

EXECUTIVE SUMMARY**DATE ISSUED:** December 2, 2009**REPORT NO:** HCR 09-119**ATTENTION:** Chair and Members of the Housing Commission
For the Agenda of December 18, 2009**SUBJECT:** Arbor Village Apartments – Additional Funding Request**SUMMARY:**

On July 10, 2009, the San Diego Housing Commission approved the acquisition of the land and a rehabilitation loan for the purchase of Arbor Village. LINC Housing (“LINC”) was unsuccessful in obtaining an investor as the investor community wanted to see a more extensive scope of rehabilitation work. LINC therefore reevaluated the scope to increase the rehab budget and reduce the permanent mortgage. The changes to the budget result in a financing gap of \$1,900,000. The developer has requested an additional \$1,500,000 from the Housing Commission which will be directly attributable to the additional rehabilitation and extension of the project’s useful life.

STAFF RECOMMENDATION:

1. Approve an additional \$1,500,000 in loan proceeds increasing Housing Commission’s total commitment to \$7,900,000 (\$5,460,000 for rehab loan and \$2,440,000 for land acquisition) to assist with completing additional rehabilitation work (3% simple interest, 50% residual receipts, 65-year affordability restrictions) which shall be secured by a leasehold deed of trust.
2. Authorize the President and Chief Executive Officer, or his designee, to execute any and all documents deemed necessary to effectuate the transaction and implement the project and adjust financing terms/conditions as necessary to accommodate market changes that may occur after approval of this report but before close of escrow, provided the \$2,440,000 land purchase price and \$5,460,000 maximum loan amount may not increase.

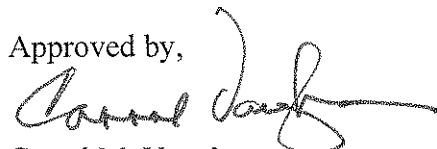
If approved as presented, the Housing Commission commitment will be \$7,900,000 (land cost of \$2,440,000 plus the proposed rehabilitation loan increased to \$5,460,000) or \$70,536 per unit.

Respectfully submitted,



D. Lawrence Clemens
Senior Vice President

Approved by,



Carrol M. Vaughan
Executive Vice President &
Chief Operating Officer

REPORT

DATE ISSUED: December 1, 2009

REPORT NO: HCR09-119

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of December 18, 2009

SUBJECT: Arbor Village Apartments – Additional Funding Request (Council District 4)

REQUESTED ACTION:

Approve a \$1,500,000 increase to the previously approved loan of \$3,960,000 for additional rehabilitation on the 112-unit rental housing development for low-income families resulting in a total Housing Commission commitment of \$7,900,000.

STAFF RECOMMENDATIONS:

1. Approve an additional \$1,500,000 in loan proceeds increasing the Housing Commission's total commitment to \$7,900,000 (\$5,460,000 for rehab loan and \$2,440,000 for land acquisition) to assist with completing additional rehabilitation work to the property (3% simple interest, 50% residual receipts, 65-year affordability restrictions) which shall be secured by a leasehold deed of trust.
2. Authorize the President and Chief Executive Officer, or his designee, to:
 - a. execute any and all documents deemed necessary to effectuate the transaction and implement the project;
 - b. adjust financing terms/conditions as necessary to accommodate market changes that may occur after approval of this report but before close of escrow, provided the \$2,440,000 land purchase price and \$5,460,000 maximum loan amount may not increase.

BACKGROUND:

On July 10, 2009, the San Diego Housing Commission approved the acquisition of the land at \$2,440,000, the rehabilitation loan of \$3,960,000 and an option to purchase Arbor Village at the end of the fifteen-year tax credit compliance period. The Housing Commission's purchase of the Property, loan to the developer and option to purchase the improvements at the end of the 15-year tax credit compliance period are intended to be an acquisition of units by the Housing Commission pursuant to Policy 300.103 as well as to partially satisfy the Housing Commission's obligation to acquire and/or produce a minimum of 350 units as required by HUD.

Upon receiving Housing Commission approval and successfully obtaining tax credits in July 2009, LINC sought an investor for the tax credits but was unsuccessful. The investor community wanted to see a more extensive scope of rehabilitation work and felt that the property should support a smaller mortgage. After considering all options, including returning the tax credits to TCAC in order to compete for the exchange program (which, based on information available at the time led LINC to believe that they would not have been competitive), the developer reevaluated the scope to increase the rehab budget and reduce the permanent mortgage.

The changes to the budget result in a financing gap of \$1,900,000. The developer is committed to filling this gap through additional deferred developer fee and leaving predevelopment loan funds in the project. LINC’s commitment to balancing the remaining gap nearly doubles their original financial commitment and brings their total long term investment in the project to approximately \$1,000,000. Additional detail is attached as Exhibit 1 – Development Summary. However, this does not eliminate the shortfall and the developer has requested an additional \$1,500,000 from the Housing Commission which will be directly attributable to the additional rehabilitation and extension of the project’s useful life.

Some of the major additions to the scope include complete re-roofing of all buildings, replacement of all patio and balcony enclosures, new perimeter fencing and secured entry gate and ceiling fans in each bedroom and living room. The revised scope of work is detailed below.

	Original Budget	Revised Budget	Change		Description of Changes
			\$	%	
Metals	\$ 91,868	\$ 179,780	\$ 87,912	49%	New fencing, railings vs. R&R
Rough Carpentry	\$ 383,558	\$ 416,670	\$ 33,113	8%	Replace Balcony Railings vs. R&R
Roof	\$ 70,524	\$ 285,500	\$ 214,976	75%	Replace with 20 year NDL Warranty vs. R&R
Windows	\$ -	\$ 233,520	\$ 233,520	100%	All windows and patio doors
Glass	\$ -	\$ 53,200	\$ 53,200	100%	2nd bathroom shower doors
Flooring	\$ 102,287	\$ 95,900	\$ (6,387)	-7%	Replace worst vs. all
Painting	\$ 246,510	\$ 203,110	\$ (43,400)	-21%	Exchange only affected rooms
Specialties	\$ 3,515	\$ 45,204	\$ 41,690	92%	Change in vendor
Cabinets	\$ 292,723	\$ 575,960	\$ 283,237	49%	Wood/solid surface vs. laminate
Appliances	\$ 132,502	\$ 174,720	\$ 42,218	24%	Change in vendor
Blinds	\$ 27,720	\$ 24,640	\$ (3,080)	-13%	Change in vendor
Plumbing	\$ 423,423	\$ 381,232	\$ (42,191)	-11%	Change in vendor (Water Heaters)
HVAC	\$ 83,160	\$ 104,944	\$ 21,784	21%	Replace all wall heaters
Electrical	\$ 124,398	\$ 306,580	\$ 182,182	59%	Hardwired smoke detectors, add'l upgrades
Roads & Walks	\$ 218,248	\$ 231,708	\$ 13,460	6%	More defined scope with ADA and drainage
Site Improvements	\$ 529,768	\$ 635,588	\$ 105,820	17%	More defined scope with ADA and drainage
Lawns and Plantings	\$ 255,030	\$ 440,500	\$ 185,470	42%	Replacement vs R&R for sprinklers
	\$ 2,985,232	\$ 4,388,756	\$ 1,403,523	32%	
GR, OH, Profit	\$ 413,700	\$ 592,482	\$ 178,782	30%	
Total Const Contract	\$ 3,398,932	\$ 4,981,238	\$ 1,582,306	32%	
Per Unit Hard Costs	\$ 30,348	\$ 44,475	\$ 14,128	32%	

Since the additional rehabilitation will help with the ongoing maintenance and operation of the apartments and these units will count toward satisfying the HUD obligation to add additional units to the Housing Commission’s portfolio, this request is supported by the Commission staff.

Appraisal and Option to Purchase Improvements

On March 24, 2009, the Housing Authority approved updating the Housing Commission’s Real Estate Acquisition Policy 300.103, and delegated to the President and Chief Executive Officer and the Board of Commissioners the authority to acquire additional affordable housing under specific conditions. Section 11 of Policy 300.103 provides “the purchase price for the property to be acquired must be at or below the appraised value.”

Wayne Froboese, MAI, appraised the Property “as-is” at \$2,440,000 as of May 20, 2009, which equals the Housing Commission’s purchase price for the Property. In addition, the Housing Commission will have an option to purchase the improvements to the Property at the end of the of the fifteen-year tax credit compliance period, for an amount equal to the greater of fair market value (restricted value of the leasehold) or the sum of exit taxes, forgiveness of all principal and interest on the Housing Commission loan, plus assumption of the first position loan. Further, Mr. Froboese was asked to appraise whether the total amount to be paid by the Housing Commission for the Property and the improvements (provided the Housing Commission exercises the option to purchase the improvements) will be equal to or less than its projected fair market value. The appraisal establishes that the total Housing Commission contribution toward both land and buildings is below appraised value.

Proposed Permanent Loan - Annual payments on the Housing Commission loan will equal 50% of residual receipts payments. If the option to purchase at year 15 is not utilized, the note would be due and payable in 55 years from the funding of the Commission Loan.

The Developer

LINC Housing Corporation (LINC) is a California 501(c) (3) nonprofit corporation established in 1984 with the mission of developing affordable housing in a service-enriched environment for low-income families. LINC is an experienced affordable housing developer and has completed approximately 5,300 units of affordable housing since its inception. Along with housing, LINC provides tenants with access to educational activities including household financial training, health awareness seminars, job and computer skills training, and arts workshops. LINC currently owns and operates approximately 4,000 units in California. Arbor Village would be LINC’s first development in San Diego. The developer’s financial reports are satisfactory.

FISCAL CONSIDERATIONS:

If approved as presented, the Housing Commission commitment will be \$7,900,000 (land cost of \$2,440,000 plus the proposed rehabilitation loan increased to \$5,460,000) or \$70,536 per unit.

The total revised development cost is \$24,136,815 or \$215,507 per unit (up from \$22,497,448 or \$200,870 per unit). The following table outlines the original and revised funding sources for the proposed project:

Project Estimated Permanent Sources of Funds	Original Amount	Revised Amount	% Change
Private Bank Loan	\$6,200,000	\$5,864,000	-5.7%
San Diego Housing Commission land acquisition + loan	\$6,400,000	7,900,000	19%
Tax Credit Equity	\$8,098,023	8,095,744	2.0%
HUD-TCAP	\$1,304,380	1,330,940	-0.03%
Deferred Developer Fee	\$495,065	700,000	29%
General Partner Equity	\$100	246,131	100%
Estimated Total Sources of Funds	\$22,497,568	24,136,815	6.7%

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On July 10, 2009 the Housing Commission approved HAR09-048.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The acquisition and rehabilitation of Arbor Village by LINC was approved by the Encanto Community Planning Group on September 15, 2008.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Stakeholders include: LINC Housing Corporation, which controls the L.P. and is also seller of the property, the neighborhood community of Encanto which will obtain an additional 111 affordable housing units.

ENVIRONMENTAL REVIEW:

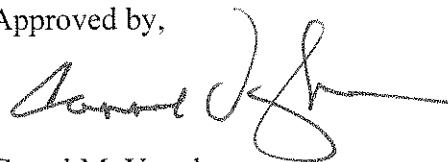
The City of San Diego determined on September 25, 2008 that this project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA guidelines Section 15301 (existing facilities). The City of San Diego also determined this project to be Categorically Excluded pursuant to the National Environmental Policy Act (NEPA) Section 58.35(a) (3) (ii) on September 25, 2008.

Respectfully submitted,



D. Lawrence Clemens
Senior Vice President

Approved by,



Carrol M. Vaughan
Executive Vice President
and Chief Operating Officer

Attachments:

1. Revised Development Summary
2. Proforma
3. Previous Report

Hard copies are available for review during business hours at the Housing Commission offices at 1122 Broadway, Suite 300, San Diego and at the City Clerk's office, 2nd floor, 202 "C" Street, San Diego. You may review docket materials on the San Diego Housing Commission website at www.sdhc.org.

ATTACHMENT 1
Development Summary

Unit Affordability:

Total # of units: 112 units
 Assisted units: 111 units
 Percent of AMI: The restricted units will be affordable to Area Median Income (AMI) levels ranging from 30% AMI to 60% AMI, with initial rents as follows:

(a) Unit Type	(b) Unit Size (sq. ft.)	(c) No. of Units	(d) HC's Estd Restricted Monthly Rents -- Net of Utility Allowance	(e) Income Restrictions (% of Area Median Income)	(f) Estimated Monthly Market Rate Rents (from market study)	(g) Monthly Rent Savings vs. Market Rate
1br/1ba	706	7	\$479	30%	\$871	\$392
1br/1ba	706	4	\$727	45%	\$871	\$144
1br/1ba	706	16	\$757	50%	\$871	\$114
1br/1ba	706	9	\$783	60%	\$871	\$88
	Subtotal	36				
2br/1ba	928	5	\$536	30%	\$1,082	\$546
2br/1ba	928	3	\$814	45%	\$1,082	\$268
2br/1ba	928	11	\$906	50%	\$1,082	\$176
2br/1ba	928	5	\$973	60%	\$1,082	\$109
	Subtotal	24				
3br/2ba	928	11	\$594	30%	\$1,344	\$750
3br/2ba	928	5	\$903	45%	\$1,344	\$441
3br/2ba	928	23	\$1,007	50%	\$1,344	\$337
3br/2ba	928	12	\$1,209	60%	\$1,344	\$135
	Subtotal	51				
3br/2ba	1,025	1	Manager's unit	n/a	n/a	n/a
Total units		112				\$31,777
Total Annual Rent Savings						\$381,324

Development Cost (Estimated):

Total development cost (estimated): \$24,136,815
 HC total financing provided: \$ 7,900,000
 Total development cost per unit: \$ 215,507
 Housing Commission cost per unit: \$ 70,536

Sources of Funds (Estimated):

Bank Loan (first trust deed) \$ 5,864,000
 HC Loan \$ 5,460,000
 HC Land Acquisition \$ 2,440,000
 Tax Credit Equity \$ 8,095,744
 HUD-TCAP \$ 1,330,940
 Deferred Developer Fee \$ 700,000
 Total Sources of Funds \$24,136,815

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

DATE: November 19, 2009

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

REQUEST FOR: EARLY ASSISTANCE PROJECT FUNDING \$ 7,900,000
 TECHNICAL ASSISTANCE PREDEVELOPMENT LOAN \$ _____
 PROJECT SUPPORT GRANT \$ _____

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

PROJECT CONDITION: UNIMPROVED SITE RESIDENTIAL COMMERCIAL
 YEAR BUILT: 1984 EXISTING STRUCTURE OTHER (DESCRIBE) _____

PROJECT NAME: Arbor Village Apartments
 ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
STREET CITY STATE ZIP

LEGAL DESCRIPTION: 32 601 547-601-3200 33.02
LOT NO. BLOCK NO. SUBDIVISION NAME ASSESSORS PARCEL NO. CENSUS TRACT

SITE CONTROL: DEED OPTION OTHER (DESCRIBE) _____

DWELLING UNITS	0-BEDROOM	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	TOTAL UNITS	# of stories
		<u>36</u>	<u>25</u>	<u>51</u>			<u>112</u>	<u>2</u>
HC Assisted Units:		<u>36</u>	<u>25</u>	<u>50</u>			<u>111</u>	
	<small>0-BEDROOM</small>	<small>1-BEDROOM</small>	<small>2-BEDROOM</small>	<small>3-BEDROOM</small>	<small>4-BEDROOM</small>	<small>5-BEDROOM</small>	<small>TOTAL UNITS</small>	

EXISTING USES OF PROPERTY: multi-family rental No. of Building: 13

DESCRIPTION OF PROPOSED PROJECT: Acquisition and rehabilitation of a 112-unit multi-family rental housing complex.
 Appraised Value \$11,310,000

APPLICANT/BORROWER:

NAME: LINC-Arbor Village Apartments Housing Investors, L.P. CONTACT PERSON: Ms. Allison Riley
 ADDRESS: 110 Pine Avenue, Suite 500 Long Beach CA 90802
STREET CITY STATE ZIP
 TELEPHONE: (562) 684-1120 FAX NO. (562) 684-1137 E-mail address: ariley@linchous

LEGAL DESCRIPTION OF APPLICANT:

FOR PROFIT CORPORATION NONPROFIT CORPORATION PARTNERSHIP INDIVIDUAL OWNER
 CHDO OTHER _____
DESCRIBE

TAXPAYER IDENTIFICATION NUMBER: 27-1314274

CURRENT OWNER/SELLER INFORMATION:

NAME: LINC Housing Corporation LEGAL DESCRIPTION: nonprofit corporation
 ADDRESS: 110 Pine Avenue, Suite 500 Long Beach CA 90802
STREET CITY STATE ZIP
 TELEPHONE: (562) 684-1131 FAX NO. (562) 684-1137

ZONING: MF-2500 COMMUNITY PLAN AREA: Encanto
 COUNCIL DISTRICT: 4 SCHOOL DISTRICT: San Diego Unified

 SIGNATURE Suny Lay Chang PRINT NAME Vice President 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: Arbor Village Apartments
 ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
ADDRESS CITY STATE ZIP
 OWNERSHIP NAME: LINC-Arbor Village Apartments Housing Investors, L.P. DATE: #####

1. LINC-Arbor Village Apartments Housing n/a owner
NAME TITLE/POSITION NATURE OF INTEREST
110 Pine Avenue, Suite 500 (562) 684-1120 100
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Long Beach CA 90802
CITY STATE ZIP

2. LINC-Arbor Village Apartments LLC n/a General Partner
NAME TITLE/POSITION NATURE OF INTEREST
110 Pine Avenue, Suite 500 (562) 684-1120 0.01
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Long Beach CA 90802
CITY STATE ZIP

3. LINC Housing Corporation n/a Sole Member of GP
NAME TITLE/POSITION NATURE OF INTEREST
110 Pine Avenue, Suite 500 (562) 684-1120
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Long Beach CA 90802
CITY STATE ZIP

4. TBD Limited Partner
NAME TITLE/POSITION NATURE OF INTEREST
 99.99
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST

CITY STATE ZIP

5. James Heimler board member board member
NAME TITLE/POSITION NATURE OF INTEREST
19510 Ventura Boulevard, Suite 210 (818) 343-5393
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Tarzana CA 91356
CITY STATE ZIP

6. Richard N. Berger board member board member
NAME TITLE/POSITION NATURE OF INTEREST
City Hall - 333 90th Street (650) 991-8156
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Daly City CA 94015
CITY STATE ZIP

7. Eileen Pollack Erickson board member board member
NAME TITLE/POSITION NATURE OF INTEREST
11949 W. Jefferson Boulevard, Suite 101 (310) 305-3093
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Culver City CA 90230
CITY STATE ZIP

8. Richard L. Garcia board member board member
NAME TITLE/POSITION NATURE OF INTEREST
550 W. Duarte Road, Suite 6 (626) 447-1124
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Arcadia CA 91007
CITY STATE ZIP

USE ADDITIONAL SHEETS AS NECESSARY

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

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED

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PROJECT NAME: Arbor Village Apartments
 ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
ADDRESS CITY STATE ZIP
 OWNERSHIP NAME: LINC-Arbor Village Apartments Housing Investors, L.P. DATE: #####

9 Paul M. Nowatka board member board member
NAME TITLE/POSITION NATURE OF INTEREST
23020 Crenshaw Boulevard (310) 530-1365
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Torrance CA 90505
CITY STATE ZIP

10 Mark Pisano board member board member
NAME TITLE/POSITION NATURE OF INTEREST
650 Childs Way, 108 (213) 740-1280
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Los Angeles CA 90089
CITY STATE ZIP

11 Kenneth J. Sofge board member board member
NAME TITLE/POSITION NATURE OF INTEREST
1800 Century Park East, Suite 420 (310) 789-3086
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Los Angeles CA 90067
CITY STATE ZIP

12 Elaine M. Winer board member board member
NAME TITLE/POSITION NATURE OF INTEREST
3231 Torrance Boulevard (310) 618-2960
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Torrance CA 90503
CITY STATE ZIP

13 Alta Duke board member board member
NAME TITLE/POSITION NATURE OF INTEREST
110 Pine Avenue, Suite 500 (562) 684-1100
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Long Beach CA 90802
CITY STATE ZIP

14 Dee Hardison board member board member
NAME TITLE/POSITION NATURE OF INTEREST
110 Pine Avenue, Suite 500 (562) 684-1100
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Long Beach CA 90802
CITY STATE ZIP

15 Don McIntyre board member board member
NAME TITLE/POSITION NATURE OF INTEREST
330 S. Arroyo Boulevard (626) 298-0947
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Pasadena CA 91105
CITY STATE ZIP

16 James R. Walther board member board member
NAME TITLE/POSITION NATURE OF INTEREST
350 S. Grand Avenue, 25th Floor (213) 229-9597
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Los Angeles CA 90071
CITY STATE ZIP

USE ADDITIONAL SHEETS AS NECESSARY

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

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED

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

PROJECT NAME: Arbor Village Apartments
ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
ADDRESS CITY STATE ZIP
OWNERSHIP NAME: LINC-Arbor Village Apartments Housing Investors, L.P. DATE: #####

1. Robert J. Norris, Jr. board member board member
NAME TITLE/POSITION NATURE OF INTEREST
2192 Dupont Circle, Suite 105 (949) 863-9740
STREET/PO BUSINESS TELEPHONE NO. PERCENT INTEREST
Irvine CA 92612
CITY STATE ZIP

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

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

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

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

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

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

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

USE ADDITIONAL SHEETS AS NECESSARY

SAN DIEGO HOUSING COMMISSION APPLICANT INTEREST FORM - AI

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED

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PROJECT NAME: _____

ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
ADDRESS CITY STATE ZIP

OWNERSHIP NAME: _____ DATE: #####

1. _____
NAME TITLE/POSITION NATURE OF INTEREST

_____ BUSINESS TELEPHONE NO. PERCENT INTEREST

_____ CITY STATE ZIP

2. _____
NAME TITLE/POSITION NATURE OF INTEREST

_____ BUSINESS TELEPHONE NO. PERCENT INTEREST

_____ CITY STATE ZIP

3. _____
NAME TITLE/POSITION NATURE OF INTEREST

_____ BUSINESS TELEPHONE NO. PERCENT INTEREST

_____ CITY STATE ZIP

4. _____
NAME TITLE/POSITION NATURE OF INTEREST

_____ BUSINESS TELEPHONE NO. PERCENT INTEREST

_____ CITY STATE ZIP

5. _____
NAME TITLE/POSITION NATURE OF INTEREST

_____ BUSINESS TELEPHONE NO. PERCENT INTEREST

_____ CITY STATE ZIP

6. _____
NAME TITLE/POSITION NATURE OF INTEREST

_____ BUSINESS TELEPHONE NO. PERCENT INTEREST

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7. _____
NAME TITLE/POSITION NATURE OF INTEREST

_____ BUSINESS TELEPHONE NO. PERCENT INTEREST

_____ CITY STATE ZIP

8. _____
NAME TITLE/POSITION NATURE OF INTEREST

_____ BUSINESS TELEPHONE NO. PERCENT INTEREST

_____ CITY STATE ZIP

USE ADDITIONAL SHEETS AS NECESSARY

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

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

DATE: November 19, 2009

PROJECT TYPE ACQUISITION ACQUISITION & REHABILITATION RENTAL
 NEW CONSTRUCTION REHABILITATION OWNERSHIP

PROJECT NAME: Arbor Village Apartments
 ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
 STREET CITY STATE ZIP

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

Type (X) in ONE box _____ Gas (G) or Electricity (E) _____ Paid by Tenant (T) or Owner/Landlord (L) _____
 FILL IN ALL BOXES G or E FILL IN ALL BOXES T or L

<input checked="" type="checkbox"/> Apartment	Heat	G	T
<input type="checkbox"/> Duplex, Townhouse	Cooking	E	T
<input type="checkbox"/> House, Mobile Home	Water Heater	G	T
	Water/Sewer		L
	Basic Electric		T

