



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: June 10, 2022

HCR22-086

SUBJECT: Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for the Iris at San Ysidro Apartments

COUNCIL DISTRICT: 8

ORIGINATING DEPARTMENT: Real Estate Division

CONTACT/PHONE NUMBER: Jennifer Kreutter 619- 578-7709

REQUESTED ACTION:

Take the initial steps to issue up to \$35,000,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds and \$2,100,000 in taxable bonds to facilitate the acquisition and new construction of Iris at San Ysidro Apartments, a transit-oriented development at 1663 Dairy Mart Road, San Ysidro, CA 92173. The development will consist of 99 units that will remain affordable for 55 years for households with income of 25 percent to 60 percent of San Diego's Area Median Income, of which 15 units will be permanent supportive housing for families experiencing homelessness, and one unrestricted manager's unit.

EXECUTIVE SUMMARY OF KEY FACTORS:

- Iris at San Ysidro is a proposed 100-unit, new construction, affordable, transit-oriented, family development with a permanent supportive housing (PSH) component.
- The development will be within a half mile of the Iris Trolley Station.
- It will consist of 42 one-bedroom, 32 two-bedroom and 26 three-bedroom apartments, including one unrestricted manager's unit.
- County funding requires that 15 of the one-bedroom units be set aside as PSH for adults experiencing chronic homelessness, at risk of chronic homelessness, or at risk of homelessness with a serious mental disorder, with income up to 25 percent of AMI, currently \$26,050 per year for a two-person household.
- On March 11, 2020, Housing Commission staff provided a preliminary recommendation of award of a residual receipts loan of up to \$2,300,000 subject to Housing Commission Board approval, and 25 Project-Based Housing Vouchers (PBVs) for this development. These vouchers are families with extremely low income; they are not for PSH for households experiencing homelessness.
- On June 11, 2021, the Housing Commission Board (Report No. HCR21-069) approved a Housing Commission residual receipts loan of up to \$2,300,000 to finance this development.
- Additional financing would include a California Debt Limit Allocation Committee bond allocation and 4 percent tax credits allocation from the California Tax Credit Allocation Committee, a No Place Like Home loan from the County of San Diego, a City of San Diego Economic Development Department loan and other necessary third-party financing as described in this report.



REPORT

DATE ISSUED: June 2, 2022

REPORT NO: HCR22-086

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of June 10, 2022

SUBJECT: Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for the Iris at San Ysidro Apartments

COUNCIL DISTRICT: 8

REQUESTED ACTIONS

Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) hearings are scheduled to be heard by the San Diego Housing Commission (Housing Commission) Board of Commissioners on June 10, 2022, at 9 a.m. Any two members of the Housing Authority of the City of San Diego (Housing Authority) or San Diego City Council (City Council) may request that these hearings not take place and instead be heard by the Housing Authority and City Council by giving notice to the Housing Commission's President & Chief Executive Officer, or designee, within seven days of the date of this notice.

Take the initial steps to issue up to \$35,000,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds and \$2,100,000 in taxable bonds to facilitate the acquisition and new construction of Iris at San Ysidro Apartments, a transit-oriented development at 1663 Dairy Mart Road, San Ysidro, CA 92173. The development will consist of 99 units that will remain affordable for 55 years for households with income of 25 percent to 60 percent of San Diego's Area Median Income, of which 15 units will be permanent supportive housing for families experiencing homelessness, and one unrestricted manager's unit.

STAFF RECOMMENDATIONS

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions as described in this report:

- 1) Approve the following steps to issue up to \$35,000,000 in Housing Authority of the City of San Diego (Housing Authority) tax-exempt Multifamily Housing Revenue Bonds and \$2,100,000 in taxable bonds to facilitate Iris at San Ysidro LP's development of the Iris at San Ysidro Apartments, a transit-oriented development at 1663 Dairy Mart Road, San Ysidro, CA 92173. The development will consist of 99 units affordable for 55 years for households with income of 25 percent to 60 percent of San Diego's Area Median Income (AMI), of which 15 units will be permanent supportive housing for families experiencing homelessness, and one unrestricted manager's unit:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$35,000,000 in tax-exempt Multifamily Housing Revenue Bonds supporting the development of Iris at San Ysidro Apartments by Iris at San Ysidro LP;

- b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$35,000,000 for Iris at San Ysidro Apartments; and
 - c. Approve the financing team of Jones Hall as the Bond Counsel and CSG Advisors as the Financial Advisor.
- 2) Authorize the Housing Commission's President & Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.
- 3) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$35,000,000 to facilitate the development of Iris at San Ysidro Apartments.

SUMMARY

A Development Summary is at Attachment 1.

Table 1 –Development Details

| | |
|-------------------------|--|
| Address | 1663 Dairy Mart Road, San Ysidro, CA 92173 |
| Council District | District 8 |
| Community Plan Area | San Ysidro Community Planning Group |
| Developers | National Community Renaissance of California (National CORE) |
| Development Type | New Construction |
| Construction Type | Type VA |
| Parking Type | Surface (104 parking spaces) |
| Mass Transit | Transit-Oriented Development (TOD) Nearest trolley station located 0.5 mile from the property, Iris Trolley station (see Attachment 2 Site Map) |
| Housing Type | Affordable Multifamily, including units set aside for permanent supportive housing |
| Lot Size | 1.66 acres |
| Units | 100 |
| Density | 60.2/acre (100 units ÷ 1.66 acres = 60.24 per acre) |
| Unit Mix | 42 one-bedroom, 32 two-bedroom, 26 three-bedroom |
| Gross Building Area | 115,424 |
| Net Rentable Area | 80,813 |
| Commercial/Retail Space | None |

| | |
|---|--|
| Project Based Housing Vouchers (PBV) | 25 PBV requested from the Housing Commission for families with low income, not permanent supportive housing |
| Affordable Units in Service by Council District | Council District 8 includes 3,879 affordable rental housing units currently in service, which represents 15.8 percent of the 24,554 affordable rental housing units in service citywide. |

The Development

The Iris at San Ysidro is a proposed 100-unit, new construction, affordable, transit-oriented, family development with a permanent supportive housing component. Once completed, it will consist of 42 one-bedroom, 32 two-bedroom and 26 three-bedroom apartments, including one unrestricted manager's unit. National CORE was awarded 25 Project-Based Housing Vouchers for low-income families with income at or below 30 percent of San Diego's Area Median Income (AMI). These tenants will be selected from the Housing Commission's Project-Based Housing Voucher waiting list and will receive supportive services from Hope through Housing Foundation, Casa Familiar and San Ysidro Health. These 25 units will assist families with low income; they are not permanent supportive housing units for families experiencing homelessness. Pursuant to restrictions from a County of San Diego "No Place Like Home" (NPLH) third-party loan, 15 of the Iris at San Ysidro's one-bedroom units will be set aside as permanent supportive housing for adults experiencing chronic homelessness, at risk of chronic homelessness, or at risk of homelessness with a serious mental disorder, with income up to 25 percent of AMI, currently \$26,050 per year for a two-person household..

