: 09/01/2009  
 (12:01 A.M. local time at the address shown in Item 1.)

Item 3. Limits of Liability:

(A)	Part 1, D&O Liability:	\$	1,000,000	each Policy Period.
(B)	Part 2, Employment Practices:	\$	1,000,000	each Policy Period.
(C)	Part 3, Fiduciary Liability:	\$		each Policy Period.
(D)	Part 4, Workplace Violence:	\$		each Policy Period.
(E)	Part 5, Internet Liability:	\$		each Policy Period.
(F)	Aggregate, All Parts:	\$	1,000,000	each Policy Period.



Item 4. Retention:

(A) Part 1, D&O Liability:	\$	2,500	for each Claim under Insuring Agreement B & C.
(B) Part 2, Employment Practices:	\$	2,500	for each Claim.
(C) Part 3, Fiduciary Liability:	\$		for each Claim.
(D) Part 4, Workplace Violence:	\$		for each Workplace Violence Act.
(E) Part 5, Internet Liability:	\$		for each Claim.

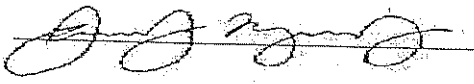
Item 5. Prior and Pending Date: Part 1 09/01/2004 Part 2 09/01/2006 Part 3 No Date Applies  
 Part 4 No Date Applies Part 5 No Date Applies

Item 6. Premium:

Part 1	\$	2,243.00	Part 2	\$	696.00	Part 3
Part 4			Part 5			
<i>Total Premium: \$ 2,939.00</i>						

Item 7. Endorsements: PER SCHEDULE ATTACHED

In witness whereof, the Insurer issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by the duly authorized representative of the Insurer.



Authorized Representative

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Countersignature

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Countersignature Date