INCOME BY UNIT TYPE

A	B	C	D	E	F	G	H	I	J	K	L	M
BASIS FOR RENT*	NO. OF UNITS	BED-ROOMS PER UNIT	BATH-ROOMS PER UNIT	SQ FT PER UNIT	CURRENT RENT	MONTHLY HOUSING COST PER UNIT	LESS: MONTHLY UTILITY ALLOW. PER UNIT	EQUALS: MONTHLY Tenant Paid RENT PER UNIT	COMPARE TO MARKET RENT PER UNIT	AFFORDABILITY LEVEL: PERCENT MEDIAN INCOME**	YEARLY GROSS RENTS ALL UNITS	YEARLY MARKET RENTS
TC	7	1	1.00	632	\$ 930	\$ 464	\$ 17	\$ 447	\$ 871	31 %	\$ 37,548	\$ 73,164
TC	4	2	1.00	632	\$ 1130	\$ 557	\$ 22	\$ 535	\$ 1,082	33 %	\$ 25,680	\$ 51,936
TC	1	2	2.00	928	\$ 1130	\$ 557	\$ 22	\$ 535	\$ 1,083	33 %	\$ 6,420	\$ 12,996
TC	11	3	2.00	928	\$ 1325	\$ 644	\$ 26	\$ 618	\$ 1,344	34 %	\$ 81,576	\$ 177,408
TC	4	1	1.00	632	\$ 930	\$ 696	\$ 17	\$ 679	\$ 871	46 %	\$ 32,592	\$ 41,808
TC	2	2	1.00	632	\$ 1130	\$ 835	\$ 22	\$ 813	\$ 1,082	50 %	\$ 19,512	\$ 25,968
TC	1	2	2.00	928	\$ 1130	\$ 835	\$ 22	\$ 813	\$ 1,083	50 %	\$ 9,756	\$ 12,996
TC	5	3	2.00	928	\$ 1325	\$ 966	\$ 26	\$ 940	\$ 1,344	52 %	\$ 56,400	\$ 80,640
TC	16	1	1.00	632	\$ 930	\$ 764	\$ 17	\$ 747	\$ 871	51 %	\$ 143,424	\$ 167,232
TC	9	2	1.00	632	\$ 1130	\$ 881	\$ 22	\$ 859	\$ 1,082	52 %	\$ 92,772	\$ 116,856
TC	2	2	2.00	928	\$ 1130	\$ 928	\$ 22	\$ 906	\$ 1,082	55 %	\$ 21,744	\$ 25,968
TC	23	3	2.00	928	\$ 1325	\$ 1,073	\$ 26	\$ 1,047	\$ 1,344	57 %	\$ 288,972	\$ 370,944
TC	9	1	1.00	632	\$ 930	\$ 775	\$ 17	\$ 758	\$ 871	52 %	\$ 81,864	\$ 94,068
TC	5	2	1.00	632	\$ 1130	\$ 896	\$ 22	\$ 874	\$ 1,082	53 %	\$ 52,440	\$ 64,920
TC	1	2	2.00	928	\$ 1325	\$ 956	\$ 22	\$ 934	\$ 1,344	57 %	\$ 11,208	\$ 16,128
TC	11	3	2.00	928	\$ 1325	\$ 1,135	\$ 26	\$ 1,109	\$ 1,344	61 %	\$ 146,388	\$ 177,408
MGR	1	3	1.00	928	\$	\$	\$	\$	\$	%	\$	\$
					\$	\$	\$	\$	\$	%	\$	\$

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

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

TOTAL RENT (YEAR)	\$ 1,108,296	\$ 1,510,440
Comp. to 90% of Market:	\$ 1,108,296	\$ 1,359,396

OTHER INCOME	laundry / vending	\$ 26,959
	miscellaneous	\$ 12,436
		\$

TOTAL ANNUAL INCOME \$1,147,691

TOTAL UNITS 112

TOTAL UNIT SQ. FT. 85,504 + TOTAL COMMUNITY FACILITIES SQ. FT. 1,800

TOTAL SQ. FT. 87,304

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

DATE: November 19, 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: Arbor Village Apartments
 ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
STREET CITY STATE ZIP

TOTAL NUMBER OF UNIT

OPERATING EXPENSE ITEM	ANNUAL COST	COST PER UNIT	COST PER SQ. FT.
Administrative Expenses			
Office Supplies & Equipment	\$ 2,100	\$ 19	\$ 0.02
Telephone	\$ 3,000	\$ 27	\$ 0.03
Training & Travel	\$ 1,500	\$ 13	\$ 0.02
Payroll Services	\$ 135,577	\$ 1,211	\$ 1.55
Program Services	\$ 10,000	\$ 89	\$ 0.11
Other: General Administration	\$ 25,464	\$ 227	\$ 0.29
Subtotal Percent of Total <u>38%</u>	\$ 177,641	\$ 1,586	\$ 2.03
Marketing Expenses			
Advertising	\$ 4,500	\$ 40	\$ 0.05
Other:	\$	\$	\$
Subtotal Percent of Total <u>1%</u>	\$ 4,500	\$ 40	\$ 0.05
Professional Fees			
Property Management	\$ 53,368	\$ 477	\$ 0.61
Auditing Services	\$ 8,000	\$ 71	\$ 0.09
Legal Services	\$ 8,500	\$ 76	\$ 0.10
Other:	\$	\$	\$
Subtotal Percent of Total <u>15%</u>	\$ 69,868	\$ 624	\$ 0.80
Utilities			
Electric	\$ 8,000	\$ 71	\$ 0.09
Gas	\$ 13,500	\$ 121	\$ 0.15
Water/Sewer	\$ 70,566	\$ 630	\$ 0.81
Other:	\$	\$	\$
Subtotal Percent of Total <u>20%</u>	\$ 92,066	\$ 822	\$ 1.05
Contract Services			
Exterminating	\$ 2,700	\$ 24	\$ 0.03
Trash Removal	\$ 13,000	\$ 116	\$ 0.15
Security Patrol	\$ 2,000	\$ 18	\$ 0.02
Building/Grounds Maintenance	\$ 22,037	\$ 197	\$ 0.25
Janitorial Services	\$ 6,700	\$ 60	\$ 0.08
Repair Services	\$ 15,000	\$ 134	\$ 0.17
Elevator & Other Equipment	\$	\$	\$
Garage Operations/Maintenance	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total <u>13%</u>	\$ 61,437	\$ 549	\$ 0.70
Cleaning & Decorating			
Painting Supplies	\$ 7,000	\$ 63	\$ 0.08
Grounds Supplies	\$ 13,778	\$ 123	\$ 0.16
Other:	\$	\$	\$
Subtotal Percent of Total <u>4%</u>	\$ 20,778	\$ 186	\$ 0.24
Taxes & Insurance			
Real Property Tax Assessment	\$ 4,000	\$ 36	\$ 0.05
Property Insurance	\$ 32,558	\$ 291	\$ 0.37
Director's & Officer's Insurance	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total <u>8%</u>	\$ 36,558	\$ 326	\$ 0.42
Other			
SDHC Monitoring Fees	\$ 5,040	\$ 45	\$ 0.06
Other:	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total <u>1%</u>	\$ 5,040	\$ 45	\$ 0.06
Total Annual Operating Costs	\$ 467,888	\$ 4,178	\$ 5.36

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

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

DATE: November 19, 2009

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

PROJECT NAME:	<u>Arbor Village Apartments</u>		
ADDRESS:	<u>4914 - 4998 Logan Avenue</u>	<u>San Diego</u>	<u>CA</u>
	<u>STREET</u>	<u>CITY</u>	<u>STATE</u>
Number of Units	<u>112</u>		<u>92113</u>
			<u>ZIP</u>

DEVELOPMENT COST ITEM	PERCENT	AMOUNT
ACQUISITION / LAND COST		
LAND		\$ <u>2,440,000</u>
BUILDINGS		\$ <u>10,540,000</u>
SUBTOTAL		\$ <u>12,980,000</u>
LEGAL/BROKER'S FEE/TITLE		\$ <u>14,235</u>
OTHER <u>Acquisition Loan&Holding Costs</u>		\$ <u>1,704,010</u>
TOTAL ACQUISITION / LAND COST		\$ <u>14,698,245</u>
REHABILITATION / CONSTRUCTION		
SITE WORK		\$ <u>896,608</u>
DEMOLITION		\$ _____
STRUCTURES		\$ <u>3,487,320</u>
TOTAL HARD COSTS		\$ <u>4,383,928</u>
GENERAL REQUIREMENTS	<u>5.5</u> %	\$ <u>241,116</u>
CONTRACTOR'S OVERHEAD	<u>2.0</u> %	\$ <u>87,676</u>
CONTRACTOR'S PROFIT	<u>5.0</u> %	\$ <u>219,196</u>
TOTAL REHABILITATION / CONSTRUCTION		\$ <u>4,931,916</u>
CONSTRUCTION CONTINGENCY	<u>10.0</u> %	\$ <u>493,192</u>
BOND PREMIUM		\$ <u>49,319</u>
CONSTRUCTION LOAN		
CONSTRUCTION INTEREST COST		\$ <u>498,636</u>
APPLICATION FEE		\$ _____
LOAN ORIGINATION FEE		\$ <u>119,600</u>
OTHER <u>Lender Expenses</u>		\$ <u>65,000</u>
		\$ <u>683,236</u>
PERMANENT LOAN		
APPLICATION FEE		\$ _____
LOAN ORIGINATION FEE		\$ <u>56,640</u>
OTHER _____		\$ _____
		\$ <u>56,640</u>
RELOCATION COST		\$ <u>250,000</u>
ARCHITECTURAL FEES		
DESIGN		\$ <u>75,000</u>
SUPERVISION		\$ <u>25,000</u>
TOTAL ARCHITECTURAL FEES	<u>0.0</u> %	\$ <u>100,000</u>
SURVEYS, SOIL BORINGS, & ENGINEERING		\$ <u>73,000</u>

DEVELOPMENT COST ITEM	PERCENT	AMOUNT
LEGAL, PERMIT, & AUDIT		
SDHC'S LEGAL (not to exceed)		\$ <u>5,000</u>
BORROWER'S LEGAL		\$ <u>120,000</u>
LENDERS' LEGAL		\$ <u>35,000</u>
PERMITS		\$ <u>25,000</u>
TITLE & RECORDING		\$ <u>35,000</u>
INSURANCE		\$ <u>56,000</u>
AUDIT		\$ <u>25,000</u>
TAXES DURING CONSTRUCTION		\$ _____
OTHER _____		\$ _____
TOTAL LEGAL, PERMIT, & AUDIT		\$ <u>301,000</u>
OTHER COSTS		
DEVELOPER'S FEE	<u>5.8</u> %	\$ <u>1,400,000</u>
CONSULTANT FEE	<u>0.2</u> %	\$ <u>52,500</u>
APPRAISAL COSTS		\$ <u>21,000</u>
ENVIRONMENTAL STUDY		\$ <u>20,000</u>
MARKET STUDY		\$ <u>7,500</u>
MARKETING & RENT-UP		\$ <u>56,000</u>
SDHC MONITOR SET-UP		\$ <u>500</u>
SDHC LOAN ORIGINATION FEE		\$ <u>2,000</u>
REPLACEMENT RESERVE <u>3</u> MONTHS		\$ <u>112,000</u>
OPERATING RESERVES <u>6</u> MONTHS		\$ <u>496,800</u>
REHABILITATION PROJECTS:		\$ _____
SDHC TECHNICAL SERVICES FEE (\$5,000)		\$ <u>5,000</u>
TCAC application / monitoring fee		\$ <u>91,875</u>
furnishings		\$ <u>22,400</u>
construction management		\$ <u>55,350</u>
Investor Due Diligence		\$ <u>40,000</u>
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
TOTAL OTHER COSTS		\$ <u>2,382,925</u>
SOFT COSTS CONTINGENCY	<u>3.78</u> %	\$ <u>117,342</u>
TOTAL DEVELOPMENT COST		\$ <u>24,136,815</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 NEW CONSTRUCTION REHABILITATION OWNERSHIP

NUMBER OF UNITS: 112

PROJECT NAME: Arbor Village Apartments

ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113

STREET CITY STATE ZIP

SOURCES

POSITION	TERMS	COMMITMENT	AMORTIZED	DEFERRED	TAX CREDIT	GRANT	EQUITY
1ST <u>CCRC</u>	<u>30</u> YRS <u>7.50</u> RATE	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N DATE OR EXPECTED <u>5/27/2009</u>	\$ <u>5,864,000</u>				
2ND <u>SDHC</u>	<u>65</u> YRS <u>3.00</u> RATE	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N DATE OR EXPECTED <u>7/10/2009</u>	\$	\$ <u>7,900,000</u>			
(Select one) Residual Receipts or Amortized	<input checked="" type="checkbox"/> <input type="checkbox"/>	Subsidy/Assisted Unit \$ <u>71,171</u> Subsidy/Assisted Bdrm \$ <u>33,475</u>					
3RD <u>ARRA Gap Loan</u>	<u>55</u> YRS	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N DATE OR EXPECTED <u>9/9/2009</u>	\$	\$ <u>1,330,940</u>		\$	
4TH <u>deferred developer fee</u>		<input type="checkbox"/> Y <input checked="" type="checkbox"/> N DATE OR EXPECTED	\$	\$ <u>700,000</u>		\$	
TAX CREDITS <u>9% LIHTC</u>		<input type="checkbox"/> Y <input checked="" type="checkbox"/> N DATE OR EXPECTED <u>9/9/2009</u>			\$ <u>8,095,744</u>		
EQUITY <u>GP Equity</u>		<input type="checkbox"/> Y <input checked="" type="checkbox"/> N DATE OR EXPECTED					\$ <u>246,131</u>
TOTAL			\$ <u>24,136,815</u>	\$ <u>5,864,000</u>	\$ <u>9,930,940</u>	\$ <u>8,095,744</u>	\$ <u>246,131</u>

FUNDING SCHEDULE FOR SOURCES

	TOTAL	CLOSING	CONSTRUCTION PERIOD			COMPLETION 4TH QUARTER	RENT UP QTRS 5 & 6
			1ST QUARTER	2ND QUARTER	3RD QUARTER		
CCRC	\$ 5,864,000	\$ 5,864,000	\$	\$	\$	\$	\$
SDHC	\$ 7,900,000	\$ 7,900,000	\$	\$	\$	\$	\$
ARRA Gap Loan	\$ 1,330,940	\$ 532,376	\$	\$	\$	\$ 465,829	\$ 332,735
deferred developer fee	\$ 700,000	\$ 700,000	\$	\$	\$	\$	\$
9% LIHTC	\$ 8,095,744	\$ 400,000	\$ 1,923,936	\$ 1,923,936	\$ 1,923,936	\$ 1,923,936	\$
GP Equity	\$ 246,131	\$ 246,131	\$	\$	\$	\$	\$
TOTAL	\$ 24,136,815	\$ 15,642,507	\$ 1,923,936	\$ 1,923,936	\$ 1,923,936	\$ 2,389,765	\$ 332,735

INFORMATION ON CONSTRUCTION LOAN

CONSTRUCTION LENDER: Chase

CONSTRUCTION TIME: 13 (MONTHS)

CONSTRUCTION INTEREST: 5.500 %

COMMITTED: YES NO

DATE OF COMMITMENT/EXPECTED: July 10, 2009

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

PLEASE PROVIDE ALL KNOWN INFORMATION - CHECK ALL BOXES THAT APPLY

Date: November 19, 2009

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

PROJECT NAME: Arbor Village Apartments
 ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
STREET CITY STATE ZIP

Replacement Reserve	\$ 33,600	LP Asset Mgmt Fee	\$ 5,000	GP Management Fee	\$ 20,000
Rental Income	\$ 1,108,296	Project Income Increase	2.50 %	Mortgage Amount	\$ 5,864,000 %
Other Income	\$ 39,395	Operating Exp.Increase	3.50 %	Mortgage Rate	7.500
Operating Expenses	\$ 467,888	Vacancy Loss	5.00 %	Mortgage Term(Years)	30
LP & GP Annual Increase	%	Deferred Dev. Fee	\$ 700,000	Interest on Def. Dev. Fee	%

SDHC Participation \$ 7,900,000 Residual Receipts Interest Rate 3.000 %
 or
 Percent of Residual to HC 42% Amortize Term (Years) 65

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Gross Project Income	\$ 1,147,691	\$ 1,176,383	\$ 1,205,793	\$ 1,235,938	\$ 1,266,836
Vacancy	\$ 57,385	\$ 58,819	\$ 60,290	\$ 61,797	\$ 63,342
Effective Gross Income	\$ 1,090,306	\$ 1,117,564	\$ 1,145,503	\$ 1,174,141	\$ 1,203,494
Operating Expense	\$ 467,888	\$ 484,264	\$ 501,213	\$ 518,756	\$ 536,912
Net Operating Income	\$ 622,418	\$ 633,300	\$ 644,290	\$ 655,385	\$ 666,582
Debt Service (1st)	\$ 492,023	\$ 492,023	\$ 492,023	\$ 492,023	\$ 492,023
Coverage (1st)	1.27	1.29	1.31	1.33	1.35
Replacement Reserve	\$ 33,600	\$ 33,600	\$ 33,600	\$ 33,600	\$ 33,600
Cash Flow	\$ 96,795	\$ 107,677	\$ 118,667	\$ 129,762	\$ 140,959
LP Asset Management Fee	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
GP Management Fee	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Deferred Dev. Fee Pmt.	\$ 71,795	\$ 82,677	\$ 93,667	\$ 104,762	\$ 115,959
SDHC Residual Receipts	\$	\$	\$	\$	\$
Net Cash Flow	\$	\$	\$	\$	\$

	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Income	\$ 1,298,507	\$ 1,330,970	\$ 1,364,244	\$ 1,398,350	\$ 1,433,309
Vacancy	\$ 64,925	\$ 66,548	\$ 68,212	\$ 69,918	\$ 71,665
Effective Gross Income	\$ 1,233,582	\$ 1,264,421	\$ 1,296,032	\$ 1,328,433	\$ 1,361,643
Operating Expense	\$ 555,704	\$ 575,154	\$ 595,284	\$ 616,119	\$ 637,683
Net Operating Income	\$ 677,878	\$ 689,267	\$ 700,748	\$ 712,313	\$ 723,960
Debt Service (1st)	\$ 492,023	\$ 492,023	\$ 492,023	\$ 492,023	\$ 492,023
Coverage (1st)	1.38	1.40	1.42	1.45	1.47
Replacement Reserve	\$ 33,600	\$ 33,600	\$ 33,600	\$ 33,600	\$ 33,600
Cash Flow	\$ 152,254	\$ 163,644	\$ 175,124	\$ 186,690	\$ 198,337
LP Asset Management Fee	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
GP Management Fee	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Deferred Dev. Fee	\$ 127,254	\$ 103,887	\$	\$	\$
SDHC Residual Receipts	\$	\$ 14,598	\$ 63,052	\$ 67,910	\$ 72,801
Net Cash Flow	\$	\$ 20,159	\$ 87,072	\$ 93,780	\$ 100,535

	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Gross Income	\$ 1,469,142	\$ 1,505,870	\$ 1,543,517	\$ 1,582,105	\$ 1,621,657
Vacancy	\$ 73,457	\$ 75,294	\$ 77,176	\$ 79,105	\$ 81,083
Effective Gross Income	\$ 1,395,684	\$ 1,430,577	\$ 1,466,341	\$ 1,502,999	\$ 1,540,574
Operating Expense	\$ 660,002	\$ 683,102	\$ 707,011	\$ 731,756	\$ 757,368
Net Operating Income	\$ 735,682	\$ 747,474	\$ 759,330	\$ 771,243	\$ 783,207
Debt Service (1st)	\$ 492,023	\$ 492,023	\$ 492,023	\$ 492,023	\$ 492,023
Coverage (1st)	1.50	1.52	1.54	1.57	1.59
Replacement Reserve	\$ 33,600	\$ 33,600	\$ 33,600	\$ 33,600	\$ 33,600
Cash Flow	\$ 210,059	\$ 221,851	\$ 233,707	\$ 245,620	\$ 257,583
LP Asset Management Fee	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
GP Management Fee	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Deferred Dev. Fee	\$	\$	\$	\$	\$
SDHC Residual Receipts	\$ 77,725	\$ 82,677	\$ 87,657	\$ 92,660	\$ 97,685
Net Cash Flow	\$ 107,334	\$ 114,174	\$ 121,050	\$ 127,960	\$ 134,898

**SAN DIEGO HOUSING COMMISSION
ENVIRONMENTAL REVIEW REQUEST**

Date: November 19, 2009

PLEASE PROVIDE ALL KNOWN INFORMATION - CHECK ALL BOXES THAT APPLY

PROPOSED PROJECT NAME: Arbor Village Apartments

PROJECT STREET ADDRESS 4914 - 4998 Logan Avenue ZIP CODE 92113

ASSESSOR'S PARCEL NO: 547-601-3200 ZONING: MF-2500

COMMUNITY PLANNING AREA: Encanto

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

DEVELOPER/SPONSOR OF PROPOSED PROJEC LINC-Arbor Village Apartments Housing Investors, L.P.

DEVELOPER'S ADDRESS: 110 Pine Avenue, Suite 500 Long Beach CA 90802
STREET CITY STATE ZIP

CONTACT PERSON: Ms. Allison Riley

PHONE: (562) 684-1120 FAX: (562) 684-1137

EXISTING USE OF SITE (Check all that apply):

Vacant Residential Commercial Industrial Other (specify _____)

If residential, number of units Studio 36 1-bedroom 66 2-bedroom
10 3-bedroom 4-bedroom 5-bedroom 112 TOTAL

Number of buildings 13 Number of stories 2

Size of site (acres or square f 3.85 Age of structure(s): 25 Years

PROPOSED PROJECT TYPE (check all that apply):

New Construction Rehabilitation: Major Minor
 Acquisition Acquisition & Rehabilitation Exterior Interior

Other (describe _____)

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

We will be converting 41 2BR/2BA units into 3BR/3BA units. In addition, we'll be expanding the manager's office into a community room by adding 1,000 square feet.



REPORT

DATE ISSUED: July 3, 2009

REPORT NO: HCR09-048

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of July 10, 2009

SUBJECT: Arbor Village Apartments Finance Plan (Council District 4)

REQUESTED ACTION:

Approve a proposed plan for the Housing Commission to acquire the land and to finance the rehabilitation of the Arbor Village Apartments.

STAFF RECOMMENDATIONS:

Proposed recommendations as described in this report:

1. Approve purchase of the land generally located at 4914 – 4998 Logan Avenue (“Property”) for its current fair market appraised value of up to \$2,440,000.
2. Approve lease of the Property to LINC-ARBOR Apartments Housing Investors, L.P. (the “L.P.”) a tax credit partnership, for 65 years with an annual rent of 4.5% of gross income, up to 100% of the project’s residual receipts.
3. Approve a loan to the L.P., in the amount of \$3,960,000, pursuant to the powers delegated to the Housing Commission by Real Estate Acquisition Policy 300.103, and/or extend the deadline for making the residual receipts loan to the L.P., which was previously approved by the Housing Authority on September 23, 2008, however the amount of the loan shall be reduced to \$3,960,000 (3% simple interest, 50% residual receipts, 55-year affordability restrictions), which shall be secured by a leasehold deed of trust.
4. Approve entry into an option agreement whereby the Housing Commission will have the option to purchase the improvements (“Project”) at the end of the fifteen-year tax credit compliance period, for an amount equal to the greater of fair market value (restricted value of the leasehold) or the sum of exit taxes, forgiveness of all principal and interest on the Housing Commission loan, plus assumption of the first position loan.
5. Find that the total amount to be paid by the Housing Commission for the Property and the improvements (provided the Housing Commission exercises the option to purchase the improvements) is less than the fair market value for the same, as determined by, Wayne S. Froboese MAI, and therefore the acquisition complies with the Housing Commission’s Real Estate Acquisition Policy 300.103.
6. Authorize the President and Chief Executive Officer, or his designee, to:
 - a. execute a resolution in the form attached hereto as Attachment 1.
 - b. execute any and all documents deemed necessary to effectuate the transaction and implement the project;

- c. adjust financing terms/conditions as necessary to accommodate market changes that may occur after approval of this report but before close of escrow, provided the \$2,440,000 land purchase price and \$3,960,000 maximum loan amount may not increase.

This funding commitment is for the 2009 tax credit competition round and may be extended to subsequent tax credit rounds with the written approval of the President and Chief Executive Officer. The L.P., must obtain necessary TCAC 9% low-income housing tax credits. The proposed land purchase, lease and loan would be completed concurrently with the tax credit closing (estimated February 6, 2010). Documentation of the terms and conditions of the lease and loan would be approved by the Housing Commission's General Counsel.

BACKGROUND:

On September 23, 2008, the Housing Authority approved a \$6,676,000 loan for the Project and a \$15.6 million bond inducement contingent upon the project obtaining State Multi-family Housing Program (MHP) financing (HAR08-35). MHP participation was not achieved. LINC has purchased the property with bridge loans from Washington Mutual Bank, Housing Partnership Network (HPN) and Low Income Investment Fund (LIIF) and has restructured its financing proposal to include nine percent tax credits. Staff recommends Housing Commission approval of an extension of the L.P.'s deadline for the purpose of obtaining 9% tax credits.