The building will employ type V-A wood frame construction over four stories. The single structure will be built on grade and feature 104 surface parking spaces.

The development will be at 1663 Dairy Mart Road in the San Ysidro Community Plan Area and within a half mile of the Iris Trolley Station (see Attachment 2 Site Map) – qualifying the site as part of the City's Transit Priority Area. The development is designed to function as a pedestrian-friendly housing option ideal for working people and households interested in using public transportation and related sustainable alternatives as part of their transportation plan. Developers are incorporating several features designed to help connect residents to public transportation, such as bike racks or lockers. Residents will be provided access to electric vehicle charging station spaces, bike racks and bike lockers at both the development site and the nearby trolley station. In addition to the trolley, the site is served by a Metropolitan Transit System bus line and features easy connections to nearby health and wellness facilities, senior centers and neighborhood eateries.

The Property

National CORE holds a purchase option for the development site at 1663 Dairy Mart Road in San Ysidro (Attachment 2 Site Map). The 1.66-acre, triangular lot is currently improved with two single-family homes and a large storage building. The development plan calls for all existing structures to be razed and all current residents to be relocated, subject to a relocation plan conforming to the relevant CDLAC and State regulations. The developer has retained Overland, Pacific & Cutler, LLC to prepare a Relocation Plan and to provide relocation assistance services to the tenant households.

Services

Iris at San Ysidro residents will have access to a range of dedicated permanent supportive housing and general community services. Residents referred as part of the County of San Diego's NPLH program will be directed to mental and health services provided by the County directly or through a subcontracted lead service provider. Depending on client need, these services could include case management, crisis counseling, ongoing mental health care peer support, links to other mental or dental care, enrollment in Medi-Cal or other public assistance, and training workshops teaching cooking, unit maintenance, money management and other life skills.

All residents will have access to a range of organized community activities, including social events and celebrations, health and wellness classes, and financial education. Hope through Housing Foundation (HTHF), a National CORE-affiliated nonprofit that has been providing resident services at many of their properties, has been engaged to act as the service coordinator. In conjunction with HTHF, Casa Familiar will also provide a basic service contribution for events and activities on site annually to all residents.

Additionally, as agreed within the partnership MOU, San Ysidro Health (SYH) will provide outreach and engagement within at Iris at San Ysidro to provide options for those who residents who meet the senior age criteria (55+) for the San Diego PACE Program. Once enrolled, each will be provided supportive and case management services to the residents in order to assist each in maintaining housing stability and overall wellness. The services may be offered and delivered to residents onsite at development or at the nearby north county PACE Services location. SYH will also offer a variety of free programs to educate residents on how to manage their conditions, improve their health, and stay healthy.

Developer's Request

In response to the Housing Commission's Fiscal Year (FY) 2020 Notice of Funding Availability (NOFA), Iris at San Ysidro, LP and National CORE submitted an application for a loan and federal Project-Based Housing Vouchers (PBV) for the Iris at San Ysidro development. On March 11, 2020, Housing Commission staff provided a preliminary recommendation of award of a residual receipts loan of up to \$2,300,000 subject to Housing Commission Board approval, and 25 PBVs for the 100-unit development.

On June 11, 2021, the Housing Commission Board (Report No. HCR21-069) approved a Housing Commission residual receipts loan of up to \$2,300,000 to finance the acquisition and new construction of Iris at San Ysidro Apartments.

The nonprofit developer, National CORE, proposes to construct 100 new apartment units, with financing that would include the previously approved Housing Commission loan, a CDLAC bond allocation and 4 percent tax credits allocation from the California Tax Credit Allocation Committee (CTCAC), an NPLH loan from the County of San Diego, a City of San Diego Economic Development Department (EDD) loan and other necessary third-party financing as described in this report.

Appraisal

National CORE obtained an appraisal of the subject site, with the report dated October 20, 2021, and conducted by Kinetic Valuation Group, which valued the property at \$6,000,000 using a hypothetical indication of value. If approved and a CDLAC bond allocation is awarded, an updated appraisal will be required prior to final bond authorization by the Housing Commission Board and Housing Authority.

Prevailing Wages

Iris at San Ysidro's proposed use of 25 U.S. Department of Housing and Urban Development Project-Based Housing Vouchers, administered by the Housing Commission, will require the project to pay prevailing wages.

Project Sustainability

Iris at San Ysidro will be constructed in conformance with the California Tax Credit Allocation Committee's (CTCAC) minimum energy efficiency standards. The developers will achieve a minimum LEED Silver or equivalent certification. Planned green features include energy-efficient appliances and water-saving volatile organic compound (VOC) paints. Landscape architecture will be designed using drought-tolerant and native plants.

Accessibility

CTCAC requires wheelchair accessibility in 10 percent of the units, and 4 percent of the units accessible to residents with visual and/or hearing impairment. The same units can satisfy both of these accessibility requirements. If HOME Investment Partnerships Program funds are used to fund the development, these accessible units will satisfy the HOME accessibility requirement in 5 percent of the units, plus an additional 2 percent of the units accessible for residents with visual and/or hearing impairment.

Relocation

The developer plans to demolish three existing buildings, consisting of a storage building and two occupied residential buildings. In accordance with state and federal relocation regulations, the developer will provide relocation assistance to all residents. The developer has retained Overland, Pacific & Cutler, LLC to prepare a Relocation Plan and to provide relocation assistance services to the tenant households.

Development Team

The developer is National CORE. The proposed borrower will be Iris at San Ysidro L.P., which will have National CORE as its General Partner and a to-be-determined tax credit investor limited partner (Attachment 3). National CORE is an award-winning nonprofit corporation headquartered in Rancho Cucamonga, California. It was established in 1992. National CORE has more than 8,460 rental units under ownership in four states, including 6,700 rental units in Southern California. It is a vertically integrated company with in-house construction and property management. National CORE has acted as the developer on previous affordable housing developments that utilized Housing Commission loans. National CORE is in full compliance on its previous Housing Commission loans. Based upon the developer's past experience and performance, Housing Commission staff has determined that the developer has the capacity to successfully complete the proposed Iris at San Ysidro development.