In addition, the Housing Commission is authorizing the loan pursuant to the powers delegated to the Housing Commission pursuant to Real Estate Acquisition Policy 300.103, which grants the Housing Commission the power to obtain dwelling units, pursuant to the procedures set forth therein. Section 3 of Policy 300.103 provides the Housing Commission "is authorized to review, approve, and execute any and all documents necessary and/or appropriate to effectuate the acquisition(s) referenced in this policy." Section 14 of Policy 300.103 delegates the authority and power to the Housing Commission to acquire other units and projects, to achieve the goal of acquiring and/or producing a minimum of 350 units required by HUD in its approval of the public housing disposition, without further action by the Housing Authority. The Housing Commission's purchase of the Property, loan to the developer and option to purchase the improvements at the end of the 15-year tax credit compliance period, as described in this Board Report, are intended to be an acquisition of units by the Housing Commission pursuant to Policy 300.103 and to partially satisfy the Housing Commission's obligation to acquire and/or produce a minimum of 350 units as required by HUD.

In September 2007, the Housing Commission received HUD approval to transition its public housing stock. On March 24, 2009, the Housing Authority adopted the Housing Commission Real Estate Acquisitions Policy 300.103 (Attachment 2 - Summary).

In April of 2009, LINC submitted a revised application requesting a \$3,960,000 residual receipts loan under the Housing Commission's current Notice of Funding Availability (NOFA) for Construction, Acquisition and Operation of Affordable Rental Housing, along with funding for the acquisition of \$2,440,000. On June 9, 2009, LINC applied to TCAC for 9% tax credits to assist with the financing of Arbor Village. TCAC's 2009 single round tax credit application deadline was June 9, 2009, however August 17, 2009, is the milestone for local (Housing Commission) funding commitments to be in place. Allocation awards are expected September 9, 2009.

Contingent upon receiving 9% tax credits, the Housing Commission will acquire the land and execute a long-term 65-year lease of the land to the partnership LP and enter into an option to acquire the buildings after 15 years. Proceeds from the land sale and the proposed residual receipts loan would finance the rehabilitation of the apartments along with 9% tax credits. Acquisition of the property would be concurrent with the tax credit closing (estimated February 6, 2010). The Property was appraised on May 20, 2009, by Wayne S. Froboese MAI, at \$2,440,000.

Staff has identified several possible funding sources for acquisition of the property and making the loan described herein, which include local funds, HUD HOME funds and the bank line of credit and permanent financing that the Housing Commission is seeking to obtain. A final determination of the funding source(s) to be used will be made by the CEO.

The Development – Located at 4914 Logan Avenue in the southeastern San Diego Community of Encanto, the thirteen-building complex, constructed in 1984, consists of 36 one-bedroom apartments, 66 two-bedroom apartments, 10 three-bedroom apartments, one two-bedroom manager's unit, a site office, laundry facilities, and a play area for children. Arbor Village has adequate surface parking; public transportation access adjacent to the site and retail services, schools, and parks within a one-mile radius. Property management would be provided by Pacific West Property Management with on-site management professionals.

Although the two-story buildings are structurally sound, deferred maintenance items include soiled carpet, broken window screens, chipped paint, cracked concrete, rotting wood surfaces, and substandard landscaping. The proposed renovation work includes accessibility improvements, improved security lighting, water flow restrictors and low-flow toilets for water conservation. Also planned is the construction of a new community building with computer lab, laundry room and management office. The rehabilitation will reconfiguration of 41 of the two-bedroom apartments to three-bedroom units suitable for large families. Energy efficiency and sustainable green improvements include additional insulation, low-e dual pane windows and patio doors, energy star appliances, and use of recycled materials. The rehabilitation is estimated at approximately \$5.9 million including the contractor's overhead and profit.

The complex is fully-occupied and the units are rented at market rates. Initial studies by the relocation consultant indicate that the majority of the households have incomes that would qualify them to reside in the rent-restricted units. Up to 38 of 111 households would require relocation due to overcrowding or household incomes that do not comply with affordability restrictions. Pursuant to federal law, the relocation consultant would conduct tenant interviews and administer advisory services and monetary compensation to the displaced households. The developer budgeted \$905,000 in relocation costs based on the information in the consultant's preliminary relocation plan.

The housing component of the City's Consolidated Plan identifies a critical need for rental housing with three and four bedroom apartments suitable for large families. A key element of this proposal is the reconfiguration of two-bedroom apartments to provide an additional 41 three-bedroom units. It is believed that the creation of larger units during renovation of the property would allow approximately eleven tenants to remain following project completion.

Tenant services on the site would be administered by LINC Cares, LINC's affiliated resident services provider. The residents would have access to information and training to assist them in health awareness, household finances, personal development and other educational opportunities tailored specifically to meet their needs. Available activities would include after-school tutoring, first time homebuyer workshops, nature and arts field trips, and computer training.

Arbor Village is located in a neighborhood with successful affordable housing developments nearby. The 268-unit Bay Vista low-income housing complex is located on the site adjoining the north property line. In 2007, the Housing Authority issued bonds as financing for the Amerland Group to acquire and rehabilitate Bay Vista, now Seabreeze Apartments. The Housing Commission's affiliated nonprofit developer, Housing Development partners, owns and operates the 54-unit Knox Glen affordable housing complex located immediately west of Seabreeze at 4720 Logan Avenue

The Developer

LINC Housing Corporation (LINC) is a California 501(c) (3) nonprofit corporation established in 1984. with the mission of developing affordable housing in a service-enriched environment for low-income families. LINC is an experienced affordable housing developer and has completed approximately 5,300 units of affordable housing since its inception. Along with housing, LINC provides tenants with access to educational activities including household financial training, health awareness seminars, job and computer skills training, and arts workshops. LINC currently owns and operates approximately 4,000 units in California. Arbor Village would be LINC's first development in San Diego. The developer's financial reports are satisfactory.

The following table outlines the development team:

<u>Role/Firm</u>	<u>Contact</u>	<u>Ownership</u>
Owner: LINC Housing Corporation	Allison Riley	501(c)(3) nonprofit corporation
Architect: ADG, Inc	Mike Flanagan	corporation
Contractor: Advent Companies	Tyson Jacobsen	corporation
Management Company: Pacific West Management	Wes Daniel	corporation
Construction Lender: Chase	Catherine Fredinburg	corporation

AFFORDABLE HOUSING IMPACT:

The Housing Commission's loan to the L.P. would provide for the rehabilitation and permanent gap financing of 111 units of affordable rental housing for families and one unrestricted manager's unit. Housing Commission rent and occupancy restrictions would be recorded against the property for 55 years. The units will be affordable to Area Median Income (AMI) levels ranging from 30% AMI to 60% AMI. Attachment 4 summarizes the project's 112 units by type, proposed rents, and affordability.

FISCAL CONSIDERATIONS:

The estimated total development cost is \$22,430,109 (\$200,269). The Housing Commission's proposed cost for development of these 112 rental housing units would be \$6,400,000 (land cost: \$2,440,000 plus the proposed development loan: \$3,960,000; \$35,357 per unit and \$16,500 per bedroom, 240 bedrooms).

The Housing Commission's proposed purchase of the land and 55-year residual receipts permanent loan are contingent upon TCAC's prior award and concurrent closing of 9% tax credits to the Project.

Appraisals and Option to Purchase Improvements

On March 24, 2009, the Housing Authority approved updating the Housing Commission's Real Estate Acquisition Policy 300.103, and delegated to the President and Chief Executive Officer and the Board of Commissioners the authority to acquire additional affordable housing under specific conditions. Section 11 of Policy 300.103 provides "the purchase price for the property to be acquired must be at or below the appraised value."

Wayne Froboese, MAI, appraised the Property at \$2,440,000 as of May 20, 2009, which equals the Housing Commission's purchase price for the Property. In addition, the Housing Commission will have an option to purchase the improvements to the Property at the end of the of the fifteen-year tax credit compliance period, for an amount equal to the greater of fair market value (restricted value of the leasehold) or the sum of exit taxes, forgiveness of all principal and interest on the Housing Commission loan, plus assumption of the first position loan. Further, Mr. Froboese was asked to appraise whether the total amount to be paid by the Housing Commission for the Property and the improvements (provided the Housing Commission exercises the option to purchase the improvements) is equal to or less than fair market value. The appraisal establishes that the total Housing Commission contribution toward both land and buildings is below appraised value. The appraisal conclusions confirm: (1) the land valuation is \$2,440,000, which is the purchase price; (2) the value of the improvements at the year 15 exercise of option (at restricted rents) is \$7,470,000 compared to the balance of the Housing Commission's contribution minus potential exit taxes is worth \$3,890,000 at year 15.

Proposed Land Lease

The Housing Commission would lease the land to the L.P., at an annual rent of 4.5% of gross income up to 100% of the project's residual receipts, with any amounts exceeding the project's residual receipts being forgiven. The land lease would be a triple net lease with all costs paid by the L.P. For year one, gross income is estimated at \$1,161,405 (Attachment 4 page 7) and the estimated residual land lease payment (at 4.5% of gross) would be \$ 52,263. However, year one's residual receipts are estimated to be \$18,634. Because the developer has deferred a portion of its developer fee for the project (\$495,065), the developer fee must be paid first in accordance with tax credit program requirements, and therefore the first year's lease payment will be forgiven, as well as subsequent years until year 6 when the deferred developer fee is paid in full. At year 6 the lease payment is estimated at \$14,997.

Proposed Loan

Concurrently with closing on the tax credits, the Housing Commission will make the \$3,960,000 residual receipts loan for rehabilitation and permanent financing to the L.P. The Housing Commission loan shall bear 3% simple interest. The Housing Commission loan is expected to be secured by a second trust deed recorded against the leasehold. The Housing Commission deed of trust will be subordinate to the construction loan deed of trust and then to the permanent bank loan deed of trust, both of which will be recorded against the leasehold only and not the fee). The Commission loan would be recourse until the timely completion of the project, after which it would become non recourse (as required by the tax credit program). To minimize public financing, the Housing Commission's loan would require the developer to obtain the largest possible bank loan. Staff has identified several possible funding sources

for the loan described herein, which include local funds, HUD HOME funds and the bank line of credit and permanent financing that the Housing Commission is seeking to obtain. A final determination of the funding source(s) to be used will be made by the CEO. In addition to the Housing Commission loan, other estimated permanent financing sources include private bank financing and tax credit equity. The following table outlines the various estimated funding sources for the proposed project:

Project Estimated Permanent Sources of Funds	Amount
Private Bank Loan	\$6,200,000
San Diego Housing Commission land acquisition plus loan (\$57,143/unit)	\$6,400,000
Tax Credit Equity	\$8,098,023
HUD-TCAP	\$1,304,380
Deferred Developer Fee	\$495,065
General Partner Equity	\$100
Estimated Total Sources of Funds	\$22,497,568

Proposed Permanent Loan - Annual payments on the Housing Commission loan will equal 50% of residual receipts payments. If the option to purchase at year 15 is not utilized, the note would be due and payable in 55 years from the funding of the Commission Loan.

Cost Savings - Cost savings will be used as allowed by TCAC. If allowed by TCAC, additional tax credit and/or additional senior debt will be used to reduce the principal of the Housing Commission's loan. The developer will obtain the largest possible private first mortgage and largest possible tax credit equity. The cost savings, and possible Housing Commission loan reduction, will be determined at the end of construction and TCAC placed in service date, with a TCAC-required audit certification which shall: reflect all costs, expenditures and funds used for the project, up to the funding of the permanent loan; and include a TCAC-provided sources and uses closing form reflecting the actual total costs incurred up to the funding of the permanent loan.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The Housing Authority approved a \$6,676,000 loan for this development on September 23, 2008 (HAR08-35) contingent on the development receiving MHP funds. The MHP funds were not obtained. Extension of that loan commitment (at a reduced loan amount) is one of the recommendations being made by staff in this report.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The acquisition and rehabilitation of Arbor Village by LINC was approved by the Encanto Community Planning Group on September 15, 2008.

ENVIRONMENTAL REVIEW:

The City of San Diego determined on September 25, 2008 that this project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA guidelines Section 15301 (existing facilities). The City of San Diego also determined this project to be Categorical Excluded pursuant to the National Environmental Policy Act (NEPA) Section 58.35(a) (3) (ii) on September 25, 2008.

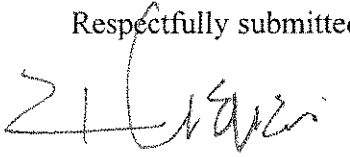
KEY STAKEHOLDERS & PROJECTED IMPACTS:

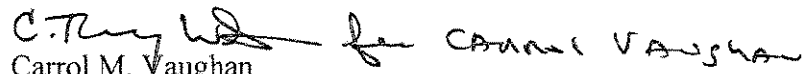
Stakeholders include: LINC Housing Corporation, which controls the L.P. and is also seller of the property, the neighborhood community of Encanto which will obtain an additional 111 affordable housing units and one manager's unit, and the City of San Diego as this project supports its efforts to increase affordable housing.

Arbor Village will add to the City's housing stock for low-income families by restricting 111 units for 55 years and will create construction jobs in San Diego to help stimulate the area's economy. The proposed loan would enable the project to compete for TCAC tax credits without delay. Construction may start as soon as February 15, 2010. For the reasons stated above, staff recommends project funding upon the terms and conditions outlined in this report.

Respectfully submitted,

Approved by,


D. Lawrence Clemens
Senior Vice President


Carroll M. Vaughan
Executive Vice President
and Chief Operating Officer

Attachments:

1. Real Estate Acquisitions Policy 300.103
2. Location Map
3. Site Plan
4. Development Summary
5. Development Timeline
6. SDHC General Application Form
7. Developer Disclosure Statement
8. Developer Financial Information
9. Resolution

Hard copies are available for review during business hours at the Housing Commission offices at 1122 Broadway, Suite 300, San Diego and at the City Clerk's office, 2nd floor, 202 "C" Street, San Diego. You may review docket materials on the San Diego Housing Commission website at www.sdhc.org.

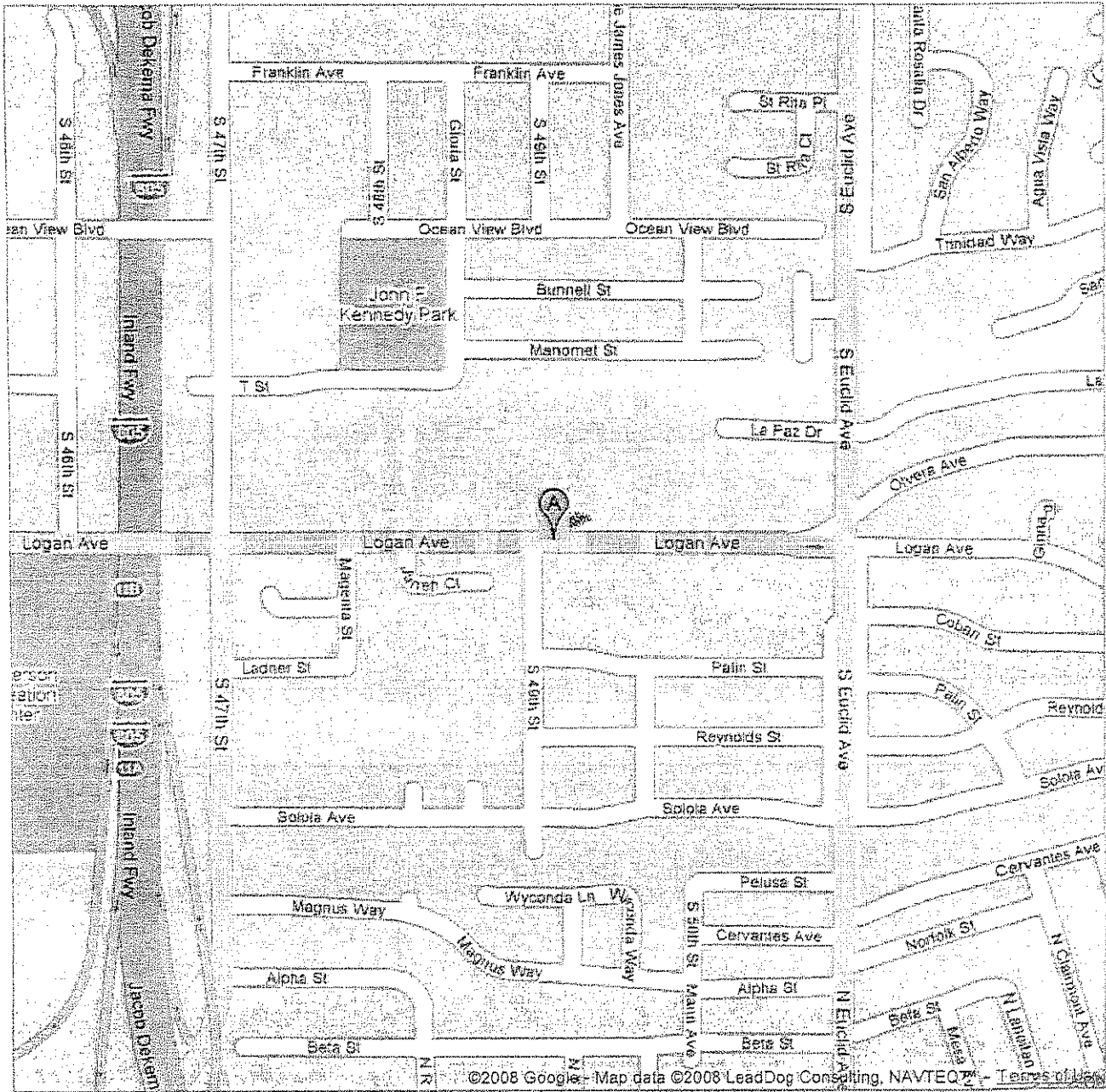
ATTACHMENT 1

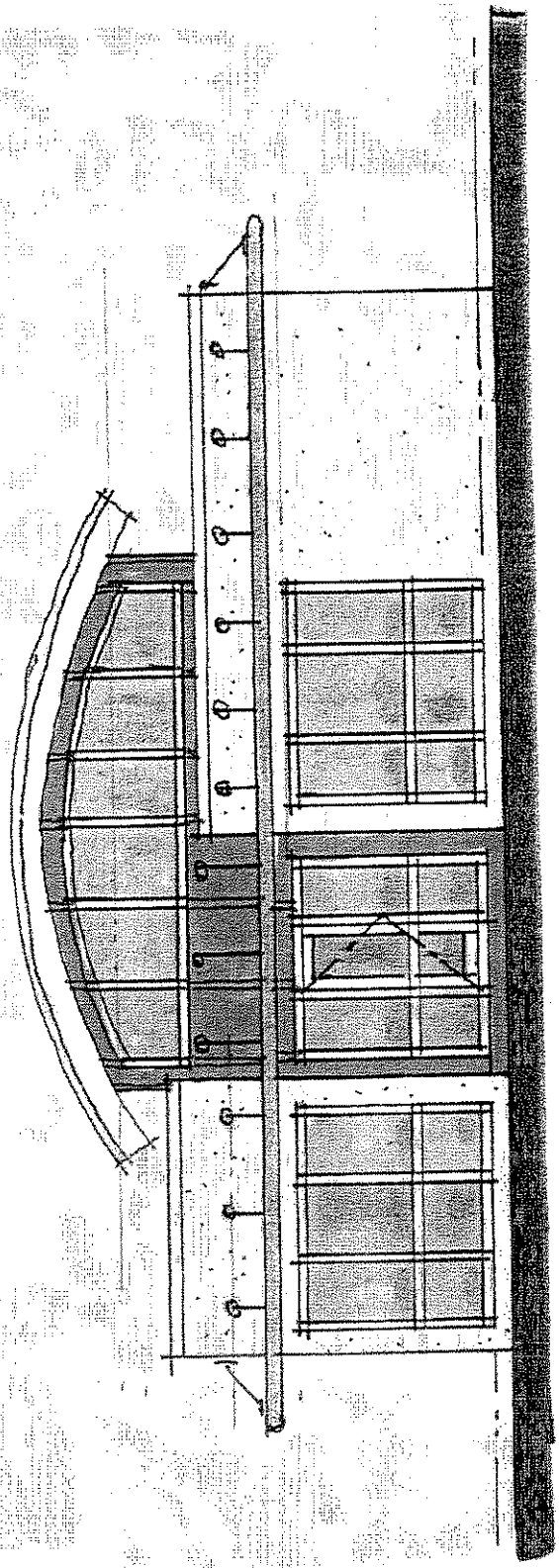
The Housing Commission submitted an application to transition from the Federal public housing program to the U.S. Department of Housing and Urban Development in March 2007 and received approval on September 10, 2007 to “dispose” of the public housing stock (excepting thirty-six units that were in acquisition stage resulting from a taking of units by the San Diego Unified School District). The approval included the transfer of title to the units to the Housing Commission and new Housing Choice Vouchers made available to the Housing Commission. In addition, as proposed in the original application, the Housing Commission agreed to leverage the equity in the former public housing units to create a minimum of 350 additional affordable units. The 1366 housing units that were the subject of this approval continue to be rented to low income households at rent levels affordable to either 50% AMI (\$41,300 for a family of four), 80% AMI (\$66,100 for a family of four) or at market rate rents, whichever is less.

On March 24, 2009, the Housing Authority approved updating the Housing Commission’s Real Estate Acquisitions Policy 300.103, and delegated, under specific conditions, to the President and Chief Executive Officer and the Board of Commissioners the authority to acquire single-family and multifamily properties for the purpose of providing additional affordable housing. The Housing Commission was also delegated the power and authority to acquire lending necessary and appropriate for any acquisition approved by it. In addition, under the new policy 300.103 the Housing Authority may ask to review the action within seven (7) days.

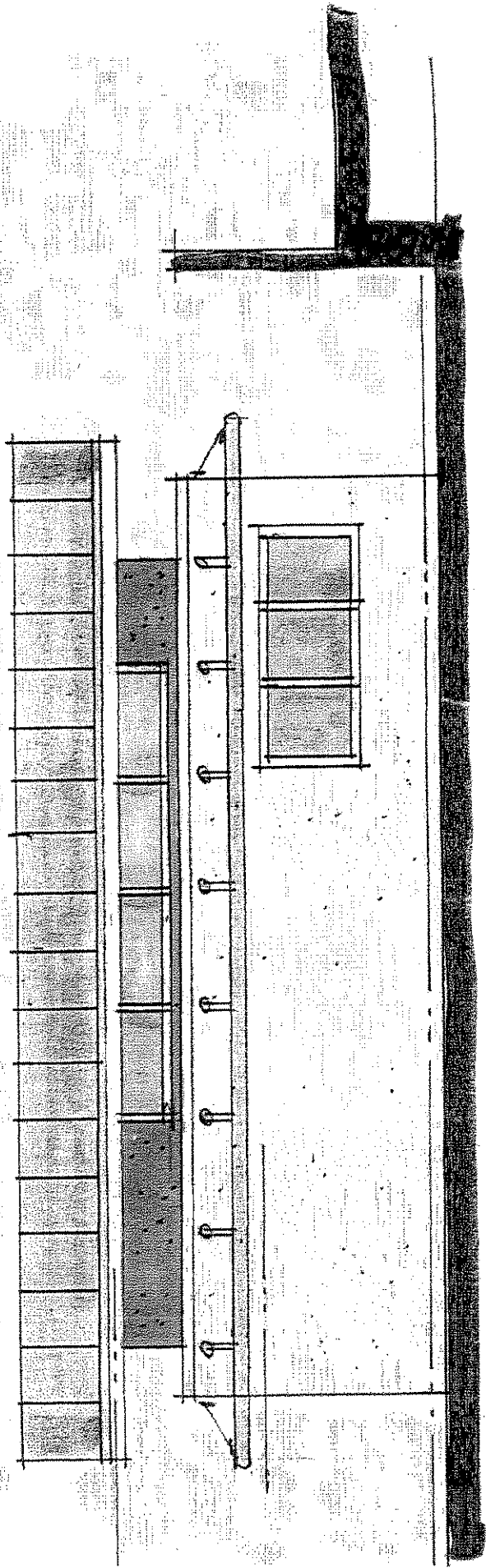
ATTACHMENT 2

4914 Logan Ave
San Diego, CA 92113

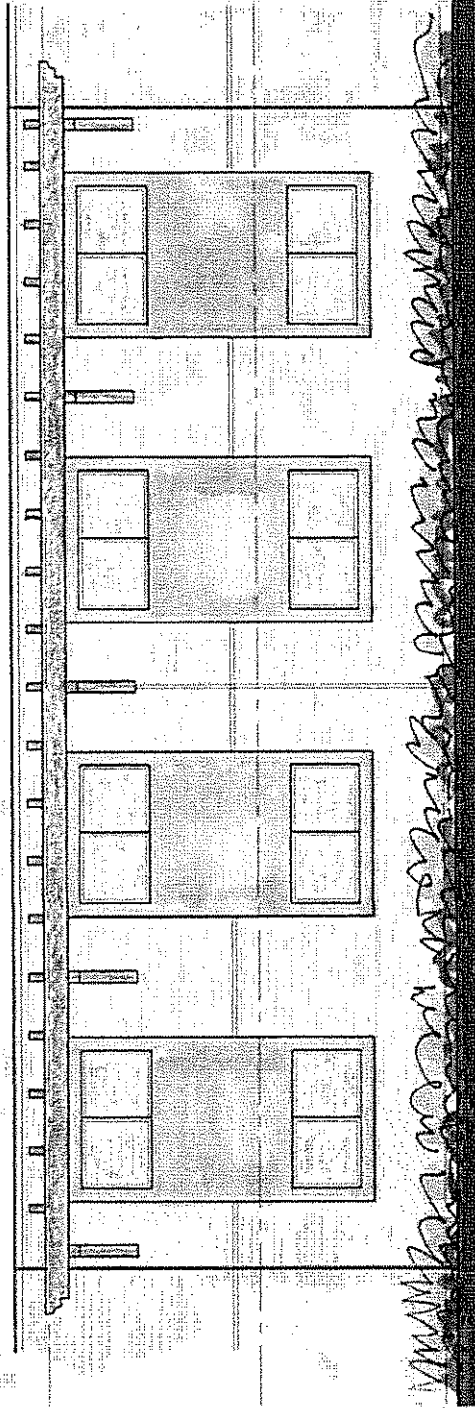




FRONT ELEVATION
ARBORE VILLAGE APPTS.
COMMUNITY CENTER



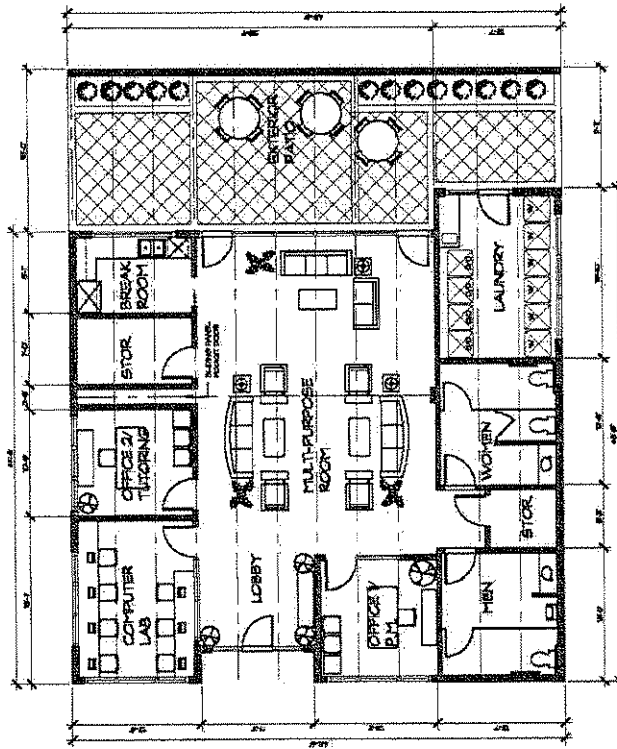
SIDE ELEVATION
AMBER VILLAGE APTS
COMMUNITY CENTER



LINC HOUSING
110 PINE AVENUE, SUITE 500
LONG BEACH, CA 90802-4422

ENHANCED STREET ELEVATION
ARBOR VILLAGE APARTMENTS
SAN DIEGO, CA
JUNE 4, 2009

ADVENT DESIGN GROUP
ARCHITECTURE / PLANNING
26522 LA ALAMEDA, SUITE 210
MISSION VIEJO, CA 92691



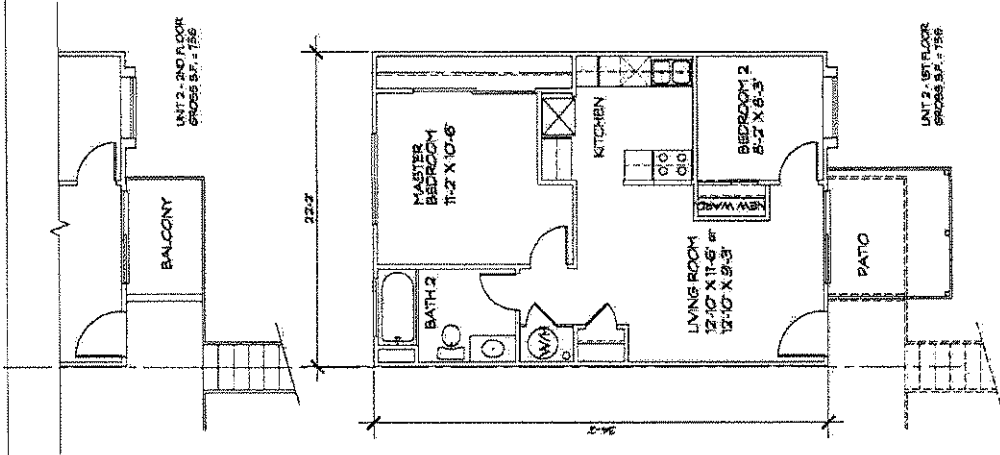
COMMUNITY CENTER (NOT INCLUDING LAUNDRY)
 GROSS S.F. = 1,266
 NET S.F. = 1,063

LAUNDRY
 GROSS S.F. = 217
 NET S.F. = 194

LINC HOUSING
 114 FINE AVENUE, SUITE 100
 LONG BEACH, CA 90801-4028

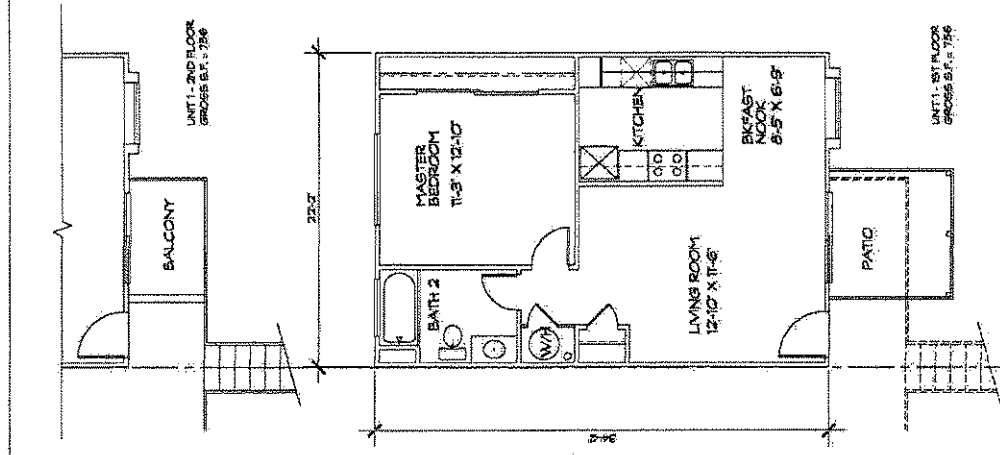
COMMUNITY CENTER
 ARBOR VILLAGE APARTMENTS
 SAN DIEGO, CA
 MAY 28, 2009

ADVENT DESIGN GROUP
 ARCHITECTURE | PLANNING
 2600 S. LA ALAMEDA, CA 92091

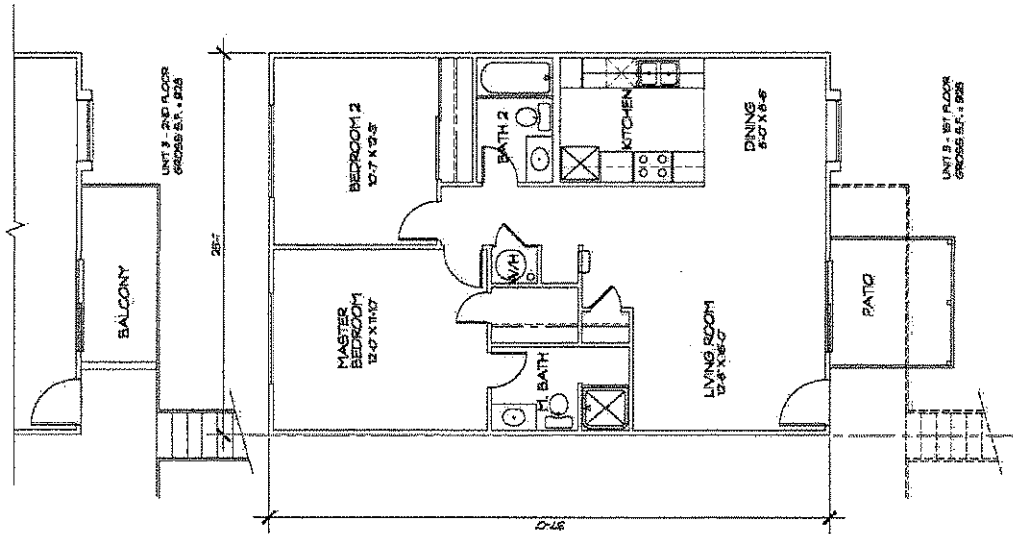


ADVENT DESIGN GROUP
 ARCHITECTURE | PLANNING
 28822 LA ALAMEDA, SUITE 210
 MISSION VIEJO, CA 92691

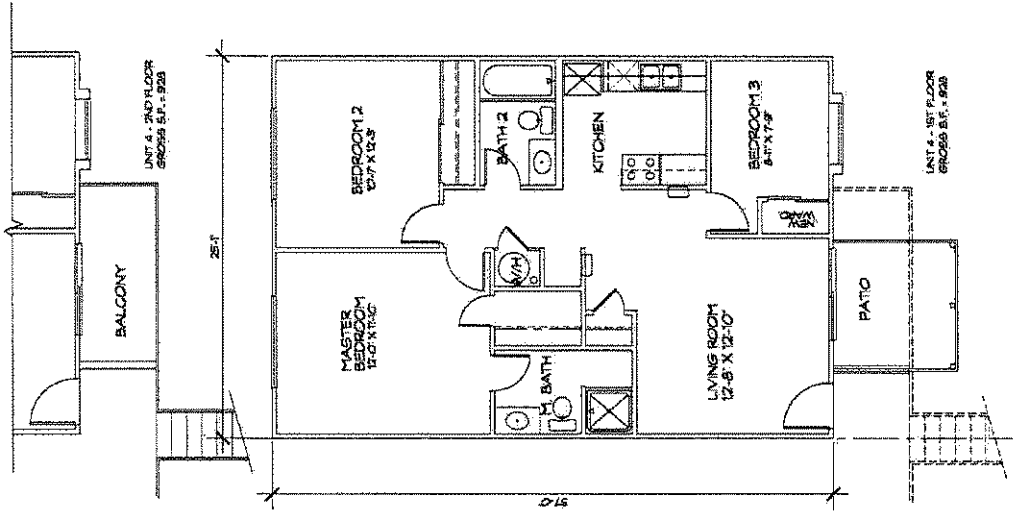
UNIT PLANS
 ARBOR VILLAGE APARTMENTS
 SAN DIEGO, CA
 JUNE 2, 2009



LINC HOUSING
 110 PINE AVENUE, SUITE 300
 LONG BEACH, CA 90805-4023

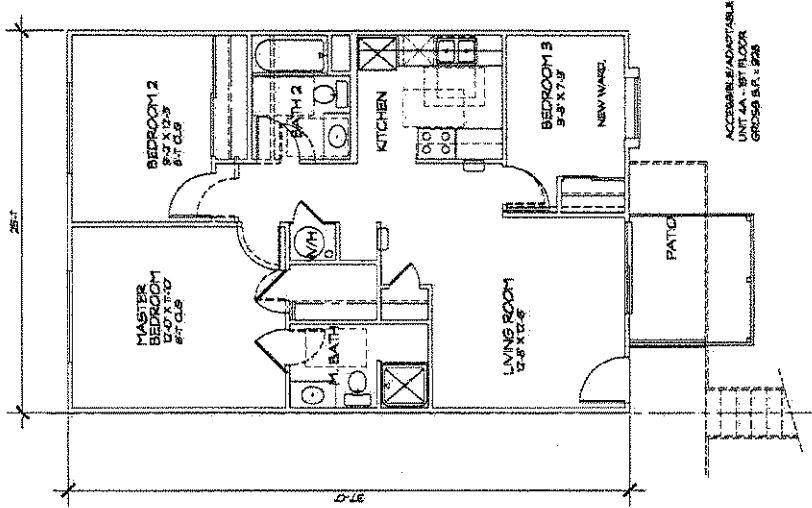


LINC HOUSING
110 PINE AVENUE, SUITE 500
LONG BEACH, CA 90805-4622



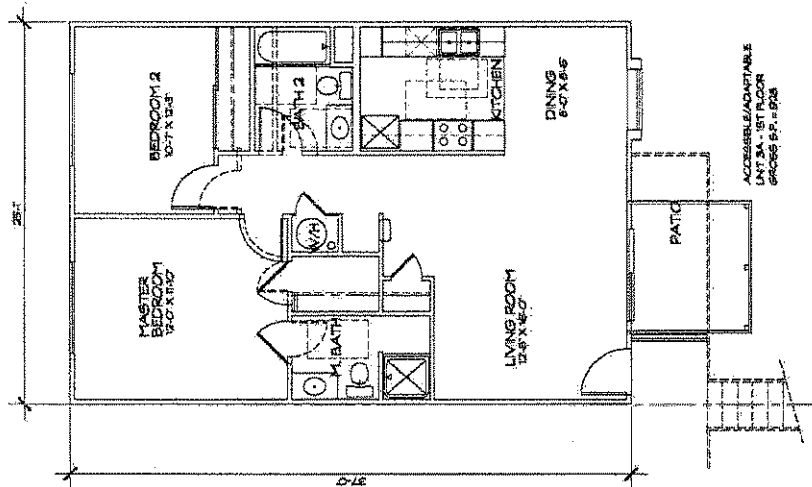
UNIT PLANS
ARBOR VILLAGE APARTMENTS
SAN DIEGO, CA
JUNE 2, 2009

ADVENT DESIGN GROUP
ARCHITECTURE | PLANNING
26822 LA ALAMOSA, SUITE 210
MISSION VIEJO, CA 92691



ACCESSIBLE/ADAPTABLE
 UNIT 1A - 1ST FLOOR
 GROSS S.F. = 926

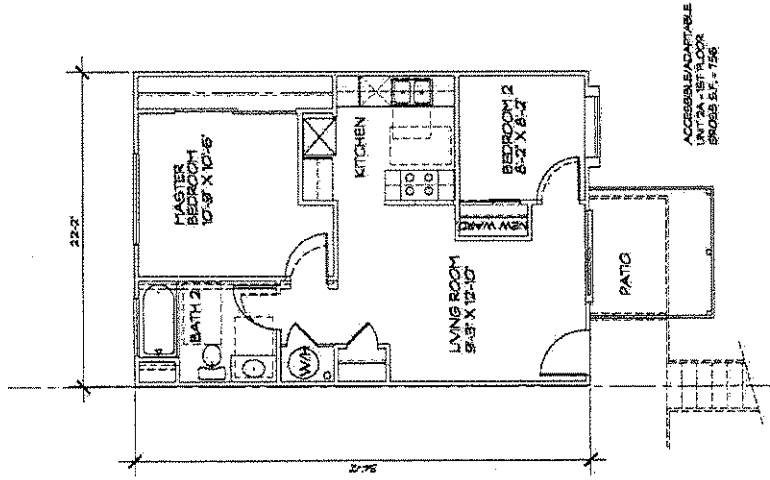
ADVENT DESIGN GROUP
 ARCHITECTURE | PLANNING
 2802 LA ANTONIO, SUITE 310
 MISSION VIEJO, CA 92691



ACCESSIBLE/ADAPTABLE
 UNIT 3A - 1ST FLOOR
 GROSS S.F. = 926

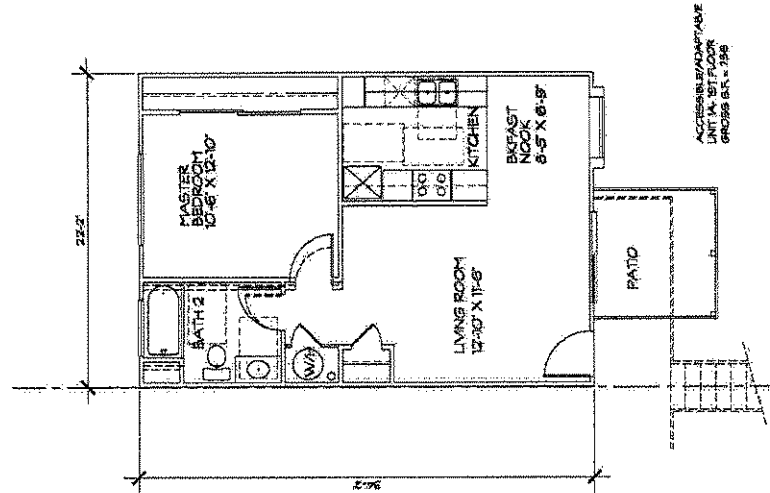
LINC HOUSING
 110 PINE AVENUE, SUITE 800
 LONG BEACH, CA 90802-6022

UNIT PLANS
 ARBOR VILLAGE APARTMENTS
 SAN DIEGO, CA
 JUNE 2, 2009



ADVENT DESIGN GROUP
 ARCHITECTURE | PLANNING
 26822 LA ALHAMBRA, SUITE 210
 MISSION VIEJO, CA 92691

UNIT PLANS
 ARBOR VILLAGE APARTMENTS
 SAN DIEGO, CA
 JUNE 2, 2009



LINC HOUSING
 110 PINE AVENUE, SUITE 800
 LONG BEACH, CA 90805-4822

**ATTACHMENT 4
 DEVELOPMENT SUMMARY
 RIVERWALK APARTMENTS**

Unit Affordability:

Total # of units: 112 units.
 Assisted units: 111 units.
 Percent of AMI: The restricted units will be affordable to Area Median Income (AMI) levels ranging from 30% AMI to 60% AMI, with initial rents as follows:

(a) Unit Type	(b) Unit Size (sq. ft.)	(c) No. of Units	(d) HC's Estd Restricted Monthly Rents -- Net of Utility Allowance	(e) Income Restrictions (% of Area Median Income)	(f) Estimated Monthly Market Rate Rents (from market study)	(g) Monthly Rent Savings vs. Market Rate
1br/1ba	706	7	\$479	30%	\$871	\$392
1br/1ba	706	4	\$727	45%	\$871	\$144
1br/1ba	706	16	\$757	50%	\$871	\$114
1br/1ba	706	9	\$783	60%	\$871	\$88
	Subtotal	36				
2br/1ba	928	5	\$536	30%	\$1,082	\$546
2br/1ba	928	3	\$814	45%	\$1,082	\$268
2br/1ba	928	11	\$906	50%	\$1,082	\$176
2br/1ba	928	5	\$973	60%	\$1,082	\$109
	Subtotal	24				
3br/2ba	928	11	\$594	30%	\$1,344	\$750
3br/2ba	928	5	\$903	45%	\$1,344	\$441
3br/2ba	928	23	\$1,007	50%	\$1,344	\$337
3br/2ba	928	12	\$1,209	60%	\$1,344	\$135
	Subtotal	51				
3br/2ba	1,025	1	Manager's unit	n/a	n/a	n/a
Total units		112				\$31,777
Total Annual Rent Savings						\$381,324

Development Cost (Estimated):

Total development cost (estimated): \$22,497,568
 HC total financing provided: \$ 6,400,000
 Total development cost per unit: \$ 200,269
 Housing Commission cost per unit: \$ 57,143

Sources of Funds (Estimated):

Bank Loan (first trust deed) \$ 6,200,000
 HC (2nd trust deed) \$ 3,960,000
 HC Land Acquisition \$ 2,440,000
 Tax Credit Equity \$ 8,098,023
 HUD-TCAP \$ 1,304,380
 Deferred Developer Fee \$ 495,065
 Total Sources of Funds \$22,497,568

July 3, 2009
Arbor Village Apartments Finance Plan

Proforma Summary:

Estimated gross income	\$ 1,161,405 (year 1) *
Estimated effective gross income:	\$ 1,103,335 (year 1)
Estimated annual expense:	\$ 526,397 (year 1)
Annual debt service:	\$ 507,539
Estimated residual cash flow:	\$ 12,799 (year 1)

* Estd land lease payment at 4 ½ % of gross = \$52,263, is not paid until deferred developer fee is paid off at year 6, and is capped by residual cash flow.

ATTACHMENT 5
ESTIMATED DEVELOPMENT TIMELINE - RIVERWALK APARTMENTS

- June 9 - Tax Credit Allocation Committee (TCAC) milestone: developer submitted application to TCAC for 9% tax credits (single round for 2009).
- July 10 - Housing Commission review of proposed loan.
- Aug 17 - Local funding commitments must be in place for TCAC's 9% tax credits.
- Sept 9 - TCAC announces awards for 9% tax credits single round 2009.
- Feb 6, 2010 - TCAC closing (150 days from award)
- Feb 15, 2010 - Estimated construction start.
- Feb 15, 2011 - Estimated Construction Completion and Occupancy.