Table 2 Development Team Summary

| ROLE | FIRM/CONTACT |
|--------------------------|--|
| Developers | Iris at San Ysidro, LP. & National Community Renaissance of California (National CORE) |
| Owner/Borrower | Iris at San Ysidro, LP |
| Managing General Partner | NCRC ISY GP LLC |

| | |
|-------------------------------------|---------------------|
| Tax Credit Investor Limited Partner | To Be Determined |
| Architect | Studio E Architects |
| General Contractor | National CORE |
| Property Management | National CORE |
| Construction and Permanent Lender | To Be Determined |

FINANCING STRUCTURE

The Iris at San Ysidro has an estimated total development cost of \$56,418,210 (\$564,182/unit). Financing will include a combination of CDLAC bond allocation, federal 4 percent tax credits, NPLH and IHTF funding from the County of San Diego, a \$2,300,000 Housing Commission loan, and a \$5,000,000 City of San Diego EDD loan. The estimated permanent total development cost sources and uses are detailed in the pro forma attached to this report (Attachment 4), and summarized in Table 3 below.

Table 3 – Iris at San Ysidro, LP Estimated Permanent Sources and Uses

| Financing Sources | Amounts | Financing Uses | Amounts | Per Unit |
|-------------------------------------|---------------------|-------------------------------------|---------------------|------------------|
| Permanent loan (third party lender) | \$11,673,828 | Acquisition + Closing Cost | \$ 6,568,377 | \$ 65,684 |
| County of San Diego | | Construction costs \$33,799,434 | | |
| NPLH residual loan | 3,290,265 | Contingency + 1,683,972 | | |
| Housing Commission loan | 2,300,000 | Total construction \$35,483,406 | 35,483,406 | 354,834 |
| RTCIP/DIF fee waivers | 409,449 | Financing costs | 2,902,193 | 28,696 |
| Four percent tax credit equity | 25,144,668 | Other soft costs | 3,337,638 | 33,376 |
| County of SD IHTF | 5,000,000 | Permits and fees | 1,495,000 | 14,950 |
| City of SD EDD | 5,000,000 | Total reserves | 831,596 | 8,951 |
| Contributed GP Equity | 3,600,000 | Developer Fee | 5,800,000 | 58,000 |
| Total Development Cost | \$56,418,210 | Total Development Cost (TDC) | \$56,418,210 | \$564,182 |

The Housing Commission's \$2,300,000 residual receipts loan will be funded with \$2,300,000 from the City of San Diego's Affordable Housing Fund, which the Housing Commission administers. The final determination of Housing Commission funding sources will be made by the Housing Commission's President & CEO, or designee, contingent upon budget availability. The proposed loan terms are summarized at Attachment 5.

The Housing Commission requires affordable housing developers to pursue all viable sources of funding to reduce the financing gap and amount of Housing Commission subsidy required. If other funding is secured, proceeds will first be used to make an adjustment to reduce the Housing Commission's loan.

Developers' Fee

| | |
|-------------|--|
| \$5,800,000 | Gross Developer's Fee |
| -3,600,000 | (minus) Contributed GP Equity |
| \$2,200,000 | Net Cash paid from Development Sources |

On April 25, 2017, the Housing Authority approved the "Request for Approval of Updated Developer Fees" (HAR17-011). That report approved certain developer fee guidelines for multifamily loans and bonds issuances. That report at its Attachment 1 states: "Developer fee for 4% tax credits: in project costs 15% of eligible basis...." For this development the developers are proposing a \$5,800,000 total developer fee, which complies with HAR17-011. The net cash developer fee shall be \$2,200,000

provided, however, that in the event financing terms or construction costs change and result in a financing gap, the developer may defer additional developer fee. The fee proposed is consistent with the Request for Approval of Updated Developer Fees (HAR17-011) approved by the Housing Authority on April 25, 2017.

Development Cost Key Performance Indicators

Housing Commission staff has identified development cost performance indicators that are used to evaluate proposed developments and make a funding recommendation. The key performance indicators listed in Table 4 are commonly used by real estate industry professionals and affordable housing developers.

Table 4 – Iris at San Ysidro Key Performance Indicators

| | | |
|--------------------------------------|------------------------------------|-----------|
| Development Cost Per Unit | \$56,418,210 / 100 units | \$564,182 |
| Housing Commission Subsidy Per Unit | \$2,300,000 / 100 units | \$23,000 |
| Acquisition Cost Per Unit | \$6,568,377 / 100 units | \$65,684 |
| Gross Building Square Foot Hard Cost | \$35,483,406 / 115,424 square feet | \$307 |
| Net Rentable Square Foot Hard Cost | \$35,483,406 / 80,813 square feet | \$439 |

Project Comparison Chart

Multiple factors and variables influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City fees, developer experience and capacity, and the mission and goals of the organization developing the project. Similar construction-type developments (completed or approved) over recent years are listed in Table 5.

These developments are similar in terms of new construction, target population, and construction type and are provided as a comparison to the subject Iris at San Ysidro development.

Factors affecting the total development cost for the subject development include higher construction interest costs related primarily to the timing of the availability of state funds at conversion to permanent financing compared to construction close, and the effect of prevailing wage on labor expenses.

Table 5 – Iris at San Ysidro Comparable Development Projects

| Project Name | Year | Units | Prevailing Wage | Total Development Cost | Cost Per Unit | Housing Commission Subsidy Per Unit | Gross Hard Cost Sq. Ft. |
|------------------------------|------|-------|-----------------|------------------------|---------------|-------------------------------------|-------------------------|
| Iris At San Ysidro (subject) | 2022 | 100 | Yes | \$56,449,080 | \$564,182 | \$23,000 | \$307 |
| Merge 56 | 2022 | 47 | No | \$29,566,248 | \$629,069 | \$0 | \$271 |
| Ventana al Sur | 2021 | 101 | Yes | \$57,337,762 | \$567,701 | \$43,564 | \$512 |

TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS

The Housing Commission utilizes the Housing Authority's tax-exempt borrowing status to pass on lower interest rate financing (and make 4 percent low-income housing tax credits available) to developers of affordable rental housing. The Housing Authority's ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first

submit an application to CDLAC for a bond allocation. Prior to submitting applications to CDLAC, developments are brought before the Housing Commission. Housing Commission bond inducement resolutions must be obtained prior to application submittal, and Housing Authority TEFRA resolutions must be secured by the time of project closing. These actions do not obligate the Housing Authority to issue bonds.

The Housing Commission Board is authorized to hold TEFRA hearings pursuant to Multifamily Mortgage Revenue Bond Program Policy Amendments the Housing Authority approved March 9, 2021 (Report No. HAR20-043; Resolution No. HA-1906).

The developer plans to submit a bond allocation application to CDLAC on August 9, 2022, for a November 30, 2022, bond allocation meeting (dates are subject to change at CDLAC's discretion). However, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the proposed development.