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

DATE: May 21, 2009

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

REQUEST FOR: EARLY ASSISTANCE PROJECT FUNDING \$ 6,200,000
 TECHNICAL ASSISTANCE PREDEVELOPMENT LOAN \$ _____
 _____ PROJECT SUPPORT GRANT \$ _____

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

PROJECT CONDITION: UNIMPROVED SITE RESIDENTIAL COMMERCIAL
 YEAR BUILT: 1984 EXISTING STRUCTURE OTHER (DESCRIBE) _____

PROJECT NAME: Arbor Village Apartments
 ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
STREET CITY STATE ZIP
 LEGAL DESCRIPTION: 32 601 547-601-3200 33.02
LOT NO. BLOCK NO. SUBDIVISION NAME ASSESSORS PARCEL NO. CENSUS TRACT

SITE CONTROL: DEED OPTION OTHER (DESCRIBE) _____

DWELLING UNITS:	<u>36</u>	<u>25</u>	<u>51</u>			<u>112</u>	<u>2</u>
	0-BEDROOM	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	# of stories
HC Assisted Units:	<u>36</u>	<u>24</u>	<u>51</u>			<u>###</u>	
	0-BEDROOM	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	TOTAL UNITS

EXISTING USES OF PROPERTY: multi-family rental No. of Building: 13

DESCRIPTION OF PROPOSED PROJECT: Acquisition and rehabilitation of a 112-unit multi-family rental housing complex.
 Appraised Value \$11,310,000

APPLICANT/BORROWER:
 NAME: LINC Housing Corporation CONTACT PERSON: Mr. Conor Weir
 ADDRESS: 110 Pine Avenue, Suite 500 Long Beach CA 90802
STREET CITY STATE ZIP
 TELEPHONE: (562) 684-1131 FAX NO. (562) 684-1137 E-mail address eir@linchousing

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

TAXPAYER IDENTIFICATION NUMBER: 33-0578620

CURRENT OWNER/SELLER INFORMATION:
 NAME: LINC Housing Corporation LEGAL DESCRIPTION: nonprofit corporation
 ADDRESS: 110 Pine Avenue, Suite 500 Long Beach CA 90802
STREET CITY STATE ZIP
 TELEPHONE: (562) 684-1131 FAX NO. (562) 684-1137

ZONING: MF-2500 COMMUNITY PLAN AREA: Encanto
 COUNCIL DISTRICT: 4 SCHOOL DISTRICT: San Diego Unified

SIGNATURE _____ PRINT NAME _____ TITLE _____ DATE _____

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

PLEASE PROVIDE ALL KNOWN INFORMATION AS REQUESTED

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

PROJECT NAME: Arbor Village
 ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
ADDRESS CITY STATE ZIP
 OWNERSHIP NAME: LINC Housing Corporation DATE: May 21, 2009

1.	<u>LINC Housing Corporation</u> NAME <u>110 Pine Avenue, Suite 500</u> STREET/PO <u>Long Beach</u> <u>CA</u> <u>90802</u> CITY STATE ZIP	<u>n/a</u> TITLE/POSITION <u>(562) 684-1135</u> BUSINESS TELEPHONE NO.	<u>owner</u> NATURE OF INTEREST <u>100</u> PERCENT INTEREST
2.	<u>Don McIntyre</u> NAME <u>330 S. Arroyo Boulevard</u> STREET/PO <u>Pasadena</u> <u>CA</u> <u>91105</u> CITY STATE ZIP	<u>board member</u> TITLE/POSITION <u>(626) 298-0947</u> BUSINESS TELEPHONE NO.	<u>board member</u> NATURE OF INTEREST PERCENT INTEREST
3.	<u>James R. Walther</u> NAME <u>350 S. Grand Avenue, 25th Floor</u> STREET/PO <u>Los Angeles</u> <u>CA</u> <u>90071</u> CITY STATE ZIP	<u>board member</u> TITLE/POSITION <u>(213) 229-9597</u> BUSINESS TELEPHONE NO.	<u>board member</u> NATURE OF INTEREST PERCENT INTEREST
4.	<u>Robert J. Norris, Jr.</u> NAME <u>2192 Dupont Circle, Suite 105</u> STREET/PO <u>Irvine</u> <u>CA</u> <u>92612</u> CITY STATE ZIP	<u>board member</u> TITLE/POSITION <u>(949) 863-9740</u> BUSINESS TELEPHONE NO.	<u>board member</u> NATURE OF INTEREST PERCENT INTEREST
5.	<u>James Heimler</u> NAME <u>19510 Ventura Boulevard, Suite 210</u> STREET/PO <u>Tarzana</u> <u>CA</u> <u>91356</u> CITY STATE ZIP	<u>board member</u> TITLE/POSITION <u>(818) 343-5393</u> BUSINESS TELEPHONE NO.	<u>board member</u> NATURE OF INTEREST PERCENT INTEREST
6.	<u>Richard N. Berger</u> NAME <u>City Hall - 333 90th Street</u> STREET/PO <u>Daly City</u> <u>CA</u> <u>94015</u> CITY STATE ZIP	<u>board member</u> TITLE/POSITION <u>(650) 991-8156</u> BUSINESS TELEPHONE NO.	<u>board member</u> NATURE OF INTEREST PERCENT INTEREST
7.	<u>Eileen Pollack Erickson</u> NAME <u>11949 W. Jefferson Boulevard, Suite 101</u> STREET/PO <u>Culver City</u> <u>CA</u> <u>90230</u> CITY STATE ZIP	<u>board member</u> TITLE/POSITION <u>(310) 305-3093</u> BUSINESS TELEPHONE NO.	<u>board member</u> NATURE OF INTEREST PERCENT INTEREST
8.	<u>Richard L. Garcia</u> NAME <u>550 W. Duarte Road, Suite 6</u> STREET/PO <u>Arcadia</u> <u>CA</u> <u>91007</u> CITY STATE ZIP	<u>board member</u> TITLE/POSITION <u>(626) 447-1124</u> BUSINESS TELEPHONE NO.	<u>board member</u> NATURE OF INTEREST PERCENT INTEREST

**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: Arbor Village
 ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
ADDRESS CITY STATE ZIP
 OWNERSHIP NAME: LINC Housing Corporation DATE: May 21, 2009

9	<u>Paul M. Nowatka</u> NAME <u>23020 Crenshaw Boulevard</u> STREET/PO <u>Torrance</u> <u>CA</u> <u>90505</u> CITY STATE ZIP	<u>board member</u> TITLE/POSITION <u>(310) 530-1365</u> BUSINESS TELEPHONE NO.	<u>board member</u> NATURE OF INTEREST PERCENT INTEREST
10	<u>Mark Pisano</u> NAME <u>650 Childs Way, 108</u> STREET/PO <u>Los Angeles</u> <u>CA</u> <u>90089</u> CITY STATE ZIP	<u>board member</u> TITLE/POSITION <u>(213) 740-1280</u> BUSINESS TELEPHONE NO.	<u>board member</u> NATURE OF INTEREST PERCENT INTEREST
11	<u>Kenneth J. Sofge</u> NAME <u>1800 Century Park East, Suite 420</u> STREET/PO <u>Los Angeles</u> <u>CA</u> <u>90067</u> CITY STATE ZIP	<u>board member</u> TITLE/POSITION <u>(310) 789-3086</u> BUSINESS TELEPHONE NO.	<u>board member</u> NATURE OF INTEREST PERCENT INTEREST
12	<u>Elaine M. Winer</u> NAME <u>3231 Torrance Boulevard</u> STREET/PO <u>Torrance</u> <u>CA</u> <u>90503</u> CITY STATE ZIP	<u>board member</u> TITLE/POSITION <u>(310) 618-2960</u> BUSINESS TELEPHONE NO.	<u>board member</u> NATURE OF INTEREST PERCENT INTEREST
13	<u>Alta Duke</u> NAME <u>110 Pine Avenue, Suite 500</u> STREET/PO <u>Long Beach</u> <u>CA</u> <u>90802</u> CITY STATE ZIP	<u>board member</u> TITLE/POSITION <u>(562) 684-1100</u> BUSINESS TELEPHONE NO.	<u>board member</u> NATURE OF INTEREST PERCENT INTEREST
14	<u>Dee Hardison</u> NAME <u>110 Pine Avenue, Suite 500</u> STREET/PO <u>Long Beach</u> <u>CA</u> <u>90802</u> CITY STATE ZIP	<u>board member</u> TITLE/POSITION <u>(562) 684-1100</u> BUSINESS TELEPHONE NO.	<u>board member</u> NATURE OF INTEREST PERCENT INTEREST
15.	 NAME STREET/PO CITY STATE ZIP	 TITLE/POSITION BUSINESS TELEPHONE NO.	 NATURE OF INTEREST PERCENT INTEREST
16.	 NAME STREET/PO CITY STATE ZIP	 TITLE/POSITION BUSINESS TELEPHONE NO.	 NATURE OF INTEREST PERCENT INTEREST

USE ADDITIONAL SHEETS AS NECESSARY

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

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

DATE: May 21, 2009

PROJECT TYPE ACQUISITION ACQUISITION & REHABILITATION RENTAL
 NEW CONSTRUCTION REHABILITATION OWNERSHIP

PROJECT NAME: Arbor Village Apartments
 ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
 STREET CITY STATE ZIP

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

Type (X) in ONE box	Gas (G) or Electricity (E) FILL IN ALL BOXES G or E	Paid by Tenant (T) or Owner/Landlord (L) FILL IN ALL BOXES T or L
<input type="checkbox"/> Apartment	Heat <u>G</u> <u>T</u>	
<input type="checkbox"/> Duplex, Townhouse	Cooking <u>E</u> <u>T</u>	
<input type="checkbox"/> House, Mobile Home	Water Heater <u>G</u> <u>T</u>	
	Water/Sewer <u>L</u>	
	Basic Electric <u>T</u>	

INCOME BY UNIT TYPE

COLUMN:	A	B	C	D	E	F	G	H	I	J	K	L	M
	BASIS FOR RENT*	NO. OF UNITS	BED-ROOMS PER UNIT	BATH-ROOMS PER UNIT	SQ FT PER UNIT	CURRENT RENT	MONTHLY HOUSING COST PER UNIT	LESS: MONTHLY UTILITY ALLOW. PER UNIT	EQUALS: MONTHLY Tenant Paid RENT PER UNIT	COMPARE TO: MONTHLY MARKET RENT PER UNIT	AFFORDABILITY LEVEL: PERCENT MEDIAN INCOME**	YEARLY GROSS RENTS ALL UNITS	YEARLY MARKET RENTS
	TC	7	1	1.00	706	\$ 930	\$ 464	\$ 17	\$ 447	\$ 871	31 %	\$ 37,548	\$ 73,164
	TC	5	2	1.00	928	\$ 1130	\$ 557	\$ 22	\$ 535	\$ 1,082	33 %	\$ 32,100	\$ 64,920
	SDHC	11	3	2.00	928	\$ 1325	\$ 620	\$ 26	\$ 594	\$ 1,344	33 %	\$ 78,408	\$ 177,408
	TC	4	1	1.00	706	\$ 930	\$ 696	\$ 17	\$ 679	\$ 871	46 %	\$ 32,592	\$ 41,808
	TC	3	2	1.00	928	\$ 1130	\$ 835	\$ 22	\$ 813	\$ 1,082	50 %	\$ 29,268	\$ 38,952
	SDHC	5	3	2.00	928	\$ 1325	\$ 929	\$ 26	\$ 903	\$ 1,344	50 %	\$ 54,180	\$ 80,640
	TC	16	1	1.00	706	\$ 930	\$ 774	\$ 17	\$ 757	\$ 871	52 %	\$ 145,344	\$ 167,232
	TC	11	2	1.00	928	\$ 1130	\$ 928	\$ 22	\$ 906	\$ 1,082	55 %	\$ 119,592	\$ 142,824
	SDHC	23	3	2.00	928	\$ 1325	\$ 1,033	\$ 26	\$ 1,007	\$ 1,344	55 %	\$ 277,932	\$ 370,944
	TC	9	1	1.00	706	\$ 930	\$ 800	\$ 17	\$ 783	\$ 871	53 %	\$ 84,564	\$ 94,068
	TC	5	2	1.00	928	\$ 1130	\$ 995	\$ 22	\$ 973	\$ 1,082	59 %	\$ 58,380	\$ 64,920
	SDHC	12	3	2.00	928	\$ 1325	\$ 1,235	\$ 26	\$ 1,209	\$ 1,344	66 %	\$ 174,096	\$ 193,536
						\$	\$	\$	\$	\$	%	\$	\$
	MGR	1	2	1.00	928	\$	\$	\$	\$	\$	%	\$	\$
	MGR					\$	\$	\$	\$	\$	%	\$	\$

* Indicate Tax Credit Rents with "TC", Housing Commission Rents with "SDHC", HOME rents with "HOME", and Resident Manager's unit(s) with "MGR (bottom two rows)."
 ** This calculation is based on a household size of one plus the bedroom type; Please note that using tax credit rents may produce a different AMI percentage.

TOTAL RENT (YEAR)	\$ 1,124,004	\$ 1,510,416
Comp. to 90% of Market:	\$ 1,124,004	\$ 1,359,374

OTHER INCOME	laundry / vending	\$ 26,659
	miscellaneous	\$ 10,742
		\$

TOTAL ANNUAL INCOME \$1,161,405

TOTAL UNITS 112

TOTAL UNIT SQ. FT. 95,944 + TOTAL COMMUNITY FACILITIES SQ. FT. 1,800

TOTAL SQ. FT. 97,744

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

DATE: May 21, 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: Arbor Village Apartments
 ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
STREET CITY STATE ZIP
 TOTAL NUMBER OF UNITS: ##

OPERATING EXPENSE ITEM	ANNUAL COST	COST PER UNIT	COST PER SQ. FT.
Administrative Expenses			
Office Supplies & Equipment	\$ 2,100	\$ 19	\$ 0.02
Telephone	\$ 3,000	\$ 27	\$ 0.03
Training & Travel	\$ 1,500	\$ 13	\$ 0.02
Payroll Services	\$	\$	\$
Program Services	\$ 26,208	\$ 234	\$ 0.27
Other: payroll and payroll taxes	\$ 163,130	\$ 1,457	\$ 1.67
Subtotal Percent of Total <u>37%</u>	\$ 195,938	\$ 1,749	\$ 2.00
Marketing Expenses			
Advertising	\$ 4,500	\$ 40	\$ 0.05
Other:	\$	\$	\$
Subtotal Percent of Total <u>1%</u>	\$ 4,500	\$ 40	\$ 0.05
Professional Fees			
Property Management	\$ 58,756	\$ 525	\$ 0.60
Auditing Services	\$ 8,000	\$ 71	\$ 0.08
Legal Services	\$ 8,500	\$ 76	\$ 0.09
Other:	\$	\$	\$
Subtotal Percent of Total <u>14%</u>	\$ 75,256	\$ 672	\$ 0.77
Utilities			
Electric	\$ 11,500	\$ 103	\$ 0.12
Gas	\$ 5,000	\$ 45	\$ 0.05
Water/Sewer	\$ 69,808	\$ 623	\$ 0.71
Other:	\$	\$	\$
Subtotal Percent of Total <u>16%</u>	\$ 86,308	\$ 771	\$ 0.88
Contract Services			
Exterminating	\$ 2,700	\$ 24	\$ 0.03
Trash Removal	\$ 13,000	\$ 116	\$ 0.13
Security Patrol	\$ 500	\$ 4	\$ 0.01
Building/Grounds Maintenance	\$ 26,037	\$ 232	\$ 0.27
Janitorial Services	\$ 6,700	\$ 60	\$ 0.07
Repair Services	\$ 20,000	\$ 179	\$ 0.20
Elevator & Other Equipment	\$	\$	\$
Garage Operations/Maintenance	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total <u>13%</u>	\$ 68,937	\$ 616	\$ 0.71
Cleaning & Decorating			
Painting Supplies	\$ 10,000	\$ 89	\$ 0.10
Grounds Supplies	\$ 16,587	\$ 148	\$ 0.17
Other:	\$	\$	\$
Subtotal Percent of Total <u>5%</u>	\$ 26,587	\$ 237	\$ 0.27
Taxes & Insurance			
Real Property Tax Assessment	\$ 4,000	\$ 36	\$ 0.04
Property Insurance	\$ 26,231	\$ 234	\$ 0.27
Director's & Officer's Insurance	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total <u>6%</u>	\$ 30,231	\$ 270	\$ 0.31
Other			
SDHC Monitoring Fees	\$ 5,040	\$ 45	\$ 0.05
Other: replacement reserve	\$ 33,600	\$ 300	\$ 0.34
Other:	\$	\$	\$
Other:	\$	\$	\$
Subtotal Percent of Total <u>7%</u>	\$ 38,640	\$ 345	\$ 0.40
Total Annual Operating Costs	\$ 526,397	\$ 4,700	\$ 5.39

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

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

DATE: May 21, 2009

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

PROJECT NAME: Arbor Village Apartments
 ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
STREET CITY STATE ZIP
 Number of Units 112

DEVELOPMENT COST ITEM	PERCENT	AMOUNT
ACQUISITION / LAND COST		
LAND		\$ 2,440,000
BUILDINGS		\$ 10,540,000
SUBTOTAL		\$ 12,980,000
LEGAL/BROKER'S FEE/TITLE		\$ 14,235
OTHER		\$ 1,704,010
TOTAL ACQUISITION / LAND COST		\$ 14,698,245
REHABILITATION / CONSTRUCTION		
SITE WORK		\$ 100,000
DEMOLITION		\$
STRUCTURES		\$ 2,855,675
TOTAL HARD COSTS		\$ 2,955,675
GENERAL REQUIREMENTS	6.0 %	\$ 177,300
CONTRACTOR'S OVERHEAD	2.0 %	\$ 59,100
CONTRACTOR'S PROFIT	6.0 %	\$ 177,300
TOTAL REHABILITATION / CONSTRUCTION		\$ 3,369,375
CONSTRUCTION CONTINGENCY		\$ 395,125
BOND PREMIUM		\$ 29,557
CONSTRUCTION LOAN		
CONSTRUCTION INTEREST COST		\$ 536,300
APPLICATION FEE		\$
LOAN ORIGINATION FEE		\$ 119,600
OTHER		\$ 20,000
		\$ 675,900
PERMANENT LOAN		
APPLICATION FEE		\$
LOAN ORIGINATION FEE		\$ 62,000
OTHER		\$
		\$ 62,000
RELOCATION COST		\$ 674,200
ARCHITECTURAL FEES		
DESIGN		\$ 50,000
SUPERVISION		\$
TOTAL ARCHITECTURAL FEES	0.0 %	\$ 50,000
SURVEYS, SOIL BORINGS, & ENGINEERING		\$ 36,637

DEVELOPMENT COST ITEM	PERCENT	AMOUNT
LEGAL, PERMIT, & AUDIT		
SDHC'S LEGAL (not to exceed)		\$ 5,000
BORROWER'S LEGAL		\$ 100,000
LENDERS' LEGAL		\$ 35,000
PERMITS		\$ 15,000
TITLE & RECORDING		\$ 35,000
INSURANCE		\$ 10,000
AUDIT		\$ 25,000
TAXES DURING CONSTRUCTION		\$ 73,500
OTHER		\$
TOTAL LEGAL, PERMIT, & AUDIT		\$ 298,500
OTHER COSTS		
DEVELOPER'S FEE	6.2 %	\$ 1,400,000
CONSULTANT FEE	0.2 %	\$ 52,500
APPRAISAL COSTS		\$ 10,000
ENVIRONMENTAL STUDY		\$ 15,000
MARKET STUDY		\$ 7,500
MARKETING & RENT-UP		\$ 56,000
SDHC MONITOR SET-UP		\$ 500
SDHC LOAN ORIGINATION FEE		\$ 2,000
REPLACEMENT RESERVES <u>3</u> MONTHS		\$ 112,000
OPERATING RESERVES <u>3</u> MONTHS		\$ 254,790
		\$
REHABILITATION PROJECTS:		
SDHC TECHNICAL SERVICES FEE (\$5,000)		\$ 5,000
TCAC application / monitoring fee		\$ 90,989
furnishings		\$ 22,400
construction management		\$ 55,350
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
TOTAL OTHER COSTS		\$ 2,084,029
SOFT COSTS CONTINGENCY	3.94 %	\$ 124,000
TOTAL DEVELOPMENT COST		\$ 22,497,568

**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 NEW CONSTRUCTION REHABILITATION OWNERSHIP

NUMBER OF UNITS: 112

PROJECT NAME: Arbor Village Apartments

ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
STREET CITY STATE ZIP

POSITION	TERMS	COMMITMENT	AMORTIZED	DEFERRED	TAX CREDIT	GRANT	EQUITY
1ST Chase	30 YRS. 7.25% RATE	<input type="checkbox"/> N <input checked="" type="checkbox"/> Y DATE OR EXPECTED: 5/27/2009	\$ 6,200,000				
2ND SDHC	55 YRS. 3.00% RATE	<input type="checkbox"/> N <input checked="" type="checkbox"/> Y DATE OR EXPECTED: 7/10/2009	\$	\$ 6,400,000			
(Select one) Residual Receipts or Amortized	<input checked="" type="checkbox"/> <input type="checkbox"/>	Subsidy/Assisted Unit \$ 55,357 Subsidy/Assisted Bdrm \$ 25,941					
3RD HUD-TCAP	55 YRS. RATE	<input type="checkbox"/> N <input checked="" type="checkbox"/> Y DATE OR EXPECTED: 9/9/2009	\$	\$ 1,304,380			
4TH deferred developer fee	YRS. RATE	<input type="checkbox"/> N <input checked="" type="checkbox"/> Y DATE OR EXPECTED:	\$	\$ 495,065			
TAX CREDITS 9% LIHTC		<input type="checkbox"/> N <input checked="" type="checkbox"/> Y DATE OR EXPECTED: 9/9/2009			\$ 8,098,023		
EQUITY GP Equity		<input type="checkbox"/> N <input checked="" type="checkbox"/> Y DATE OR EXPECTED:					\$ 100
TOTAL \$ 22,497,568			\$ 6,200,000	\$ 8,199,445	\$ 8,098,023		\$ 100

	TOTAL	CLOSING	CONSTRUCTION PERIOD			COMPLETION 4TH QUARTER	RENT UP QTRS 5 & 6
			1ST QUARTER	2ND QUARTER	3RD QUARTER		
Chase	\$ 6,200,000	\$ 6,200,000	\$	\$	\$	\$	\$
SDHC	\$ 6,400,000	\$ 6,400,000	\$	\$	\$	\$	\$
HUD-TCAP	\$ 1,304,380	\$ 1,304,380	\$	\$	\$	\$	\$
deferred developer fee	\$ 495,065	\$ 495,065	\$	\$	\$	\$	\$
9% LIHTC	\$ 8,098,023	\$ 3,098,023	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$
GP Equity	* \$ -	\$	\$	\$	\$	\$	\$
	* \$ 22,497,468	\$ 17,497,468	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ -

Sources and Funding Schedule are out of balance

INFORMATION ON CONSTRUCTION LOAN

CONSTRUCTION LENDER: Chase

CONSTRUCTION TIME: 13 (MONTHS)

CONSTRUCTION INTEREST: 6.000 %

COMMITTED: YES NO

DATE OF COMMITMENT/EXPECTED: July 10, 2009

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

PLEASE PROVIDE ALL KNOWN INFORMATION - CHECK ALL BOXES THAT APPLY

Date: May 21, 2009

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

PROJECT NAME: Arbor Village Apartments
 ADDRESS: 4914 - 4998 Logan Avenue San Diego CA 92113
STREET CITY STATE ZIP

Replacement Reserve	\$ <u>33,600</u>	LP Asset Mgmt Fee	\$ <u>3,000</u>	GP Management Fee	\$ <u>20,000</u>
Rental Income	\$ <u>1,124,004</u>	Project Income Increase	<u>2.50</u> %	Mortgage Amount	\$ <u>6,200,000</u> %
Other Income	\$ <u>37,401</u>	Operating Exp. Increase	<u>3.50</u> %	Mortgage Rate	<u>7.250</u>
Operating Expenses	\$ <u>526,397</u>	Vacancy Loss	<u>5.00</u> %	Mortgage Term (Years)	<u>30</u>
LP & GP Annual Increase	<u> </u> %	Deferred Dev. Fee	\$ <u>200,000</u>	Interest on Deff. Dev. Fee	<u> </u> %

SDHC Participation	\$ <u>6,400,000</u>	Residual Receipts or Amortize	<input checked="" type="checkbox"/> <input type="checkbox"/>	Interest Rate	<u>3.000</u> %
Percent of Residual to HC	<u>42</u> %	Term (Years)	<u>55</u>		

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Gross Project Income	\$ <u>1,161,405</u>	\$ <u>1,190,440</u>	\$ <u>1,220,201</u>	\$ <u>1,250,706</u>	\$ <u>1,281,974</u>
Vacancy	\$ <u>58,070</u>	\$ <u>59,522</u>	\$ <u>61,010</u>	\$ <u>62,535</u>	\$ <u>64,099</u>
Effective Gross Income	\$ <u>1,103,335</u>	\$ <u>1,130,918</u>	\$ <u>1,159,191</u>	\$ <u>1,188,171</u>	\$ <u>1,217,875</u>
Operating Expense	\$ <u>526,397</u>	\$ <u>544,821</u>	\$ <u>563,890</u>	\$ <u>583,626</u>	\$ <u>604,053</u>
Net Operating Income	\$ <u>576,938</u>	\$ <u>586,097</u>	\$ <u>595,301</u>	\$ <u>604,545</u>	\$ <u>613,822</u>
Debt Service (1st)	\$ <u>507,539</u>	\$ <u>507,539</u>	\$ <u>507,539</u>	\$ <u>507,539</u>	\$ <u>507,539</u>
Coverage (1st)	<u>1.14</u>	<u>1.15</u>	<u>1.17</u>	<u>1.19</u>	<u>1.21</u>
Replacement Reserve	\$ <u>33,600</u>	\$ <u>33,600</u>	\$ <u>33,600</u>	\$ <u>33,600</u>	\$ <u>33,600</u>
Cash Flow	\$ <u>35,799</u>	\$ <u>44,958</u>	\$ <u>54,162</u>	\$ <u>63,406</u>	\$ <u>72,683</u>
LP Asset Management Fee	\$ <u>3,000</u>	\$ <u>3,000</u>	\$ <u>3,000</u>	\$ <u>3,000</u>	\$ <u>3,000</u>
GP Management Fee	\$ <u>20,000</u>	\$ <u>20,000</u>	\$ <u>20,000</u>	\$ <u>20,000</u>	\$ <u>20,000</u>
Deferred Dev. Fee Pmt.	\$ <u>12,799</u>	\$ <u>21,958</u>	\$ <u>31,162</u>	\$ <u>40,406</u>	\$ <u>49,683</u>
SDHC Land Lease Paymer	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Residual: HC Perm Loan	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Residual to Developer	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>

	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Income	\$ <u>1,314,023</u>	\$ <u>1,346,874</u>	\$ <u>1,380,546</u>	\$ <u>1,415,059</u>	\$ <u>1,450,436</u>
Vacancy	\$ <u>65,701</u>	\$ <u>67,344</u>	\$ <u>69,027</u>	\$ <u>70,753</u>	\$ <u>72,522</u>
Effective Gross Income	\$ <u>1,248,322</u>	\$ <u>1,279,530</u>	\$ <u>1,311,518</u>	\$ <u>1,344,306</u>	\$ <u>1,377,914</u>
Operating Expense	\$ <u>625,195</u>	\$ <u>647,076</u>	\$ <u>669,724</u>	\$ <u>693,164</u>	\$ <u>717,425</u>
Net Operating Income	\$ <u>623,127</u>	\$ <u>632,454</u>	\$ <u>641,794</u>	\$ <u>651,142</u>	\$ <u>660,489</u>
Debt Service (1st)	\$ <u>507,539</u>	\$ <u>507,539</u>	\$ <u>507,539</u>	\$ <u>507,539</u>	\$ <u>507,539</u>
Coverage (1st)	<u>1.23</u>	<u>1.25</u>	<u>1.26</u>	<u>1.28</u>	<u>1.30</u>
Replacement Reserve	\$ <u>33,600</u>	\$ <u>33,600</u>	\$ <u>33,600</u>	\$ <u>33,600</u>	\$ <u>33,600</u>
Cash Flow	\$ <u>81,988</u>	\$ <u>91,315</u>	\$ <u>100,655</u>	\$ <u>110,003</u>	\$ <u>119,350</u>
LP Asset Management Fee	\$ <u>3,000</u>	\$ <u>3,000</u>	\$ <u>3,000</u>	\$ <u>3,000</u>	\$ <u>3,000</u>
GP Management Fee	\$ <u>20,000</u>	\$ <u>20,000</u>	\$ <u>20,000</u>	\$ <u>20,000</u>	\$ <u>20,000</u>
Deferred Dev. Fee	\$ <u>43,992</u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
SDHC Land Lease Paymer	\$ <u>14,997</u>	\$ <u>60,609</u>	\$ <u>62,125</u>	\$ <u>63,678</u>	\$ <u>65,270</u>
Residual: HC Perm Loan	\$ <u> </u>	\$ <u>3,853</u>	\$ <u>7,765</u>	\$ <u>11,663</u>	\$ <u>15,540</u>
Residual to Developer	\$ <u> </u>	\$ <u>3,853</u>	\$ <u>7,765</u>	\$ <u>11,663</u>	\$ <u>15,540</u>

	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Gross Income	\$ <u>1,486,697</u>	\$ <u>1,523,864</u>	\$ <u>1,561,961</u>	\$ <u>1,601,010</u>	\$ <u>1,641,035</u>
Vacancy	\$ <u>74,335</u>	\$ <u>76,193</u>	\$ <u>78,098</u>	\$ <u>80,050</u>	\$ <u>82,052</u>
Effective Gross Income	\$ <u>1,412,362</u>	\$ <u>1,447,671</u>	\$ <u>1,483,863</u>	\$ <u>1,520,959</u>	\$ <u>1,558,983</u>
Operating Expense	\$ <u>742,535</u>	\$ <u>768,524</u>	\$ <u>795,422</u>	\$ <u>823,262</u>	\$ <u>852,076</u>
Net Operating Income	\$ <u>669,827</u>	\$ <u>679,147</u>	\$ <u>688,441</u>	\$ <u>697,697</u>	\$ <u>706,907</u>
Debt Service (1st)	\$ <u>507,539</u>	\$ <u>507,539</u>	\$ <u>507,539</u>	\$ <u>507,539</u>	\$ <u>507,539</u>
Coverage (1st)	<u>1.32</u>	<u>1.34</u>	<u>1.36</u>	<u>1.37</u>	<u>1.39</u>
Replacement Reserve	\$ <u>33,600</u>	\$ <u>33,600</u>	\$ <u>33,600</u>	\$ <u>33,600</u>	\$ <u>33,600</u>
Cash Flow	\$ <u>128,688</u>	\$ <u>138,008</u>	\$ <u>147,301</u>	\$ <u>156,558</u>	\$ <u>165,768</u>
LP Asset Management Fee	\$ <u>3,000</u>	\$ <u>3,000</u>	\$ <u>3,000</u>	\$ <u>3,000</u>	\$ <u>3,000</u>
GP Management Fee	\$ <u>20,000</u>	\$ <u>20,000</u>	\$ <u>20,000</u>	\$ <u>20,000</u>	\$ <u>20,000</u>
Deferred Dev. Fee	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
SDHC Land Lease Paymer	\$ <u>66,901</u>	\$ <u>68,574</u>	\$ <u>70,288</u>	\$ <u>72,045</u>	\$ <u>73,847</u>
Residual: HC Perm Loan	\$ <u>19,393</u>	\$ <u>23,217</u>	\$ <u>27,007</u>	\$ <u>30,756</u>	\$ <u>34,461</u>
Residual to Developer	\$ <u>19,393</u>	\$ <u>23,217</u>	\$ <u>27,007</u>	\$ <u>30,756</u>	\$ <u>34,461</u>

**SAN DIEGO HOUSING COMMISSION
ENVIRONMENTAL REVIEW REQUEST**

Date: May 21, 2009

PLEASE PROVIDE ALL KNOWN INFORMATION - CHECK ALL BOXES THAT APPLY

PROPOSED PROJECT NAME: Arbor Village Apartments

PROJECT STREET ADDRESS: 4914 - 4998 Logan Avenue ZIP CODE 92113

ASSESSOR'S PARCEL NO: 547-601-3200 ZONING: MF-2500

COMMUNITY PLANNING AREA: Encanto

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

DEVELOPER/SPONSOR OF PROPOSED PROJECT: LINC Housing Corporation

DEVELOPER'S ADDRESS: 110 Pine Avenue, Suite 500 Long Beach CA 90802
STREET CITY STATE ZIP

CONTACT PERSON: Mr. Conor Weir

PHONE: (562) 684-1131 FAX: (84-113)

EXISTING USE OF SITE (Check all that apply):

Vacant Residential Commercial Industrial Other (specify) _____

If residential, number of units: Studio 1-bedroom 2-bedroom
 3-bedroom 4-bedroom 5-bedroom _____ TOTAL

Number of buildings: _____ Number of stories: _____

Size of site (acres or square ft): _____ Age of structure(s): _____ Years

PROPOSED PROJECT TYPE (check all that apply):

New Construction Rehabilitation: Major Minor

Acquisition Acquisition & Rehabilitation Exterior Interior

Other (describe) _____

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

ATTACHMENT 7

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

1. Name of CONTRACTOR: LINC Housing Corporation
2. Address and Zip Code: 110 Pine Avenue, Suite 500 Long Beach, CA 90802
3. Telephone Number: (562) 684-1120
4. Name of Principal Contact for CONTRACTOR: Allison Riley
5. Federal Identification Number or Social Security Number of CONTRACTOR:
#330578620
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:

 A corporation (Attach Articles of Incorporation)

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

 A partnership known as:

(Name)
Check one
 General Partnership (Attach statement of General Partnership)
 Limited Partnership (Attach Certificate of Limited Partnership)

 A business association or a joint venture known as:

_____ (Attach joint venture or business association agreement)

 A Federal, State or local government or instrumentality thereof.

 Other (explain)
7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
August 11, 1993
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.

Yes, see attached list of board members and senior staff

- 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%.

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

(Attach extra sheet if necessary)

- 9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months. If yes, please explain in detail.
Yes, on June 24, 2009, LINC eliminated the Senior Vice President/COO and Vice President/Director of Asset Management positions.
- 10. Is it anticipated that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.
No
- 11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8 which gives such person or entity more than a computed 10% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR): N/A

<u>Name, Address and Zip Code</u>	<u>Position Title (if any and extent of interest</u>
---------------------------------------	--

- 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: For the purposes of this application the address and phone numbers of the officers and directors is
110 Pine Avenue Suite 500
Long Beach CA, 90802
(562) 684-1120
- 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.

Yes

LINC Full Board

Corporate Fund for Housing
LINC- Redondo Beach Seniors, Inc.
Seal Beach Affordable Housing Corporation

Partial Board Members

LINC Community Development Corporation
LINC Housing Development, LLC

For list of Board members see attached

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.
See attached

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

The following table illustrates Acquisition financing sources:

Sources	Amount	Status
Housing Partnership Network (HPN)	\$2,000,000	Closed August 6, 2008
Low Income Investment Fund (LIIF)	\$3,480,000	Closed August 6, 2008
Chase	\$8,220,000	Closed August 6, 2008
Total	\$13,700,000	

The following table illustrates Construction and Permanent financing sources:

Sources	Const. Amount	Perm. Amount	Status
Permanent Loan	\$11,955,300	\$6,200,000	Committed
Tax Credit Equity (TCAC - 9%)	\$1,362,372	\$8,098,023	Pending Allocation 9/09
TCAC Loan	\$1,304,380	\$1,304,380	Pending Allocation 9/09
San Diego Housing Commission	\$6,400,000	\$6,400,000	Pending Approval 7/09
Deferred Developer Fee	\$495,065	\$495,065	n/a
GP Equity	\$100	\$100	n/a
Costs Deferred until Completion	\$980,351	\$0	n/a
Total	\$22,497,568	\$22,497,568	

1. JPMorgan Chase Bank \$11,955,300 (Committed)

JPMorgan Chase Bank will provide the construction loan financing for the Arbor Village project. The loan funds, which will be in place for approximately 13 months, will have an estimated interest rate of 6.00%.

2. San Diego Housing Commission \$6,400,000 (Committed)

The San Diego Housing Commission will utilize \$2,440,000 of its funds to acquire fee simple interest in the land, which it will lease to the applicant for 65 years. The applicant shall pay below market lease payment from residual receipts that, in no event, shall exceed 4.5% of the project's gross annual income.

The remaining \$3,960,000 of the Commission's contribution will be structured as a below market loan. The interest rate will be 3 percent, with all payments due solely from residual receipts following completion of construction until repaid.

3. California Tax Credit Allocation Committee \$1,304,380

The project financing includes \$1,330,940 in American Recovery and Reinvestment Act of 2009 (ARRA) loan funds from CTCAC. The loan amount represents \$0.12 of the total Federal Credits. The loan, which will carry zero interest and have a term of 55 years, will be fully deferred.

4. Deferred Developer Fee \$495,065

The applicant expects to defer a portion of its developer fee during construction and after permanent close in the amount shown above. The deferred fee will not accrue interest.

5. Costs Deferred until Completion \$980,351

A number of costs will be deferred until permanent loan closing, including operating and replacement reserves, accounting costs, and title/recording related to the permanent financing in the total amount shown above.

6. General Partner Contribution \$100

The General Partner will provide an equity contribution in the amount shown above.

7. Net Syndication Proceeds \$1,362,372

Net investor equity contribution will be funded during the project construction period in the approximate amount shown above.

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

a. In banks/savings and loans:

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

Amount: \$

As of 05/28/09 Bank Account Balance:

Wells Fargo Bank 707 Wilshire Blvd., 18th Flr. Los Angeles, CA 90017
\$1,314,278

California Bank and Trust 3601 W. Olive Avenue, Suite 505, Burbank, CA
91505 \$1,076,475

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

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

Amount: \$

N/A

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

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

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

California Bank and Trust 3601 W. Olive Ave, Suite 505 Burbank, CA 91505	Janet Chan Vice President (818) 972-1815
Wells Fargo Bank 707 Wilshire Blvd., 18 th Floor Los Angeles, CA 90017	Marisol Paguio (213) 614-3918
Citibank, N.A. Long Beach World Trade Center #152 1 World Trade Center, Suite 100 Long Beach, CA 90831	Audrey Simone Operations Manager (562) 628-0362

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

Yes No

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

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

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

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

N/A

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

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:
N/A

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:
N/A

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.

N/A

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

N/A

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

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

N/A

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

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

N/A

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 XNo

If yes, explain.

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

Past activities/experience

Project Name: The SEASONS at Los Robles Senior Apartments
Project Narrative.

The SEASONS at Los Robles Senior Apartments is a rehabilitation of a 59-unit apartment complex that was originally constructed in 1978. In 2000, a drug raid at what was once the Anderson Oaks apartments led to the arrest of 21 suspects, many of whom were residents. Within one month, county and city officials declared the site uninhabitable. In 2002, LINC acquired the site and began rehabilitation of four buildings, and new construction of two buildings, including a new community center. This complex was rehabilitated by LINC Housing Corporation utilizing bond financing, 4% tax credits, Redevelopment, CDBG funds and HOME funds.

This project is a low-income, apartment housing to seniors age 55 years and older. The community consists of 38 renovated apartments and 20 new apartments. Specifically, there are 14 one bedroom units and 45 two bedroom units. Of the 49 units, 20 units are reserved for qualified tenants that are at 50% of the Average Median Income and 37 units are reserved for qualified tenants that are at 60% of the Average Median Income.

Project Name: The VILLAGE at Beechwood
Project Narrative.

In 2002, LINC purchased a 100-unit community in Lancaster, California, formerly called Beechwood Manor. This community was known by the neighborhood as "crack alley" because of drug and crime problems. Expiring HUD 236 restrictions had put the property in danger of being sold to for-profit developers who could have converted the complex to market-rate which might have doubled the rents paid by these 100 limited-income families.

The VILLAGE at Beechwood consists of 100 renovated apartments. The community is composed of 20 one bedroom units, 58 two bedroom units, 21 three bedroom units and 1 four bedroom unit. There are 68 units allocated to families that qualify at 35% Average Median Income (AMI); 22 units at 40% AMI; 2 units at 45% AMI; and 7 units at 60% AMI. There is also one unit allocated as the manager's unit.

Project Name: Pepperwood Apartments
Project Narrative.

Through the acquisition of the Pepperwood Apartments in 2006, LINC was able to make 230 previously market-rate homes affordable to Rancho Cucamonga families who were at risk of being priced out of their neighborhoods during the city's new wave of prosperity.

The Pepperwood Apartments is a community consisting of 230 renovated apartments. Of the 230 apartments, there are 50 studios, 128 one bedroom units, and 52 two bedroom units. These apartments are allocated such that 16 units are reserved for families that qualify at 35% Average Median Income (AMI); 86 units at 45% (AMI); and 128 units at 60% AMI.

25. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation? ___ Yes X No
Contractor has not been selected

If yes, explain:

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

See attached summary of coverages

- 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)]

See attached summary of coverages

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.

Yes, LINC Housing agrees to post inconspicuous places, available for all to see notices provided by the Commission stating the 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.

No, LINC Housing will not engage in any business that hinders the interest of the Commission during the term of the project, loan, development, grant, contract 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.

No, member, commissioner, councilperson, officer or employee of the commission, the authority or city has or will have any direct or indirect interest in this project.

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

None

Government Entity Making Complaint

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 so state:

None

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:

N/A

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

N/A

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.

LINC Housing Corporation builds, owns, and operates homes for families and seniors across all of California. We trace our roots to our 1984 founding by the Southern California Association of Governments. Through our collaboration with local governments and financial institutions, we have had a hand in creating more than 6,000 affordable homes in 45 thoughtfully designed communities that offer opportunity and a sense of belonging for our residents.

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:

N/A

<u>Date</u>	<u>Entity Involved (i.e., CITY, COMMISSION, etc.)</u>	<u>Status (Current, delinquent repaid, etc.)</u>	<u>Dollar Amount</u>
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36. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, been the subject of a complaint filed with the Contractor's State License Board (CSLB)?
 ___ Yes X No

If yes, explain:

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

Yes No

If yes, explain:

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

Name: MacFarlane Costa Housing Partners

Address: 330 West Victoria Street, Gardena, CA 90248-3527

Phone: (424) 258-2890 – Moe Mohanna- Senior Vice President

Project Name and Description: Joint Venture Partner

Ocean Breeze- Started construction in June of 2008

SEASONS II- Started construction in July of 2008

Name: Global Premiere Development, Inc.

Address: 2010 Main Street Suite 1250 Irvine, CA 92614

Phone: (949) 242-0533 – Magdy Hanna - President

Project Name and Description: Joint Venture Partner

Larkspur in Ridgcrest & Monterey in San Jose- In construction

Lorena, Plumas, Oakland - All in pre-development

Name: City of San Jacinto

Address: 595 South San Jacinto Ave., San Jacinto, CA 92583

Phone: (951) 487-7320- Steve Pasarow

Project Name and Description: Terracina Apartments- Acquisition and Rehabilitation

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

LINC's mission is to provide housing for people underserved by the marketplace. Our communities are known for excellent design, outstanding management, and life-enhancing services.

LINC is committed to creating and preserving housing that is affordable, environmentally sustainable, and a catalyst for community improvement. LINC takes pride in our ability to use a wide variety of financing tools and is frequently the first to adapt a particular approach to the creation or preservation of affordable housing in our state.

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

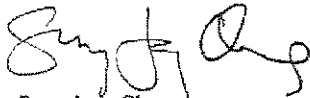
CONTRACTOR represents and warrants to the COMMISSION, the AUTHORITY and the CITY that by providing the information requested herein and waiving any and all privileges available under the Evidence Code of the State of California, State and Federal Law, (to the extent of this disclosure that the information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

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

Executed this 1 day of July , 20 09 , at San Diego, California.

CONTRACTOR

By:



Suny Lay Chang

Vice President / Director of Housing Development

Title

CERTIFICATION

The CONTRACTOR, Suny Lay Chang, 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: *Suny Lay Chang*

Title: Vice President / Director of Housing Development

Dated: July 1, 2009

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.

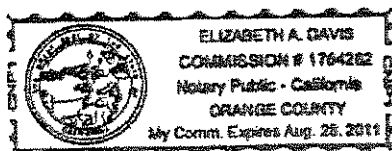
JURAT

State of California

County of Orange

Subscribed and sworn to (or affirmed) before me on this 1st day of July, 2009

by Suny Lay Chang proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



SEAL

Elizabeth A. Davis
Signature of Notary
My Commission Expires
August 26, 2011



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Randolph G. Wilson - Director
President, Elliott & Ryan, Inc,
Real Estate Management & Investment

Elaine M. Winer - Director
Human Resources Director
City of Torrance

LINC Housing Officers

Executive & Operations

Hunter L. Johnson
President/CEO
hunter@linchousing.org
562.684.1101

Housing Development

Suny Lay Chang
Vice President
Director of Housing Development
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Corporate Development & Communications

Nina Dooley
Vice President
Director of Corporate Development & Communications
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562.684.1125

ATTACHMENT 8

**LINC HOUSING CORPORATION
AND SUBSIDIARY
(A NONPROFIT CALIFORNIA CORPORATION)
CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2008 AND 2007**



Independent Auditor's Report

To the Board of Directors of
LINC Housing Corporation:

We have audited the accompanying consolidated statements of financial position of LINC Housing Corporation (a nonprofit California Corporation) and subsidiary (collectively referred to as the Organization) as of June 30, 2008 and 2007, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2007 financial statements and, in our report dated October 22, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization, as of June 30, 2008 and 2007, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Holthouse Carlin & Van Trigt LLP

Westlake Village, California
October 28, 2008

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2008 AND 2007

ASSETS

	2008	2007
Current assets		
Cash and cash equivalents	\$ 2,532,776	\$ 4,942,085
Advances to projects and accounts receivable	1,848,298	1,029,625
Partnership fees receivable	801,933	794,386
Loan interest receivable	169,378	69,705
Grant receivable	945,000	-
Prepaid expenses	41,361	15,849
Total current assets	6,338,746	6,851,650
Property		
Land and developer costs	716,369	602,976
Computers, furniture and equipment	213,914	182,455
Less: accumulated depreciation	(100,305)	(74,844)
Net property	829,978	710,587
Other assets		
Restricted cash:		
Pre-development funds	55,442	55,467
	55,442	55,467
Partnership fees receivable, net of allowance of \$71,250 and \$63,750 for 2008 and 2007, respectively	1,598,317	2,175,061
Advances to projects and accounts receivable	170,465	495,163
Investment in partnerships (See Note 10)	1,574,558	579,518
Investment in HPI Holding Company, Inc.	182,760	182,760
Investment in Housing Partnership Securities, LLC	48,265	105,000
Intangible assets, net	23,760	-
Total other assets	3,653,557	3,592,969
Total assets	\$ 10,822,281	\$ 11,155,206

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 778,574	\$ 678,918
Accrued interest payable	750	750
Notes payable	150,000	380,735
	929,324	1,060,403
Commitments and contingencies (Notes 1 through 10)		
Net assets:		
Temporarily restricted	1,122,245	37,500
Unrestricted	8,770,712	10,057,303
	9,892,957	10,094,803
Total liabilities and net assets	\$ 10,822,281	\$ 11,155,206

See notes to consolidated financial statements.

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008 (WITH SUMMARIZED INFORMATION FOR 2007)

	Unrestricted Fund	Temporarily Restricted Fund	2008 Total	2007 Total
Revenue				
Asset management fees	\$ 323,320	\$ -	\$ 323,320	\$ 239,298
Developer and disposition fees	375,188	-	375,188	2,137,375
Resident service fees	49,210	-	49,210	-
Refinance fees	182,125	-	182,125	100,000
Partnership management fees	998,174	-	998,174	744,549
Overhead allowance - 5 SEASONS	-	-	-	50,000
Distributions from Partnerships	180,800	-	180,800	295,365
Interest income	250,918	-	250,918	485,193
Event income, net of related expenses of \$57,623	85,987	-	85,987	82,171
Grant income	-	2,272,875	2,272,875	342,789
Satisfaction of grant restrictions	1,188,130	(1,188,130)	-	-
Other income (expense) for HPS stock	(56,735)	-	(56,735)	84,997
Total revenue	<u>3,577,117</u>	<u>1,084,745</u>	<u>4,661,862</u>	<u>4,561,737</u>
Total public support and revenue	<u>3,577,117</u>	<u>1,084,745</u>	<u>4,661,862</u>	<u>4,561,737</u>
Expenses:				
Program services	3,242,851	-	3,242,851	2,184,601
Supporting services	1,370,858	-	1,370,858	989,267
Fundraising	249,999	-	249,999	188,561
Total expenses	<u>4,863,708</u>	<u>-</u>	<u>4,863,708</u>	<u>3,362,449</u>
Changes in net assets	(1,286,591)	1,084,745	(201,846)	1,199,288
Net assets, beginning of year	<u>10,057,303</u>	<u>37,500</u>	<u>10,094,803</u>	<u>8,328,171</u>
Prior period adjustment (see Note 10)	-	-	-	567,344
Adjusted net assets, beginning of year	<u>10,057,303</u>	<u>37,500</u>	<u>10,094,803</u>	<u>8,895,515</u>
Net assets, end of year	<u>\$ 8,770,712</u>	<u>\$ 1,122,245</u>	<u>\$ 9,892,957</u>	<u>\$ 10,094,803</u>

See notes to consolidated financial statements.

**LINC HOUSING CORPORATION
AND SUBSIDIARY**

(A NONPROFIT CALIFORNIA CORPORATION)

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2008 (WITH SUMMARIZED INFORMATION FOR 2007)

	Supporting Services			2008 Total	2007 Total
	Program Services	General and Administrative	Fund Raising		
Automobile allowances	\$ 52,103	\$ 1,667	\$ -	\$ 53,770	\$ 47,698
Abandoned project expense	735,746	-	-	735,746	22,658
Board meeting expense	-	36,977	-	35,977	20,624
Bad Debt Expense	7,500	-	-	7,500	7,500
Computer expenses	40,271	20,135	4,547	64,953	94,610
Delivery and messenger	1,763	1,549	221	3,533	4,733
Depreciation and amortization	30,511	15,255	3,445	49,211	21,395
Donations	16,864	-	-	16,864	29,661
Dues and subscriptions	2,634	11,314	419	14,367	14,975
Education and seminars	13,657	6,828	1,542	22,027	34,485
Employee benefits	153,683	76,841	17,351	247,875	189,987
Equipment leases	26,350	13,175	2,975	42,500	24,471
Equipment maintenance	1,821	910	206	2,937	754
Insurance	14,885	7,442	1,681	24,008	20,744
Furniture	502	251	56	809	1,595
Hiring/training/manual	9,340	4,670	1,055	15,065	1,634
Interest expense	20,402	-	-	20,402	21,660
Marketing	-	70,043	-	70,043	108,368
Miscellaneous	33,403	4,263	-	37,666	37,018
Moving Costs	790	395	89	1,274	2,555
Office supplies	27,764	13,882	3,135	44,781	39,588
Postage	2,856	1,428	323	4,607	4,870
Professional fees	48,013	136,848	-	184,861	236,698
Printing	4,642	546	273	5,461	4,637
Project costs	63,537	-	-	63,537	63,732
Rent	96,992	47,996	10,837	154,825	154,438
Salaries and bonuses	1,750,500	875,250	197,637	2,823,387	2,057,932
Telephone	37,263	18,631	4,207	60,101	41,421
Travel and entertainment	50,059	5,562	-	55,621	52,008
	<u>\$ 3,242,851</u>	<u>\$ 1,370,858</u>	<u>\$ 249,999</u>	<u>\$ 4,863,708</u>	<u>\$ 3,362,449</u>

See notes to consolidated financial statements.