The developer will be seeking a CDLAC bond allocation of approximately \$35,000,000 in tax-exempt Multifamily Housing Revenue Bonds. The developer proposes to have the Housing Authority issue the bonds through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego's (City) ordinance on bond disclosure. The developer proposes that the bonds will be used to provide construction and permanent financing for the project. Housing Commission staff will later return to both the Housing Commission and Housing Authority for approval of the final bonds and transaction documents. A general description of the Multifamily Housing Revenue Bond Program and actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 5.

Staff recommends assigning Jones Hall as Bond Counsel and CSG Advisors as Bond Financial Advisor to work on the development. The proposed bond financing team members have been selected in accordance with the existing policy for the issuance of bonds. Financial Advisors and Bond Counsels are selected in accordance with the Housing Commission's Bond Program Policy

AFFORDABLE HOUSING IMPACT

Project-Based Housing Vouchers (PBV)

The Housing Commission has provided a preliminary award recommendation of 25 for the Iris at San Ysidro Apartments, which are for families with low income earning up to 30 percent of AMI; the PBVs are not for permanent supportive housing (PSH) for families experiencing homelessness. The recommendation for these vouchers is contingent upon completion of a subsidy layering review, execution of an Agreement to Enter into Housing Assistance Payment and verification of services. Under the PBV program, the tenant's rent portion is determined by using the applicable minimum rent or a calculated amount based on their income level, whichever is higher, with the remainder being federally subsidized up to a gross rent level approved by the Housing Commission. The Housing Assistance Payment provides a rental subsidy for residents in the Iris at San Ysidro Apartments' 25 voucher-assisted units. The PBV units are a mix of two- and three-bedroom units. The tenants will be selected from the Housing Commission's low-income PBV Wait List. Although the vouchers are non-PSH, services will be provided to the residents through County of San Diego Behavioral Health Services for the 15 NPLH residents, Hope Through Housing Foundation, San Ysidro Health and Casa Familiar.

The Iris at San Ysidro will be subject to a Housing Commission Declaration of Covenants and Restrictions, in addition to applicable tax credit and bond regulatory agreements, which will restrict affordability of 99 of the 100 units for 55 years.

The rent and occupancy restrictions required by the Housing Commission, CTCAC and other lenders and investors will apply. The same units may be counted as the tax credit restricted units and the Housing Commission loan's restricted units. The more stringent of the funding sources' affordability/rent restrictions will take precedence during the term of their applicability.

Table 6 Affordability and Monthly Estimated Rent Table

| Unit Type | AMI | Number of Units | Gross Rents |
|-------------------------------------|--|------------------------|--------------------|
| 1 BR (County NPLH Units) | 25% (currently \$26,050/year for a two-person household) | 15 | \$568 |
| 1BR | 30% (currently \$31,250/year for a two-person household) | 5 | \$682 |
| 1BR | 50% (currently \$52,050/year for a two-person household) | 14 | \$1,136 |
| 1BR | 60% (currently \$62,460/year for a two-person household) | 8 | \$1,455 |
| Subtotal One Bedroom Units | | 42 | |
| 2BR (13 Non-PSH S8) | 30% (currently \$35,150/year for a three-person household) | 13 | \$818 |
| 2BR | 50% (currently \$58,550/year for a three-person household) | 12 | \$1,363 |
| 2BR | 60% (currently \$70,260/year for a three-person household) | 7 | \$1,636 |
| Subtotal Two Bedroom Units | -- | 32 | |
| 3BR (12 Non-PSH S8) | 30% (currently \$39,050/year for a four-person household) | 12 | \$945 |
| 3BR | 50% (currently \$65,050/year for a four-person household) | 8 | \$1,575 |
| 3BR | 60% (currently \$78,060/year for a four-person household) | 5 | \$1,890 |
| Subtotal Three Bedroom Units | -- | 25 | |
| 3 Bedroom Manager | - | 1 | - |
| Total Units | - | 100 | - |

FISCAL CONSIDERATIONS

The funding sources and uses proposed for approval by this action are included in the Fiscal Year (FY) 2022 Housing Commission Budget. Approving this action will not change the FY 2022 total budget.

Funding sources approved by this action will be as follows

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Iris San Ysidro Apartments Preliminary Bond Authorization and TEFRA Hearing

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Bond Issuer Fee – $\langle \$35,000,000 + \$2,100,000 \rangle \times 0.0025 = \$92,750$

Total Funding Sources – up to \$92,750

Funding uses approved by this action

Administrative costs - \$92,750

Total Funding Uses - up to \$92,750

Approving this action will further grant the President & CEO, or designee, the authority to substitute the above funding sources with other available funding sources so long as the total Housing Commission loan amount does not exceed the approved total loan amount, should the operational need arise or should such actions be to the benefit of the Housing Commission.

Development Schedule

The estimated development timeline is as follows:

| Milestones | Estimated Dates |
|--|--|
| <ul style="list-style-type: none">• CDLAC Bond Application & CTCAC 4 percent tax credit application• CDLAC & CTCAC 4 percent tax credit allocation meetings• Housing Commission proposed final bond authorization• Housing Authority proposed final bond authorization• Estimated bond issuance and escrow/loan closing• Start of construction work• Completion of construction work | <ul style="list-style-type: none">• August 9, 2022• November 30, 2022• January 2023• February 2023• March 2023• April 2023• April 2025 |

HOUSING COMMISSION STRATEGIC PLAN

This item relates to Strategic Priority Area No. 1 in the Housing Commission Strategic Plan for Fiscal Year (FY) 2022-2024: Increasing and Preserving Housing Solutions.

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

National CORE is a local nonprofit organization and as such, is not subject to the requirement to submit a Workforce Report. National CORE is committed to equity and inclusion efforts and strives to create residential communities that reflect the larger communities they serve where everyone feels empowered to thrive.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

On August 19, 2019, National CORE presented the proposed development as an action item to the San Ysidro Community Planning Group. The community-planning group approved the motion supporting the project on a vote of 6-3-1 in favor.

KEY STAKEHOLDERS & PROJECTED IMPACTS

Stakeholders include National CORE as the developer, Hope through Housing, Casa Familiar and San Ysidro as service providers, the County of San Diego as a funder and partner for the supportive housing and services, the Housing Commission as a lender and the San Ysidro Community Planning Group. The project is anticipated to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and create 99 new, affordable, transit-oriented rental homes for working San Diego families.

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STATEMENT FOR PUBLIC DISCLOSURE

Developer Disclosure Statements for National Core are provided at Attachment 6

ENVIRONMENTAL REVIEW

California Environmental Quality Act

This activity is not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b) (5), as it is an administrative activity of government that will not result in direct or indirect physical changes in the environment.

National Environmental Policy Act

Federal funds constitute a portion of the funding for this project. Final NEPA approval was obtained from the U.S. Department of Housing and Urban Development (HUD) on June 15, 2020, and July 8, 2020.