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Changes in net assets	\$ (201,846)	\$ 1,199,288
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	49,211	21,395
Equity in partnership (income) losses and (distributions)	(124,065)	(380,365)
Reserve for doubtful accounts	7,500	7,500
Changes in operating assets and liabilities:		
Partnership fees receivable	886,395	(1,402,512)
Loan interest receivable	(99,673)	(24,147)
Grant receivable	(945,000)	-
Prepaid expenses	(25,512)	7,784
Accounts payable and accrued expenses	99,656	(17,410)
Accrued interest payable	-	18,252
Net cash used in operating activities	<u>(353,334)</u>	<u>(570,215)</u>
Cash flows from investing activities:		
Net distributions from (investment in) partnerships	(814,240)	317,580
Advances to projects	(818,673)	(369,489)
Withdrawals from (additions to) restricted cash	25	(6,181)
Expenditures for property and equipment	(31,459)	(41,450)
Predevelopment cost - East Street	(113,393)	(167,930)
Note receivable - Pepperwood Apartments	-	3,550,000
Net cash provided by (used in) investing activities	<u>(1,777,740)</u>	<u>3,282,530</u>
Cash flows from financing activities:		
Repayment of notes payable	(230,735)	-
Purchase of intangibles relating to lines-of-credit	(47,500)	-
Cash used in financing activities	<u>(278,235)</u>	<u>-</u>
Net change in cash and cash equivalents	(2,409,309)	2,712,315
Cash and cash equivalents, beginning of year	<u>4,942,085</u>	<u>2,229,770</u>
Cash and cash equivalents, end of year	<u>\$ 2,532,776</u>	<u>\$ 4,942,085</u>

See notes to consolidated financial statements.

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

LINC Housing Corporation (a nonprofit California corporation) and LINC Housing Development LLC, a single member limited liability company (collectively referred to as LINC), were established to engage in the building, managing and operating of property to foster affordable housing. LINC, or its affiliates, also owns mobile home parks in order to lessen the burden of local governments to create and preserve housing affordable to families of low, very low and moderate incomes. LINC's activities are funded primarily from fees associated with managing and developing affordable housing projects (the Projects) throughout California. These consolidated financial statements do not include the accounts of the following affiliated nonprofit LINC entities:

Corporate Fund for Housing
LINC – Redondo Beach Seniors, Inc.
LINC – Community Development Corporation
Seal Beach Affordable Housing Corporation

2007 Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with LINC's financial statements for the year ended June 30, 2007, from which the summarized information was derived.

Principles of Consolidation

In consolidating the accounts of the LINC Housing Corporation and its wholly-owned subsidiary, all significant inter-company accounts and transactions have been eliminated.

Classification and Reporting of Funds

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations," LINC presents its net assets under three separate classifications: Unrestricted, Temporarily Restricted, and Permanently Restricted. Temporarily restricted and permanently restricted funds are those funds that may be used only in accordance with the purposes established by the donor and are distinguished from unrestricted or Board designated funds in which LINC retains full control with respect to the use thereof. There were no permanently restricted assets as of and for the years ended June 30, 2008 and 2007.

In addition, SFAS No. 117 requires that LINC report all of its expenses in the unrestricted fund, regardless of the source of the funds for the expenditures. A transfer of net assets from the restricted fund to the unrestricted fund is reported upon satisfaction of program restrictions to match the restricted revenue with the restricted expenses.

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Public Support and Revenue Recognition

In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", revenues from contributions are recognized pursuant to the terms specified by the donor. Contributions are recognized at the earlier of the date of receipt of funds or the date of a formal, unconditional pledge from known donors. Fees are recognized as services are performed and collection is reasonably assured.

Income Taxes

Under applicable law and regulations, LINC Housing Corporation has been determined to be exempt from Federal income and California franchise taxes. In addition, LINC Housing Corporation does not have any income, which it believes would subject it to unrelated business income taxes. Accordingly, there is no provision for income taxes in these consolidated financial statements.

Donated Services

The value of donated services has not been recorded in the accompanying financial statements since LINC does not believe these services are enhancing non-financial assets or would normally have to be purchased if volunteers were not available.

Project Cost for Future Development

In the normal course of business, LINC incurs various costs when determining the viability of a real estate development. LINC capitalizes these costs until the project is determined not to be foreseeable and therefore abandoned. During 2008 and 2007, project costs for future development that have been capitalized on the LINC financial statements are approximately \$113,000 and \$168,000, respectively, and approximately \$736,000 was written off for abandoned projects.

Restricted Cash

During fiscal year 2004, LINC borrowed \$150,000 of funds from Wells Fargo (see Note 4) for development of affordable housing. Approximately \$55,000 and \$55,000 of these funds are still available to perform real estate development as of June 30, 2008 and 2007, respectively, and is included in Restricted Cash Pre-development Funds.

Investments in Partnerships

LINC accounts for its general partner interests in various partnerships under the equity method of accounting (See Note 3). If the investment account is reduced to zero, LINC suspends the application of the equity method, as management believes LINC will not be required to invest additional funds, or such temporary advances are accounted for under advances to projects in the accompanying financial statements.

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

HPI Holding Company, Inc. and Housing Partnership Securities, LLC

In March 2004, LINC purchased 173 shares of Class B stock and \$10,000 of Class A stock in HPI Holding Company, Inc. (HPI Company). LINC acquired these shares to enable them to participate in the Housing Partnership Insurance Program (the Insurance Program). It is anticipated that the Insurance Program will enable LINC's various Projects to acquire property insurance at more favorable rates.

The acquisition of the HPI Company stock was financed by a loan provided by Housing Partnership Ventures, Inc. (see Note 4).

In addition, LINC invested \$20,000 in Housing Partnership Securities, LLC (HPS), an affiliate of HPI Company. In connection with this investment, LINC has been given the right to gain additional shares based on their ability to present possible investment opportunities to HPS. In connection with this agreement, during the year ended June 30, 2007, LINC was awarded \$85,000 of additional shares related to HPS providing permanent financing to LINC-Pepperwood Housing Investors, L.P.

In May 2008, the directors and officers of HPS voted to cease operations. It was determined that LINC would receive a portion of its investment and subsequent to year-end received \$48,265 of the \$105,000 investment upon dissolution of HPS. LINC has recognized a loss on investment of \$66,735 as of June 30, 2008.

Concentrations of Business and Credit Risk

LINC receives a significant amount of revenue from the Projects in which it is the general partner. These sources of funds are dependent upon the continued successful development and management of these Projects.

LINC, either as a direct owner, advisor or general partner, has an economic interest in the Projects that are subject to business risks associated with the economy and level of unemployment in California, which affects occupancy as well as the tenants' ability to make rental payments. In addition, these Projects operate in a heavily regulated environment. The operations of these Projects are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD and may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

LINC's cash and cash equivalents are maintained in various banks. LINC has exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by federal deposit insurance. LINC believes that its credit risk is not significant.

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants

LINC periodically receives grants from various institutions for the purpose of real estate development, tenant services and general operations. Included in the consolidated statements of activities for the years ended June 30, 2008 and 2007 are \$2,272,675 and \$342,789, respectively, of grant revenue and \$1,122,245 grant revenue has been pledged but not received or conditions for release have not been met and remains in temporarily restricted net assets as of June 30, 2008.

Grant revenue includes \$1,820,000 that is to be used as an equity contribution to LINC – Terracina Apartments Housing Investors, L.P. (Terracina) to fund development costs. Terracina must remain in compliance with the regulatory agreement associated with the grant until 2077 (69 years).

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

Significant estimates include the collection of refinance, developer, and the administrative and partnership management fees which in most cases are dependant on the underlying properties cash flow (see Note 2).

Statements of Cash Flows

For purposes of the statements of cash flows, LINC considers all highly liquid unrestricted investments with an original maturity of three months or less to be cash equivalents.

Cash paid for the following as of June 30:

	2008	2007
Interest	\$ 20,402	\$ 3,408
Income taxes	\$ 800	\$ 800

Functional Expenses

The costs of providing LINC's programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated either to direct programs or supporting services. The functional classifications are defined as follows:

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses (Continued)

- Program service expenses consist of costs incurred in connection with providing services and conducting programs.
- General and administrative expenses consist of costs incurred in connection with the overall activities of the LINC, which are not allocable to another functional expense category.
- Fundraising expenses consist of costs incurred in connection with activities related to obtaining grants and activities designed to generate revenue.

Property

Depreciation of computers, and furniture and equipment are provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Life</u>
Computers	5 years
Furniture and equipment	7 years

LINC capitalizes expenditures or betterments that materially increase asset lives and charges ordinary repairs and maintenance to operations as incurred. When assets are sold or otherwise disposed of, the costs and related reserves are removed from the accounts and any resulting gain or loss is included in the statement of activities.

Intangibles

Intangible assets consist of lines-of-credit costs. Lines-of-credit costs are amortized over the life of the lines-of-credits.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year financial statement presentation.

NOTE 2. RELATED PARTY TRANSACTIONS

Partnership Management, Asset Management, Disposition and Developer Fees

In accordance with certain partnership and property management agreements, LINC is entitled to receive fees for partnership management, asset management, disposition consulting, and development services rendered on behalf of certain affiliates. In addition, LINC has entered into revenue sharing agreements, for services provided by LINC, (the Agreements) with Pacific West Management Company (referred to as the Property Manager).

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 2. RELATED PARTY TRANSACTIONS (Continued)

In connection with these Agreements, LINC receives management fees of approximately 10 to 25 percent of the property management fees charged, less reimbursement of certain costs, for affordable housing projects in which LINC is associated. During 2008 and 2007, LINC received net fees from the Property Manager of approximately \$48,000 and \$66,000, respectively, in connection with these Agreements.

A summary of these receivables as of June 30, 2008 is as follows:

Name	Developer Fees	Administrative and Partnership Management Fees	Asset Management/ Resident Service Fees	Total Receivables
Anderson Senior Apartments, L.P.	\$ -	\$ 55,690	\$ -	\$ 55,690
LINC Beechwood L.P.	214,688	90,000	-	304,688
Buena Park Affordable Housing, L.P.	-	35,246	-	35,246
Belmont Meadows of Delano, L.P.	50,000	-	-	50,000
Chino Housing Investors, L.P.	-	11,936	-	11,936
Citrus Grove Senior Apartments, L.P.	42,500	8,272	-	50,772
Coyote Creek Housing Partners, L.P.	91,371	-	6,443	97,814
Dorado Senior Apartments, L.P.	-	12,632	-	12,632
El Centro Senior Villas, L.P.	-	861	-	861
El Palmar Apartments, L.P.	-	60,632	-	60,632
LINC Franciscan, LLC	-	-	50,785	50,785
Grande Garden Housing Investors, L.P.	-	26,535	-	26,535
Corcoran King Manor, L.P.	50,000	7,550	-	57,550
Las Flores Housing Investors, L.P.	-	2,780	-	2,780
La Palma Apartments, L.P.	-	-	800	800
La Quinta Seniors, L.P.	31,117	200,000	700	231,817
Lakewood Housing Investors, L.P.	-	11,743	1,060	12,803
LINC – Bristol Associates I	-	245,909	-	245,909
LINC – Redondo Beach Seniors, Inc.	-	-	1,400	1,400
Los Robles Senior Housing, L.P.	10,186	-	200	10,386
Miraflores, L.P.	-	-	28,478	28,478
Monterey of Blythe, L.P.	-	68,356	-	68,356
North Avenue Apartments, L.P.	-	8,125	-	8,125
Ontario Seniors Housing, L.P.	-	71,250	-	71,250
Riverview Apartments, L.P.	-	14,160	-	14,160
Rory Lane Seniors, L.P.	-	5,878	-	5,878
San Juan Capistrano Housing Investors	-	11,798	-	11,798
Santa Ana Heights Housing Partners	-	3,062	-	3,062
SEASONS Uptown Whittier, L.P.	-	8,537	700	9,237
Sunnyside of Merced, L.P.	-	36,160	-	36,160
Tuolumne Village Apartments, L.P.	-	32,684	-	32,684
LINC-Pepperwood Housing Investors	827,160	-	-	827,160
Corporate Fund for Housing	-	-	34,106	34,106
Allowance for doubtful accounts	-	(71,250)	-	(71,250)
	<u>\$ 1,317,022</u>	<u>\$ 958,556</u>	<u>\$ 124,672</u>	<u>\$ 2,400,250</u>

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 2. RELATED PARTY TRANSACTIONS (Continued)

A summary of these receivables as of June 30, 2007 is as follows:

Name	Developer Fees	Administrative and Partnership Management Fees	Asset Management/ Resident Service Fees	Total Receivables
Anderson Senior Apartments, L.P.	\$ -	\$ 37,937	\$ -	\$ 37,937
LINC Beechwood L.P.	247,688	70,000	-	317,688
Buena Park Affordable Housing, L.P.	-	15,562	-	15,562
Belmont Meadows of Delano, L.P.	50,000	-	-	50,000
Chino Housing Investors, L.P.	-	3,857	-	3,857
Citrus Grove Senior Apartments, L.P.	42,500	2,917	-	45,417
Coyote Creek Housing Partners, L.P.	109,488	-	6,255	115,743
Dorado Senior Apartments, L.P.	50,000	-	-	50,000
El Centro Senior Villas, L.P.	-	869	-	869
El Paimar Apartments, L.P.	-	54,860	-	54,860
Grande Garden Housing Investors, L.P.	25,000	18,825	-	43,825
Corcoran King Manor, L.P.	50,000	-	-	50,000
Las Flores Housing Investors, L.P.	-	5,495	-	5,495
La Palma Apartments, L.P.	-	2,345	-	2,345
La Quinta Seniors, L.P.	72,384	200,000	-	272,384
Lakewood Housing Investors, L.P.	-	4,105	600	4,705
LINC - Bristol Associates I	-	906	-	906
Los Robles Senior Housing, L.P.	10,186	-	-	10,186
Monterey of Blythe, L.P.	-	46,418	-	46,418
North Avenue Apartments, L.P.	50,000	-	-	50,000
Ontario Seniors Housing, L.P.	-	63,750	-	63,750
Riverview Apartments, L.P.	-	6,325	-	6,325
Rory Lane Seniors, L.P.	-	9,448	-	9,448
San Juan Capistrano Housing Investors	-	3,798	-	3,798
Santa Ana Heights Housing Partners	-	2,972	-	2,972
Sunnyside of Merced, L.P.	-	23,012	-	23,012
Tuolumne Village Apartments, L.P.	-	22,916	-	22,916
LINC-Pepperwood Housing Investors	1,686,673	-	-	1,686,673
Corporate Fund for Housing	-	-	34,106	34,106
Allowance for doubtful accounts	-	(63,750)	-	(63,750)
	<u>\$ 2,395,919</u>	<u>\$ 532,567</u>	<u>\$ 40,961</u>	<u>\$ 2,969,447</u>

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 2. RELATED PARTY TRANSACTIONS (Continued)

Partnership Management, Asset Management, Disposition and Developer Fees (Continued)

As of June 30, 2008 and 2007, \$801,933 and \$794,386, respectively, has been classified as short-term based on management's best estimate of the expected collection date.

Collection of certain of these receivables is dependent upon the individual Projects improving cash flow generated from operations. LINC's management has evaluated the individual Project performance and believes the receivables are presented at net realizable value.

These represent significant estimates which may reasonable be expected to change in the next current period, and possibly by a material amount.

Advances to Projects

Advances to Projects are costs that LINC pays on behalf of certain affordable housing projects for which each project is expected to reimburse LINC. These non-interest bearing short-term advances are for Projects in which LINC is a participating general partner.

Loans Receivable

LINC has unsecured interest bearing loans with the following projects under development as of June 30, 2008:

<u>Projects</u>	<u>Principal</u>	<u>Accrued Interest</u>
Tahquitz Court Housing	\$ 451,000	\$ 64,665
Bartlett Hill Associates	29,954	2,778
Compton Senior Housing	991,498	96,092
Arbor Village	339,829	4,975
Long Beach	27,277	489
Other entities	29,121	379
Total	<u>\$ 1,868,679</u>	<u>\$ 169,378</u>

Corporate Fund for Housing Grant

During fiscal year 2006, Corporate Fund for Housing granted \$250,000 to LINC to be loaned to Tahquitz Court Housing, L.P. (Tahquitz) to be used for pre-development. In addition, LINC loaned an additional \$201,000 to Tahquitz for additional pre-development. The note receivable accrued simple interest at 7 percent per annum, is unsecured and matures December 31, 2008. LINC has a .01 percent general partnership interest in Tahquitz and has recorded \$64,665 interest income in connection with this note receivable.

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 3. INVESTMENTS IN PARTNERSHIPS

A summary of LINC's investments as a general partner in limited partnerships as of December 31, 2007 and 2008 are as follows:

Name of Partnership	LINC Investment Balance	% of Ownership Profits/Losses	Partnership's Capital (Deficit) Balance at December 31, 2007 (Unaudited)	Partnership Calendar 2007 Loss (Unaudited)
Anderson Senior Apartments, L.P.(Note 10)	\$ 567,344	0.050%	\$ 6,399,222	\$ (158)
Barlett Hill Associates, L.P.	-	1.000%	(4,445,472)	(5,434)
Belmont Meadows of Delano, L.P.	-	0.010%	(750,931)	(75)
Buena Park Affordable Housing, L.P.	-	1.000%	86,676	(1,041)
Chino Housing Investors, L.P.	-	0.500%	(1,423,920)	(1,876)
Citrus Grove Senior Apartments, L.P.	-	0.010%	(1,271,819)	(113)
* Compton Senior Housing, L.P.	119,654	0.005%	(1,800)	-
Corcoren King Manor, L.P.	-	0.010%	(1,156,796)	(116)
Coyote Creek Housing Partners, L.P.	-	0.001%	1,225,766	(1)
Dorado Senior Apartments, L.P.	-	0.010%	14,309,640	(117)
El Centro Senior Villas, L.P.	-	0.005%	5,673,991	(10)
El Palmar Apartments, L.P.	-	0.050%	5,663,721	(190)
Grande Garden Housing Investors, L.P.	-	0.010%	287,161	(39)
La Palma Apartments, L.P.	-	1.000%	(1,098,845)	(1,505)
La Quinta Seniors, L.P.	12,280	1.000%	(37,055)	(2,285)
Lakewood Housing Investors, L.P.	-	1.000%	(999,014)	(3,940)
Las Flores Housing Investors, L.P.	-	0.080%	7,877,365	(153)
LINC Beechwood, L.P.	160	0.010%	1,185,784	(20)
LINC Bristol Associates (-	1.000%	2,214,207	2,638
LINC-Pepperwood Housing Investors, L.P.	-	0.010%	8,746,098	(195)
Los Robles Senior Housing, L.P.	100	0.010%	1,478,249	(23)
Miraflores, L.P.	-	0.050%	(212,718)	(415)
Monterey of Blythe, L.P.	-	0.050%	6,923,306	(218)
North Avenue Apartments, L.P.	-	0.005%	9,038,644	(122)
Ontario Senior Housing, L.P.	-	1.000%	(1,276,238)	(2,320)
Riverview Apartments, L.P.	-	0.010%	9,269,624	(78)
Rory Lane Seniors, L.P.	-	0.500%	1,673,709	(493)
San Juan Capistrano Housing Investors LP	-	1.000%	(1,003,232)	(3,641)
Santa Ana Heights Housing Partners, L.P.	-	0.001%	(538,526)	(3)
SEASONS Uptown Whittier, L.P.	-	0.010%	3,268,649	(22)
Sunnyside of Merced, L.P.	-	0.100%	10,143,076	(597)
Tahquitz Court Housing, L.P.	-	0.010%	-	-
Tuolumne Village Apartments, L.P.	-	0.100%	6,011,589	(206)
Union Square II Fairfield, L.P.	-	0.005%	1,079,048	(14)
Total	699,558			(22,982)
* LINC – Terracina Apartments Housing Investors, L.P.	675,000	0.010%	-	-
Total	\$ 1,574,558			\$ (22,982)

* LINC investment balances include equity contributions as of June 30, 2008 for these projects.

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 3. INVESTMENTS IN PARTNERSHIPS (Continued)

Name of Partnership	LINC Investment Balance	% of Ownership Profits/ Losses	Partnership's Capital (Deficit) Balance at December 31, 2008 (Unaudited)	Partnership Calendar 2008 Loss (Unaudited)
Anderson Senior Apartments, L.P. (Note 10)	\$ 567,344	0.050%	\$ 6,653,293	\$ (127)
Bartlett Hill Associates, L.P.	-	1.000%	(3,902,119)	(4,944)
Buena Park Affordable Housing, L.P.	-	1.000%	190,742	(1,610)
Chino Housing Investors, L.P.	-	0.500%	(1,048,633)	(1,806)
Citrus Grove Senior Apartments, L.P.	-	0.010%	(145,314)	(15)
** Columbus Avenue Housing Partners, L.P.	-	0.005%	(800)	-
Compton Senior Housing, L.P.	-	0.005%	(800)	-
Coyote Creek Housing Partners, L.P.	-	0.001%	1,284,267	(3)
Dorado Senior Apartments, L.P.	-	0.010%	(962,922)	(96)
El Centro Senior Villas, L.P.	-	0.005%	5,869,695	(7)
El Palmar Apartments, L.P.	-	0.050%	6,063,566	(200)
Grande Garden Housing Investors, L.P.	-	0.010%	(669,447)	(67)
La Palma Apartments, L.P.	-	1.000%	(906,388)	(1,380)
La Quinta Seniors, L.P.	11,894	1.000%	189,639	(3,077)
Lakewood Housing Investors, L.P.	-	1.000%	(187,361)	(502)
Las Flores Housing Investors, L.P.	-	0.080%	8,068,953	(169)
LINC Beechwood, L.P.	180	0.010%	1,387,893	(13)
LINC Bristol Associates I	-	1.000%	2,700,684	(1,902)
*** LINC Franciscan, L.P.	-	99.00%	(6,276,167)	(23,096)
LINC-Pepperwood Housing Investors, L.P.	-	0.010%	(1,572,788)	(157)
Los Robles Senior Housing, L.P.	100	0.010%	1,605,620	(30)
Miraflores, L.P.	-	0.050%	862,268	(417)
Monterey of Blythe, L.P.	-	0.050%	7,343,899	(214)
Ontario Senior Housing, L.P.	-	1.000%	(1,044,230)	(2,187)
Riverview Apartments, L.P.	-	0.010%	(588,037)	(59)
Rory Lane Seniors, L.P.	-	0.500%	1,772,360	3,021
San Juan Capistrano Housing Investors LP	-	1.000%	(618,889)	(1,974)
Santa Ana Heights Housing Partners, L.P.	-	0.001%	(325,843)	(3)
SEASONS Uptown Whittier, L.P.	-	0.010%	3,490,185	-
Sunnyside of Merced, L.P.	-	0.100%	10,740,551	(529)
Tahquitz Court Housing Partners	-	0.010%	-	-
Tuolumne Village Apartments, L.P.	-	0.100%	6,217,639	(160)
Union Square II Fairfield, L.P.	-	0.005%	1,349,623	(16)
Total	\$ <u>579,518</u>			\$ <u>(41,739)</u>

** Columbus Senior Housing, L.P. was abandoned during 2008 (see Note 1).

*** LINC no longer has an ownership interest in LINC Franciscan, L.P. as it is now fully owned by Corporate Fund for Housing.

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 3. INVESTMENTS IN PARTNERSHIPS (Continued)

LINC has elected not to record their portion of the partnerships' losses (the Suspended Losses) if it causes their investment balance to be below zero. Management believes this is appropriate since the majority of the losses are due to depreciation and amortization (i.e., non-cash) and the Partnership debt is non-recourse. As of June 30, 2008 and 2007 LINC has Suspended Losses of approximately \$702,000 and \$679,000, respectively.

During the year ended June 30, 2008, LINC received approximately \$181,000 of distributions from Partnerships in which LINC has a zero investment. For financial statement purposes, these distributions were treated as income, and are included in the Consolidated Statement of Activities.