Respectfully submitted,

Approved by,



Jennifer Kreutter

Vice President, Multifamily Housing Finance

Real Estate Division



Jeff Davis

Interim President & Chief Executive Officer

San Diego Housing Commission

- Attachments:
1. Development Summary
 2. Site Map
 3. Organization Chart
 4. Developers' Project Pro Forma
 5. Multifamily Housing Revenue Bond Program
 6. Developer's Disclosure Statement

Docket materials are available in the "Governance & Legislative Affairs" section of San Diego Housing Commission website at www.sdhc.org.

ATTACHMENT 1 - DEVELOPMENT SUMMARY

Table 1 –Development Details

| | |
|---|--|
| Address | 1663 Dairy Mart Road, San Ysidro, CA 92173 |
| Council District | District 8 |
| Community Plan Area | San Ysidro Community Planning Group |
| Developers | National Community Renaissance of California (National CORE) |
| Development Type | New Construction |
| Construction Type | Type VA |
| Parking Type | Surface (104 parking spaces) |
| Mass Transit | Transit-Oriented Development (TOD) Nearest trolley station located 0.5 miles from the property, Iris Trolley station (see Attachment 2 Site Map) |
| Housing Type | Affordable Multifamily, including units set aside for permanent supportive housing |
| Lot Size | 1.66 acres |
| Units | 100 |
| Density | 60.2/acre (100 units ÷ 1.66 acres = 60.24 per acre) |
| Unit Mix | 42 one-bedroom, 32 two-bedroom, 26 three-bedroom |
| Gross Building Area | 115,424 |
| Net Rentable Area | 80,813 |
| Commercial/Retail Space | None |
| Project Based Housing Vouchers (PBV) | 25 PBV requested from the Housing Commission for families with low income, not permanent supportive housing |
| Affordable Units in Service by Council District | Council District 8 includes 3,879 affordable rental housing units currently in service, which represents 15.8 percent of the 24,554 affordable rental housing units in service citywide. |

Table 2 Development Team Summary

| ROLE | FIRM/CONTACT |
|-------------------------------------|--|
| Developers | Iris at San Ysidro, LP. & National Community Renaissance of California (National CORE) |
| Owner/Borrower | Iris at San Ysidro, LP |
| Managing General Partner | NCRC ISY GP LLC |
| Tax Credit Investor Limited Partner | To Be Determined |
| Architect | Studio E Architects |
| General Contractor | National CORE |
| Property Management | National CORE |

| | |
|-----------------------------------|------------------|
| Construction and Permanent Lender | To Be Determined |
|-----------------------------------|------------------|

Table 3 – Iris at San Ysidro, LP Estimated Permanent Sources and Uses

| Financing Sources | Amounts | Financing Uses | Amounts | Per Unit |
|--|---------------------|---|---------------------|------------------|
| Permanent loan (third party lender) | \$11,673,828 | Acquisition + Closing Cost | \$ 6,568,377 | \$ 65,684 |
| County of San Diego NPLH residual loan | 3,290,265 | Construction costs \$33,799,434 Contingency + 1,683,972 Total construction \$35,483,406 | 35,483,406 | 354,834 |
| Housing Commission loan | 2,300,000 | Financing costs | 2,902,193 | 28,696 |
| RTCIP/DIF fee waivers | 409,449 | Other soft costs | 3,337,638 | 33,376 |
| Four percent tax credit equity | 25,144,668 | Permits and fees | 1,495,000 | 14,950 |
| County of SD IHTF | 5,000,000 | Total reserves | 831,596 | 8,951 |
| City of SD EDD | 5,000,000 | Developer Fee | 5,800,000 | 58,000 |
| Contributed GP Equity | 3,600,000 | | | |
| | | | | |
| | | | | |
| Total Development Cost | \$56,418,210 | Total Development Cost (TDC) | \$56,418,210 | \$564,182 |

Table 4 – Iris at San Ysidro Key Performance Indicators

| | | |
|--------------------------------------|------------------------------------|-----------|
| Development Cost Per Unit | \$56,418,210 / 100 units | \$564,182 |
| Housing Commission Subsidy Per Unit | \$2,300,000 / 100 units | \$23,000 |
| Acquisition Cost Per Unit | \$6,568,377 / 100 units | \$65,684 |
| Gross Building Square Foot Hard Cost | \$35,483,406 / 115,424 square feet | \$307 |
| Net Rentable Square Foot Hard Cost | \$35,483,406 / 80,813 square feet | \$439 |

Table 5 – Iris at San Ysidro Comparable Development Projects

| Project Name | Year | Units | Prevailing Wage | Total Development Cost | Cost Per Unit | Housing Commission Subsidy Per Unit | Gross Hard Cost Sq. Ft. |
|------------------------------|------|-------|-----------------|------------------------|---------------|-------------------------------------|-------------------------|
| Iris At San Ysidro (subject) | 2022 | 100 | Yes | \$56,449,080 | \$564,182 | \$23,000 | \$307 |
| Merge 56 | 2022 | 47 | No | \$29,566,248 | \$629,069 | \$0 | \$271 |
| Ventana al Sur | 2021 | 101 | Yes | \$57,337,762 | \$567,701 | \$43,564 | \$512 |

Table 6 Affordability and Monthly Estimated Rent Table

| Unit Type | AMI | Number of Units | Gross Rents |
|--------------------------|--|-----------------|-------------|
| 1 BR (County NPLH Units) | 25% (currently \$26,050/year for a two-person household) | 15 | \$568 |
| 1BR | 30% (currently \$31,250/year for a two-person household) | 5 | \$682 |

| | | | |
|-------------------------------------|--|------------|---------|
| 1BR | 50% (currently \$52,050/year for a two-person household) | 14 | \$1,136 |
| 1BR | 60% (currently \$62,460/year for a two-person household) | 8 | \$1,455 |
| Subtotal One Bedroom Units | | 42 | |
| 2BR (13 Non-PSH S8) | 30% (currently \$35,150/year for a three-person household) | 13 | \$818 |
| 2BR | 50% (currently \$58,550/year for a three-person household) | 12 | \$1,363 |
| 2BR | 60% (currently \$70,260/year for a three-person household) | 7 | \$1,636 |
| Subtotal Two Bedroom Units | -- | 32 | |
| 3BR (12 Non-PSH S8) | 30% (currently \$39,050/year for a four-person household) | 12 | \$945 |
| 3BR | 50% (currently \$65,050/year for a four-person household) | 8 | \$1,575 |
| 3BR | 60% (currently \$78,060/year for a four-person household) | 5 | \$1,890 |
| Subtotal Three Bedroom Units | -- | 25 | |
| 3 Bedroom Manager | - | 1 | - |
| Total Units | - | 100 | - |

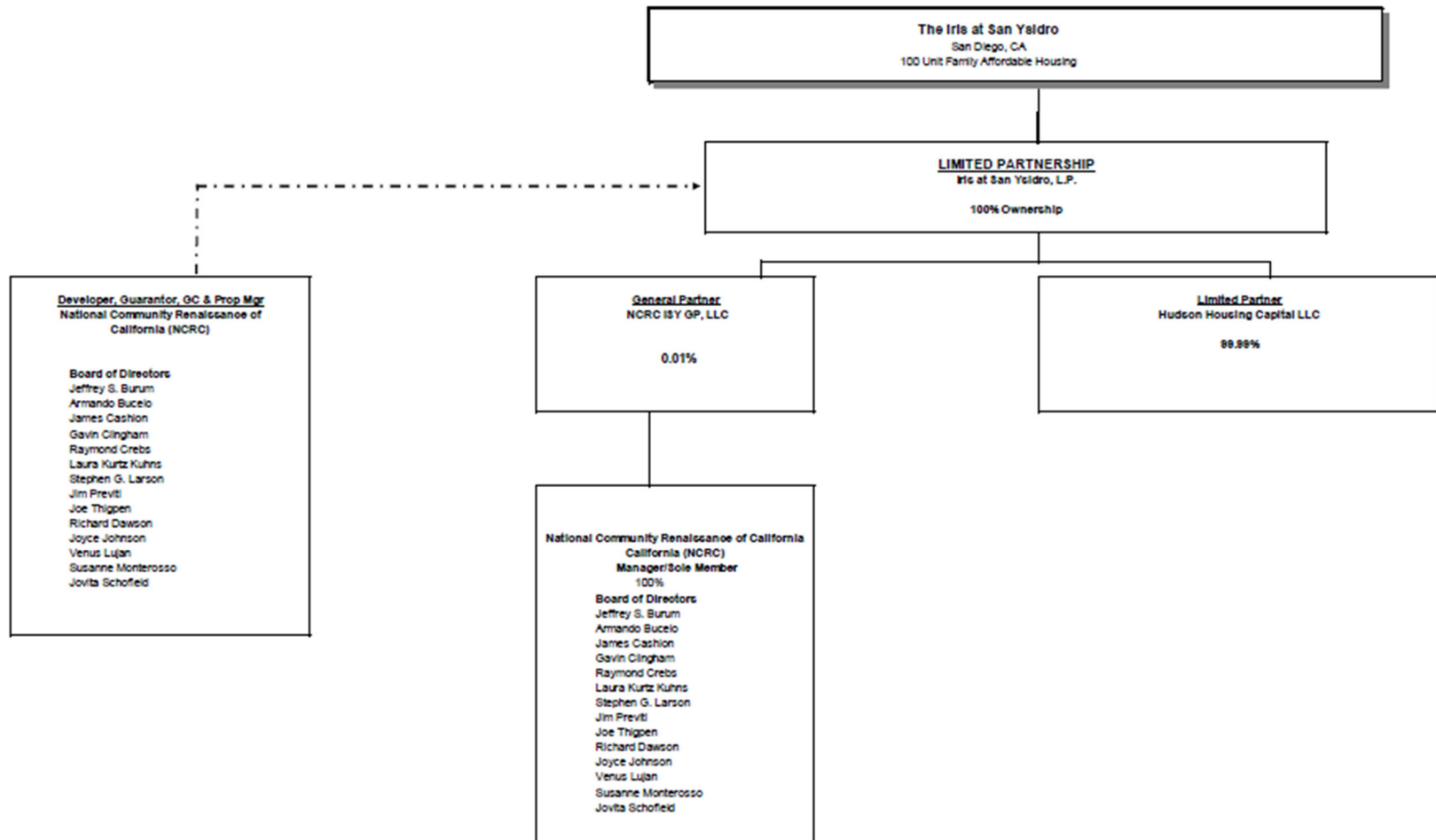
Attachment 2 – Site Map



Attachment 3 – Org Chart

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Project Ownership And Identity of Interest Disclosure



SOURCES AND USES**Attachment 4 - Project Pro Forma**

Project Name: Iris at San Ysidro - 100
Project Financing: 4% Tax Credit/Large Family
Developer: National CORE
Number of Dwelling Units: 100
Gross Building Area: 110,091

SOURCES: CONSTRUCTION

| | |
|--------------------------------|----------------------|
| Construction Loan (Tax-Exempt) | \$ 28,100,000 |
| Construction Loan (Taxable) | \$ 2,500,000 |
| SDHC | \$ 2,070,000 |
| City of San Diego EDD | \$ 4,500,000 |
| RTCIP/DIF Fee Waivers | \$ 409,449 |
| Tax Credit Equity | \$ 6,200,703 |
| County of SD IHTF | \$ 4,500,000 |
| NPLH Funds | \$ 2,961,239 |
| GP Equity | \$ 3,600,000 |
| Deferred Costs/ Reserves | \$ 1,576,819 |
| Total | \$ 56,418,210 |

SOURCES: PERMANENT

| | |
|------------------------|----------------------|
| Permanent Loan | \$ 11,673,828 |
| City of San Diego EDD | \$ 5,000,000 |
| SDHC | \$ 2,300,000 |
| County of SD IHTF | \$ 5,000,000 |
| RTCIP/DIF Fee Waivers | \$ 409,449 |
| Tax Credit Equity | \$ 25,144,668 |
| HCD IIG Funds | \$0 |
| NPLH Funds | \$ 3,290,265 |
| GP Equity | \$ 3,600,000 |
| Deferred Developer Fee | \$ (0) |
| Total | \$ 56,418,210 |

USES: CONSTRUCTION

| | | PER UNIT |
|-----------------------------|----------------------|-------------------|
| Acquisition Costs/Closing | \$ 6,568,377 | \$ 65,684 |
| Architecture/Fees & Permits | \$ 1,495,000 | \$ 14,950 |
| Construction Cost | \$ 35,483,406 | \$ 354,834 |
| Indirect Construction/Legal | \$ 3,337,638 | \$ 33,376 |
| Developer's Fee | \$ 5,800,000 | \$ 58,000 |
| Rent-Up Costs/Reserves | \$ 831,596 | \$ 8,316 |
| Financing Costs | \$ 2,902,193 | \$ 29,022 |
| Total | \$ 56,418,210 | \$ 564,182 |