NOTE 4. NOTES PAYABLE

A summary of the notes payable at June 30, 2008 and 2007 and is as follows:

	2008	2007
Note payable up to \$230,735 to Housing Partnership Ventures, Inc., that is secured by LINC's investment in HPI Company. Interest accrues at a rate equal to the greater of LIBOR (5.4% as of June 30, 2008 and 5.8% as of June 30, 2007) plus 300 basis points or 4%. Interest is payable quarterly and principal and interest is due in full on March 31, 2009. Paid in full in June 2008.	\$ -	\$ 230,735
Note payable to Wells Fargo Bank Community Development Corporation (Wells Fargo), unsecured, and accrues interest at 6%. Interest is paid quarterly and the final interest and principal payments are due November 25, 2008, subject to approved extensions by Wells Fargo. In addition, LINC has the ability to draw up to \$100,000 on a line-of-credit with Wells Fargo.	150,000	150,000
Line-of-credit up to \$1,000,000 with Alliance Bank secured by assets of LINC, as defined. Interest accrues at either the Prime Rate, as defined (5.0% as of June 30, 2008) less 1.0% or LIBOR (5.4% as of June 30, 2008) plus 2.0% per annum. LINC is required to maintain \$2,000,000 with Alliance Bank to obtain the above rates. The entire outstanding principal balance and unpaid interest are due December 14, 2008. As of June 30, 2007 and 2006, no amounts are outstanding on this loan.	-	-
Line-of-credit up to \$1,000,000 with The Housing Partnership Fund, Inc to be used for project predevelopment, as defined. Interest accrues at the 30-day LIBOR (5.4% as of June 30, 2008) plus 4.0% per annum. The entire outstanding principal balance and unpaid interest are due June, 2009. As of June 30, 2008 and 2007, no amounts are outstanding on this loan.	-	-

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 4. NOTES PAYABLE (Continued)

	2008	2007
Line-of-credit up to \$2,000,000 with LISC to be used solely for the purpose of financing real estate acquisition and predevelopment costs. Interest accrues at 4.0% per annum; the entire outstanding principal balance and unpaid interest are due on the two year anniversary of the first day of the first month after the closing date. As of June 30, 2008 and 2007, no amounts are outstanding on this loan.		
Total	\$ 150,000	\$ 380,735

As of June 30, 2008, principal payments on notes payable are as follows:

Year Ending June 30,	Amount
2009	\$ 150,000
2010	-
Thereafter	-
	\$ 150,000

NOTE 6. COMMITMENTS AND CONTINGENCIES

Investments

LINC's investment as a general partner in various unconsolidated limited partnerships (See Note 3) may result in contingent liabilities. For certain partnerships, LINC is responsible for cost overruns during a project's construction phase and for operating deficits, as well as certain other guarantees, as defined in the limited partnership agreements. In connection with projects under development, LINC is to be indemnified by the developer for cost overruns.

Office Lease

LINC has entered into an agreement to lease office space in Long Beach, California. Lease payments also include charges for common area maintenance. LINC's lease obligation as of June 30, 2008 is as follows:

2009	\$ 141,978
2010	145,015
2011	148,052
2012	138,266
2013	-
Thereafter	-
Total	\$ 573,311

During fiscal 2008 and 2007, office lease expense was approximately \$148,000 and \$150,000, respectively. Included in accounts payable and accrued expenses are approximately \$35,000 and \$37,000 for deferred rent as of June 30, 2008 and 2007, respectively.

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 6. AFFILIATED NONPROFITS

The Organization's board of directors has significant influence on two unconsolidated nonprofits: Corporate Fund for Housing and LINC-Redondo Beach Seniors, Inc. Although the Organization has significant influence, they do not have the ability to determine who will be elected to the board of directors. In addition, the Organization has not guaranteed any of these entities' obligations. A summary of these nonprofits' financial position as of December 31, 2007 and 2006 and operations for the years then ended are as follows:

	December 31, 2007 (UNAUDITED) (000's)	
	Corporate Fund for Housing	LINC- Redondo Beach Seniors, Inc.
Cash	\$ 408	\$ 206
Prepays and other	568	41
Reserves	7,169	1,442
Property, net	53,309	7,181
Intangibles, net	3,362	239
Total Assets	<u>\$ 64,816</u>	<u>\$ 9,109</u>
Accounts payable and accrued expenses	\$ 1,172	\$ 132
Accrued interest	222	527
Security deposits	57	75
Notes payable	69,725	8,870
Net assets	<u>(6,360)</u>	<u>(495)</u>
	<u>\$ 64,816</u>	<u>\$ 9,109</u>
Revenues	\$ 7,091	\$ 1,833
Operating expense	(2,948)	(592)
Interest and other financial expenses	(9,703)	(765)
Depreciation and amortization	(705)	(265)
Prior period adjustments	-	(25)
Net income (loss)	<u>\$ (6,265)</u>	<u>\$ 186</u>

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 6. AFFILIATED NONPROFITS (Continued)

	December 31, 2006 (UNAUDITED) (000's)	
	Corporate Fund for Housing	LINC- Redondo Beach Seniors, Inc.
Cash	\$ 452	\$ 102
Prepays and other	105	44
Reserves	5,524	1,309
Property, net	52,138	7,396
Intangibles, net	2,045	226
Total Assets	<u>\$ 60,264</u>	<u>\$ 9,077</u>
Accounts payable and accrued expenses	\$ 2,840	\$ 96
Due to affiliate	516	-
Accrued interest	150	499
Security deposits	63	73
Notes payable	57,805	9,090
Net assets	<u>(1,110)</u>	<u>(681)</u>
	<u>\$ 60,264</u>	<u>\$ 9,077</u>
Revenues	\$ 6,880	\$ 1,781
Operating expense	(3,676)	(535)
Interest and other financial expenses	(3,694)	(790)
Depreciation and amortization	(712)	(270)
Net income (loss)	<u>\$ (1,202)</u>	<u>\$ 186</u>

NOTE 7. INTANGIBLE ASSETS

As of June 30, 2008 and 2007, intangible assets are as follows:

Intangible Assets	2008	2007
Lines-of-credit fees	\$ 47,500	\$ -
Less: accumulated amortization	(23,750)	-
Total	<u>\$ 23,750</u>	<u>\$ -</u>

**LINC HOUSING CORPORATION
AND SUBSIDIARY**
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 8. EMPLOYEE BENEFIT PLAN

LINC maintains an employee benefit plan organized under Section 401(k) of the Internal Revenue Code (IRC). Under the plan, employees may elect to defer a portion of their salary, subject to IRC limits. LINC, at its discretion, matches 3% of an employee's gross salary. LINC's contributions totaled approximately \$71,600 and \$40,600 for the years ended June 30, 2008 and 2007, respectively.

NOTE 9. LITIGATION

In December 2006, LINC was named in a complaint by a tenant in a mobile home park (the Park) owed by Seal Beach Affordable Housing Corporation (Seal Beach) with regards to ownership of a parcel within the Park. In March, 2008, Seal Beach reached an agreement to settle the case in favor of the tenant and the case was dismissed with no liability to LINC.

NOTE 10. PRIOR PERIOD ADJUSTMENT

On October 21, 2002, LINC acquired and contributed land in the amount of \$568,000 to Anderson Senior Apartments, L.P. (Anderson) through a buy-sell agreement for real estate, and grant deeds in exchange for a partnership interest in Anderson. The contribution was treated as a capital contribution by LINC, the General Partner, in Anderson's audited financial statements. During 2008, it was determined that LINC did not properly record for this transaction, and as a result, the net assets as of July 1, 2006 were increased by approximately \$567,000 and a corresponding increase in the investment in partnerships' account, which is net of losses allocated to the General Partner through December 31, 2007 to agree to the audited financial statements of the Anderson General Partner's capital account balance in the accompanying financial statements.

LINC HOUSING CORPORATION
(A NONPROFIT CALIFORNIA CORPORATION)
Consolidated Statements of Financial Position
As of March 31, 2009 and 2008
Unaudited (Accrual Basis)

ASSETS

	<u>March 31, 2009</u>	<u>March 31, 2008</u>
Current Assets		
Cash and Cash Equivalents	\$ 3,017,245	\$ 3,376,067
Advances to Projects	170,826	122,680
Fees Receivable	1,220,050	1,059,303
Tenant Accounts Receivable	20,219	-
Loan Interest Receivable	35,760	152,809
Prepaid Expenses	1,001,814	66,328
Total Current Assets	<u>5,465,914</u>	<u>4,777,187</u>
Property		
Construction In Progress	440,674	303,133
Building Acquisition	14,074,000	374,000
Computers, Furniture and Equipment	253,603	202,355
Less: Accumulated Depreciation	(351,247)	(97,435)
Net Property	<u>14,417,030</u>	<u>782,053</u>
Cost of issuance (Net)	191,127	-
Other Assets		
Restricted Cash	55,467	55,467
Fees Receivable (Long Term), Net	1,718,823	1,286,195
Escrow Deposit	243,416	-
Advances to Projects and Accounts Receivable	2,207,458	1,987,703
Investment in Partnerships	1,574,558	12,560
Investment in HPI Holding Company	182,760	182,760
Investment in Housing Partnership Security	-	105,000
Total Other Assets	<u>5,982,482</u>	<u>3,629,685</u>
Total Assets	<u>\$ 26,056,553</u>	<u>\$ 9,188,925</u>

LIABILITIES and NET ASSETS

Accounts Payable and Accrued Expenses	\$ 594,526	\$ 702,046
Accrued Interest Payable	750	46,200
Prepaid Rent from Tenant	2,383	-
Tenant Security Deposit	44,220	-
Notes Payables	14,582,500	335,285
Total Liabilities	<u>15,224,379</u>	<u>1,083,531</u>
Net Assets	<u>10,832,174</u>	<u>8,105,394</u>
Total Liabilities and Net Assets	<u>\$ 26,056,553</u>	<u>\$ 9,188,925</u>

LINC HOUSING CORPORATION
(A NONPROFIT CALIFORNIA CORPORATION)
 Consolidated Statements of Activities
 For the Period of July 1, 2008 to March 31, 2009
 Unaudited (Accrual Basis)

	<u>Jul 08- Mar 09</u>	<u>Jul 07- Mar 08</u>
Revenue		
Asset Management Fees	\$ 208,559	\$ 254,305
Developer and Disposition Fees	1,342,080	150,000
Partnership Management Fees	996,743	699,743
Resident Service Fees	102,106	29,070
Distributions from Partnerships	57,124	125,000
Other Fees	113,548	196,696
Interest Income	119,692	198,672
Event Income, Net	39,058	85,987
Grant Income	1,346,260	402,375
Revenue from Tenants	803,689	-
Total Revenue	<u>5,128,859</u>	<u>2,141,848</u>
Expenses		
Automobile Allowances	20,600	13,866
Board Meeting Expenses	14,148	29,747
Computer Expenses	8,667	62,559
Delivery and Messenger	2,687	2,595
Depreciation and Amortization	268,754	22,591
Donations and Grants	173,167	156,596
Dues and Subscriptions	11,207	12,233
Education and Seminars	32,229	14,693
Employee Benefits	254,111	245,480
Equipment Leases	32,290	29,704
Equipment Maintenance	155	955
Insurance	16,706	17,977
Hiring/Training/Manual	26	14,791
Interest and Loan Fees Expenses	3,656	64,529
Marketing Miscellaneous	19,690	46,764
Miscellaneous	6,143	2,755
Office Supplies	24,024	27,053
Postage	4,633	3,465
Professional Fees	163,870	148,499
Printing	3,906	3,284
Project Costs	56,947	50,996
Projects - Abandoned	67,821	296,976
Rent and Parking	145,363	141,302
Salaries and Bonuses	2,033,843	2,075,858
Telephone	43,419	44,666
Travel and Entertainment	51,335	28,804
Property Operation Expenses	337,809	-
Property Debt Service	392,437	-
Total Expenses	<u>4,189,643</u>	<u>3,558,738</u>
Changes in Net Assets	<u>939,216</u>	<u>(1,416,889)</u>
Net Assets, Beginning of Period	9,892,958	9,522,283
Net Assets, End of Period	<u>\$ 10,832,174</u>	<u>\$ 8,105,394</u>

LINC HOUSING CORPORATION
(A NONPROFIT CALIFORNIA CORPORATION)
Combined Statements of Financial Position
As of March 31, 2009 and 2008
Unaudited (Accrual Basis)

ASSETS

	LINC	East Street	Arbor Village	Eliminations	March 31, 2009 Total	March 31, 2008 Total
Current Assets						
Cash and Cash Equivalents	\$ 2,937,086	\$ 51,042	\$ 29,117	\$ -	\$ 3,017,245	\$ 3,376,067
Advances to Projects	170,826	-	-	-	170,826	122,680
Fees Receivable	1,221,850	-	-	(1,800)	1,220,050	1,059,303
Tenant Accounts Receivable	-	-	20,219	-	20,219	-
Loan Interest Receivable	61,722	-	-	(25,962)	35,760	152,809
Prepaid Expenses	981,470	-	20,344	-	1,001,814	66,328
Total Current Assets	5,372,954	51,042	69,680	(27,762)	5,465,914	4,777,187
Property						
Construction In Progress	-	355,224	85,450	-	440,674	303,133
Building Acquisition	-	374,000	13,700,000	-	14,074,000	374,000
Computers, Furniture and Equipment	253,603	-	-	-	253,603	202,355
Less: Accumulated Depreciation	(121,490)	-	(229,757)	-	(351,247)	(97,435)
Net Property	132,113	729,224	13,555,693	-	14,417,030	782,053
Cost of Issuance (Net)	5,438	-	185,689	-	191,127	-
Other Assets						
Restricted Cash	55,467	-	-	-	55,467	55,467
Fees Receivable (Long Term), Net	1,718,823	-	-	-	1,718,823	1,286,195
Escrow Deposit	-	-	243,416	-	243,416	-
Advances to Projects and Accounts Receivable	2,207,458	-	-	-	2,207,458	1,987,703
Investment for Arbor Village	431,334	-	-	(431,334)	-	-
Investment for East Street	770,000	-	-	(770,000)	-	-
Investment in Partnerships	1,574,558	-	-	-	1,574,558	12,560
Investment in HPI Holding Company	182,760	-	-	-	182,760	182,760
Investment in Housing Partnership Security	-	-	-	-	-	105,000
Total Other Assets	6,940,400	-	243,416	(1,201,334)	5,982,482	3,629,685
Total Assets	\$ 12,450,905	\$ 780,266	\$ 14,054,478	\$ (1,229,096)	\$ 26,056,553	\$ 9,188,925

LIABILITIES and NET ASSETS

Accounts Payable and Accrued Expenses	\$ 557,046	\$ -	\$ 37,480	\$ -	\$ 594,526	\$ 702,046
Accrued Interest Payable	750	-	25,962	(25,962)	750	46,200
Prepaid Rent from Tenant	-	-	2,383	-	2,383	-
Tenant Security Deposit	-	-	44,220	-	44,220	-
Payable to LINC	-	770,000	431,334	(1,201,334)	-	-
Notes Payables	882,500	-	13,700,000	-	14,582,500	335,285
Total Liabilities	1,440,296	770,000	14,241,379	(1,227,296)	15,224,379	1,083,531
Net Assets - Undesignated	11,010,609	10,266	(186,901)	(1,800)	10,832,174	8,105,394
Total Liabilities and Net Assets	\$ 12,450,905	\$ 780,266	\$ 14,054,478	\$ (1,229,096)	\$ 26,056,553	\$ 9,188,925

LINC HOUSING CORPORATION
(A NONPROFIT CALIFORNIA CORPORATION)
Combined Statements of Activities
For the Period of July 1, 2008 to March 31, 2009
Unaudited (Accrual Basis)

					Jul 08 - Mar 09	Jul 07 - Mar 08
	LINC	East Street	Arbor Village	Eliminations	Total	Total
Revenue						
Asset Management Fees	\$ 208,559	\$ -	\$ -	\$ -	\$ 208,559	\$ 254,305
Developer and Disposition Fees	1,342,080	-	-	-	1,342,080	150,000
Partnership Management Fees	996,743	-	-	-	996,743	699,743
Resident Service Fees	113,506	-	-	(11,400)	102,106	29,070
Distributions from Partnerships	57,124	-	-	-	57,124	125,000
Other Fees	113,548	-	-	-	113,548	196,696
Interest Income	140,679	-	-	(20,987)	119,692	198,672
Event Income, Net	39,058	-	-	-	39,058	85,987
Grant Income	1,346,260	-	-	-	1,346,260	402,375
Revenue from Tenants	-	-	803,689	-	803,689	-
Total Revenue	4,357,557	-	803,689	(32,387)	5,128,859	2,141,848
Expenses						
Automobile Allowances	20,600	-	-	-	20,600	13,866
Board Meeting Expenses	14,148	-	-	-	14,148	29,747
Computer Expenses	8,667	-	-	-	8,667	62,559
Delivery and Messenger	2,687	-	-	-	2,687	2,595
Depreciation and Amortization	38,997	-	229,757	-	268,754	22,591
Donations and Grants	173,167	-	-	-	173,167	156,596
Dues and Subscriptions	11,207	-	-	-	11,207	12,233
Education and Seminars	32,229	-	-	-	32,229	14,693
Employee Benefits	254,111	-	-	-	254,111	245,480
Equipment Leases	32,290	-	-	-	32,290	29,704
Equipment Maintenance	155	-	-	-	155	955
Insurance	16,706	-	-	-	16,706	17,977
Hiring/Training/Manual	26	-	-	-	26	14,791
Interest and Loan Fees Expenses	3,656	-	-	-	3,656	64,529
Marketing Miscellaneous	19,690	-	-	-	19,690	46,764
Miscellaneous	6,143	-	-	-	6,143	2,755
Office Supplies	24,024	-	-	-	24,024	27,053
Postage	4,633	-	-	-	4,633	3,465
Professional Fees	163,870	-	-	-	163,870	148,499
Printing	3,906	-	-	-	3,906	3,284
Project Costs	56,947	-	-	-	56,947	50,996
Projects - Abandoned	67,821	-	-	-	67,821	296,976
Rent and Parking	145,363	-	-	-	145,363	141,302
Salaries and Bonuses	2,033,843	-	-	-	2,033,843	2,075,858
Telephone	43,419	-	-	-	43,419	44,666
Travel and Entertainment	51,335	-	-	-	51,335	28,804
Property Operation Expenses	-	-	368,396	(30,587)	337,809	-
Property Debt Service	-	-	392,437	-	392,437	-
Total Expenses	3,229,640	-	990,590	(30,587)	4,189,643	3,558,738
Changes in Net Assets	1,127,917	-	(186,901)	(1,800)	939,216	(1,416,889)
Net Assets, Beginning of Period	9,882,692	10,266	-	-	9,892,958	9,522,283
Net Assets, End of Period	\$ <u>11,010,609</u>	\$ <u>10,266</u>	\$ <u>(186,901)</u>	\$ <u>(1,800)</u>	\$ <u>10,832,174</u>	\$ <u>8,105,394</u>

ATTACHMENT 9

SAN DIEGO HOUSING COMMISSION
RESOLUTION NO. _____
ADOPTED ON JULY 10, 2009

A RESOLUTION : (1) APPROVING HOUSING COMMISSION PURCHASE OF THE LAND GENERALLY LOCATED AT 4914-4998 LOGAN AVENUE (THE "PROPERTY") FOR ITS CURRENT APPRAISED VALUE OF UP TO \$2,440,000; (2) APPROVING LEASE OF THE PROPERTY TO LINC-ARBOR APARTMENTS HOUSING INVESTORS, L.P. (the "L.P.") FOR 65 YEARS; (3) APPROVING A RESIDUAL RECEIPTS LOAN TO THE L.P., IN THE AMOUNT OF \$3,960,000; (4) APPROVING ENTRY INTO AN OPTION AGREEMENT WHEREBY THE HOUSING COMMISSION WILL HAVE THE OPTION TO PURCHASE THE IMPROVEMENTS AT THE END OF THE 15-YEAR TAX CREDIT COMPLIANCE PERIOD; (5) FINDING THAT THE TOTAL AMOUNT TO BE PAID BY THE HOUSING COMMISSION FOR THE PROPERTY IS LESS THAN ITS APPRAISED FAIR MARKET VALUE AND THEREFORE COMPLIES WITH HOUSING COMMISSION REAL ESTATE ACQUISITION POLICY 300.103; AND (6) AUTHORIZING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE HOUSING COMMISSION, OR DESIGNEE, TO EXECUTE ALL NECESSARY DOCUMENTS

WHEREAS, the San Diego Housing Commission has issued a Notice of Funding Availability (NOFA) for proposals from qualified developers for the Construction, Acquisition, and Operation of Affordable Rental Housing; and

WHEREAS, LINC HOUSING COROPRATION, on behalf of itself and/or the L.P. a California Limited Partnership [the "Developer"], has proposed and requested that the San Diego Housing Commission provide financial assistance for the land acquisition and acquisition with rehabilitation of a 113 unit rental housing development known as "Arbor Village Apartments", at 4914 - 4998 Logan Avenue [the "Property"], of which 111 rental units will be restricted for occupancy by low-income families [the "Development"]; and

WHEREAS, the Developer has an option to purchase the Property; and

WHEREAS, Developer has applied to the State of California Tax Credit Allocation Committee (TCAC) for nine percent tax credits for the Development; and

WHEREAS, under the application for nine percent tax credits, TCAC requires submittal of a resolution confirming the local funds contribution; and

WHEREAS, as described in the San Diego Housing Commission Report HCR 09-048 "Arbor Village Apartments Finance Plan", and acting pursuant to the authority described in Housing Commission Acquisitions Policy 300.103, on July 10, 2009 the San Diego Housing Commission approved acquisition of the 4914 - 4998 Logan Avenue property and approved making a residual receipts loan, up to \$3,960,000, to the Developer for the Development; and

BE IT RESOLVED by the San Diego Housing Commission that on the terms and conditions as described in the San Diego Housing Commission Report HCR 09-048 "Arbor Village Apartments Finance Plan":

1. The San Diego Housing Commission is authorized to purchase the Property for its current fair market appraised value of up to \$2,440,000.

2. The San Diego Housing Commission is authorized to lease the Property to Developer for 65 years with at an annual rent of 4.5% of gross income, up to 100% of the project's residual receipts.

3. The San Diego Housing Commission is authorized to approve a loan to Developer in the amount of \$3,960,000, pursuant to the powers delegated to the Housing Commission by Real Estate Acquisition Policy 300.103.

4. The San Diego Housing Commission is authorized to enter into an option agreement whereby the San Diego Housing Commission will have the option to purchase the improvements at the end of the fifteen-year tax credit compliance period. Section 11

of Real Estate Acquisition Policy 300.103 provides “the purchase price for the property to be acquired must be at or below the appraised value.”

5. The appraisal performed by Wayne S. Froboese, MAI, determined: (1) the fair market value of the land is \$2,440,000, which equals the purchase price; and (2) the fair market value of the fee will be \$15,205,000 after 15 years, which is more than the \$11,250,000 total amount to be paid by the Commission for the fee (\$2,440,000 land acquisition, plus the projected option price to be paid by the Housing Commission of \$8,810,000 (forgiveness of the Housing Commission loan of approximately \$3,960,000, assumption of the first position loan which will have a then principal balance of approximately \$4,600,00, plus exit taxes estimated at \$250,000).

6. The San Diego Housing Commission hereby finds that the total amount to be paid by the Housing Commission for the Property and the improvements (provided the Housing Commission exercises the option to purchase the improvements) is less than the fair market value for the same, as determined by Wayne S. Froboese, MAI, and therefore the acquisition complies with the Housing Commission’s Real Estate Acquisition Policy 300.103.

7. The City of San Diego determined on September 25, 2008 that this project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA guidelines Section 15301 (existing facilities).

8. The City of San Diego also determined this project to be Categorical Excluded pursuant to the National Environmental Policy Act (NEPA) Section 58.35(a) (3) (ii) on September 25, 2008.

9. The President and Chief Executive Officer of the San Diego Housing Commission, or his designee, is authorized to: (a) execute any and all documents deemed

necessary to effectuate this transaction and implement the project; (b) adjust financing terms/conditions as necessary to accommodate market changes that may occur after approval of this report but before close of escrow, provided the \$2,440,000 land purchase price and \$3,960,000 maximum loan amount may not increase.

THIS ACTION OF THE SAN DIEGO HOUSING COMMISSION BOARD OF COMMISSIONERS SHALL BECOME FINAL IF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO DOES NOT ELECT TO HEAR THE MATTER, ON OR BEFORE THE CLOSE OF BUSINESS ON JULY 17, 2009, BY WRITTEN REQUEST TO THE CHIEF EXECUTIVE OFFICER OF THE SAN DIEGO HOUSING COMMISSION, PURSUANT THE APPLICABLE PROVISIONS OF SAN DIEGO HOUSING COMMISSION ACQUISITION POLICY 300.103.

I hereby certify that the foregoing is a full, true and correct copy of Resolution Number ____, passed and adopted by the San Diego Housing Commission on July 10, 2009.

By: _____
Richard C. Gentry, President and CEO
San Diego Housing Commission

Approved as to Form:
Christensen & Spath

By: _____
General Counsel
San Diego Housing Commission