USES: PERMANENT

| | | |
|-----------------------------|----------------------|-------------------|
| Acquisition Costs/Closing | \$ 6,568,377 | \$ 65,684 |
| Architecture/Fees & Permits | \$ 1,495,000 | \$ 14,950 |
| Construction Cost | \$ 35,483,406 | \$ 354,834 |
| Indirect Construction/Legal | \$ 3,337,638 | \$ 33,376 |
| Developer's Fee | \$ 5,800,000 | \$ 58,000 |
| Rent-Up Costs/Reserves | \$ 831,596 | \$ 8,316 |
| Financing Costs | \$ 2,902,193 | \$ 29,022 |
| Total | \$ 56,418,210 | \$ 564,182 |

| Iris at San Ysidro - 100 | | | Units: | 100 | | | | | | |
|--|-------------------|-------------------|-------------|------------------|-------------------|----------|---------------------|----------------|-------------------|----------|
| Uses of Funds | | | | | | | | | | |
| | | | | | | | | | | |
| | | | DEPRECIABLE | | | | TAX CREDIT ELIGIBLE | | | |
| | TOTAL | RESIDENTIAL | COMMERCIAL | NON-DEPREC | RESIDENTIAL | NON-RES | EXPENSE | MORTIZE | CONST/REHAB | ACQUIS. |
| ACQUISITION COSTS | | | | | | | | | | |
| Total Purchase Price | 6,000,000 | 6,000,000 | | | | | | | | |
| Land | 6,000,000 | 6,000,000 | | 6,000,000 | | | | | | 0 |
| Other Acquisition Costs: | | | 0 | 0 | | | | | | |
| Title & Escrow | 11,677 | 11,677 | | 11,677 | | | | | | |
| Interest Reserve & Extensions | 556,700 | 556,700 | | 556,700 | | | | | | |
| GENERAL DEVELOPMENT COSTS | | | | | | | | | | |
| New Construction: | | | | | | | | | | |
| Demolition | 379,286 | 379,286 | | 379,286 | | | | | | |
| Offsite Work | 800,864 | 800,864 | | | | | | 800,864 | | |
| Site Work and Infrastructure | 4,481,313 | 4,481,313 | | | | | | 4,481,313 | | |
| New Construction | 23,238,868 | 23,238,868 | | | 23,238,868 | 0 | 0 | 23,238,868 | | |
| Contractor General Conditions | 1,734,020 | 1,734,020 | | | 1,734,020 | 0 | | 1,734,020 | | |
| Contractor Overhead & Profit | 2,312,026 | 2,312,026 | | | 2,312,026 | 0 | | 2,312,026 | | |
| Contractor General Liability | 403,593 | 403,593 | | | 403,593 | 0 | | 403,593 | | |
| P&P Bonds | 329,464 | 329,464 | | | 329,464 | | | 329,464 | | |
| Owner's Contingency (5%) | 1,683,972 | 1,683,972 | | | 1,683,972 | 0 | | 1,683,972 | | |
| Park Improvements - IIG Grant | 0 | 0 | | | | | | | | |
| Prevailing Wages Consultant | 120,000 | 120,000 | | | 120,000 | 0 | | 120,000 | | |
| Architectural Fees: | | | | | | | | | | |
| Architecture | 750,000 | 750,000 | | | 750,000 | 0 | | 750,000 | | |
| Utility Consultant/Utility Design | 325,000 | 325,000 | | | 325,000 | 0 | | 325,000 | | |
| Energy Consultant | 80,000 | 80,000 | | | 80,000 | | | 80,000 | | |
| Survey/Engineering/ Staking | 340,000 | 340,000 | | | 340,000 | 0 | | 340,000 | | |
| Construction Interest & Fees | | | | | | | | | | |
| Construction Loan Expenses | 25,000 | 25,000 | | | 25,000 | | | 18,750 | | |
| Construction Loan Fees | 244,800 | 244,800 | | | 244,800 | | | 183,600 | | |
| Construction Loan Interest | 1,499,400 | 1,499,400 | | | 963,900 | 0 | 535,500 | 963,900 | | |
| Construction Inspections | 36,000 | 36,000 | | | 0 | | 0 | 36,000 | | |
| Title/Recording/Escrow - Construction | 90,000 | 90,000 | | | 90,000 | 0 | | 67,500 | | |
| Real Estate Taxes | 70,439 | 70,439 | | | 70,439 | 0 | 0 | 70,439 | | |
| Insurance During Construction | 164,732 | 164,732 | | | 164,732 | 0 | 0 | 164,732 | | |
| Predev Loan Interest/Expenses | 115,000 | 115,000 | | 0 | 115,000 | 0 | | 115,000 | | |
| Permanent Financing: | | | | | | | | | | |
| Permanent Loan Fees | 116,738 | 116,738 | | | | | 116,738 | 0 | | |
| Permanent Loan Conversion Fee | 10,000 | 10,000 | | | | | 10,000 | | | |
| Title/Recording/Escrow - Permanent | 10,000 | 10,000 | | | | | 10,000 | 0 | | |
| Legal Fees: | | | | | | | | | | |
| Legal: Acquisition | 25,000 | 25,000 | | 25,000 | 0 | | | 0 | | |
| Construction Closing - Lender | 100,000 | 100,000 | | | 100,000 | 0 | | 100,000 | | |
| Permanent Closing - Lender | 10,000 | 10,000 | | | | | 10,000 | 0 | | |
| Transactional Legal | 150,000 | 150,000 | | | | | | 150,000 | | |
| Organization of Partnership | 10,000 | 10,000 | | | | | 10,000 | 0 | | |
| Syndication | 50,000 | 50,000 | | 50,000 | | | | 0 | | |
| Reserves: | | | | | | | | | | |
| Marketing/Lease-Up | 70,000 | 70,000 | | | | | 60,000 | 0 | | |
| Operating Reserve | 456,819 | 456,819 | | 456,819 | | | | 0 | | |
| Transition Reserve | 304,777 | 304,777 | | 304,777 | | | | 0 | | |
| Appraisal: | | | | | | | | | | |
| Appraisal | 15,000 | 15,000 | | 15,000 | 0 | 0 | 0 | 15,000 | | |
| Other Project Costs: | | | | | | | | | | |
| TCAC Application/Monitoring Fee | 138,546 | 138,546 | | | | | 138,546 | 0 | | |
| Bond Issuance Fees | 152,688 | 152,688 | | 152,688 | | | | | | |
| Environmental/ NEPA/ AHSC Consultants | 150,000 | 150,000 | | | 150,000 | 0 | | 150,000 | | |
| Local Development Impact Fees | 1,743,189 | 1,743,189 | | | 1,743,189 | 0 | | 1,743,189 | | |
| Local Permits/Fees/Utility Fees | 300,000 | 300,000 | | | 300,000 | 0 | | 300,000 | | |
| Furnishings | 150,000 | 150,000 | | | 150,000 | 0 | | 150,000 | | |
| Market Study | 10,000 | 10,000 | | | 0 | 0 | 10,000 | 10,000 | | |
| Audit/Cost Certification | 30,000 | 30,000 | | | 0 | | 30,000 | 0 | | |
| Miscellaneous Soft Costs/Social Services | 35,000 | 35,000 | | | 7,500 | | | 7,500 | | |
| Soft Cost Contingency | 150,000 | 150,000 | | | 150,000 | 0 | | 150,000 | | |
| Relocation | 113,850 | 113,850 | | | | | | 0 | | |
| SDHC Cost Estimate | 12,500 | 12,500 | | | 12,500 | | | 12,500 | | |
| SDHC Counsel | 27,500 | 27,500 | | | | | 27,500 | 0 | | |
| SDHC Underwriting and Origination | 60,000 | 60,000 | | | | | 60,000 | 60,000 | | |
| SDHC Asset Management Fee | 15,000 | 15,000 | | | | | 15,000 | 0 | | |
| RTCIP Fee | 243,144 | 243,144 | | 243,144 | | | | 0 | | |
| DIF Fees - Waived for PSH | 166,305 | 166,305 | | | | | | | | |
| Developer Fee: | | | | | | | | | | |
| Developer Fee | 5,800,000 | 5,800,000 | | 0 | 5,800,000 | 0 | | 5,800,000 | | |
| | | | | | | | | | | |
| TOTAL DEVELOPMENT COSTS | 56,418,210 | 56,418,210 | 0 | 8,195,091 | 41,404,003 | 0 | 625,500 | 407,784 | 46,897,230 | 0 |
| Total Development Cost Per Unit | 564,182 | | | | | | | | | |

RENT SCHEDULE - CTCAC

Project Name: Iris at San Ysidro - 100
Project Financing: 4% Tax Credit/Large Family
County: San Diego
Developer: National CORE
of Dwelling Units: 100
Gross Building Area: 110,091

| Unit Type | AMI | Number of Units | Square Footage | 2022 TCAC Rents | 2022 CRL Rents | Monthly Utility Allow. | Monthly Net Rent | Total Annual CTCAC Rents | Total # of Bedrooms |
|--------------------------|------------|-----------------|----------------|-----------------|----------------|------------------------|------------------|--------------------------|---------------------|
| 1BR | 25% | 15 | 576 | \$ 610 | \$ 534 | \$ 85 | \$ 182 | \$ 32,760 | 15 |
| 1BR | 30% | 5 | 576 | \$ 732 | \$ 641 | \$ 85 | \$ 556 | \$ 33,360 | 5 |
| 1BR | 40% | 0 | 576 | \$ 976 | \$ 855 | \$ 85 | \$ 770 | \$ - | 0 |
| 1BR | 50% | 14 | 576 | \$ 1,220 | \$ 1,282 | \$ 85 | \$ 1,135 | \$ 190,680 | 14 |
| 1BR | 60% | 8 | 576 | \$ 1,464 | \$ 1,282 | \$ 85 | \$ 1,197 | \$ 114,912 | 8 |
| Subtotal: | | 42 | | | | | | \$ 371,712 | 42 |
| 2BR | 30% | 13 | 862 | \$ 878 | \$ 721 | \$ 114 | \$ 607 | \$ 94,692 | 26 |
| 2BR | 40% | 0 | 862 | \$ 1,171 | \$ 962 | \$ 114 | \$ 848 | \$ - | 0 |
| 2BR | 50% | 12 | 862 | \$ 1,463 | \$ 1,443 | \$ 114 | \$ 1,329 | \$ 191,376 | 24 |
| 2BR | 60% | 7 | 862 | \$ 1,756 | \$ 1,443 | \$ 114 | \$ 1,329 | \$ 111,636 | 14 |
| Subtotal: | | 32 | | | | | | \$ 397,704 | 64 |
| 3BR | 30% | 12 | 1,153 | \$ 1,015 | \$ 801 | \$ 145 | \$ 656 | \$ 94,464 | 36 |
| 3BR | 40% | 0 | 1,153 | \$ 1,353 | \$ 1,069 | \$ 145 | \$ 924 | \$ - | 0 |
| 3BR | 50% | 8 | 1,153 | \$ 1,691 | \$ 1,603 | \$ 145 | \$ 1,458 | \$ 139,968 | 24 |
| 3BR | 60% | 5 | 1,153 | \$ 2,030 | \$ 1,603 | \$ 145 | \$ 1,458 | \$ 87,480 | 15 |
| Subtotal: | | 25 | | | | | | \$ 321,912 | 75 |
| Subtotal: | | 0 | | | | | | \$ - | 0 |
| 3BR | Exempt-Mgr | 1 | 1,153 | \$ - | | \$ - | \$ - | \$ - | 3 |
| Subtotal: | | 1 | | | | | | \$ - | 0 |
| CTCAC RENT Total: | | 100 | | | | | | 1,091,328 | 181 |

Rents

Project Name: Iris at San Ysidro - 100
Project Financing: 4% Tax Credit/Large Family
Developer: National CORE
Number of Dwelling Units: 100
Gross Building Area: 110,091

| Unit Type | AMI | Number of Units | Per Unit Monthly Net Rent | Per Unit Net S8 Rent | Per Unit Monthly S8 Premium | Total Monthly S8 Premium | Total Annual S8 Premium |
|------------------|------------|-----------------|---------------------------|----------------------|-----------------------------|--------------------------|-------------------------|
| 1BR (PSH S8) | 30% | 0 | \$ 556 | \$ 1,278 | \$ 722 | \$ - | \$ - |
| 1BR (S8) | 40% | 0 | \$ 770 | \$ 1,278 | \$ 508 | \$ - | \$ - |
| 1BR (S8) | 50% | | \$ 1,135 | \$ 1,278 | \$ 143 | \$ - | \$ - |
| 1BR (S8) | 60% | | \$ (37) | \$ 1,278 | \$ 1,315 | \$ - | \$ - |
| 1BR (S8) | 60% | 0 | \$ 1,197 | \$ 1,278 | \$ - | \$ - | \$ - |
| Unit Size (SF) | #REF! | | | | | | |
| Subtotal: | | 0 | | | \$ 2,688 | \$ - | \$ - |
| 2BR (Non-PSH S8) | 30% | 13 | \$ 607 | \$ 1,649 | \$ 1,042 | \$ 13,546 | \$ 162,552 |
| 2BR (S8) | 40% | | \$ 848 | \$ 1,649 | \$ 801 | \$ - | \$ - |
| 2BR (S8) | 50% | | \$ 1,329 | \$ 1,649 | \$ 320 | \$ - | \$ - |
| 2BR (S8) | 50% | 0 | \$ - | \$ 1,649 | \$ 1,649 | \$ - | \$ - |
| 2BR (S8) | 60% | | \$ 1,329 | \$ 1,649 | \$ 320 | \$ - | \$ - |
| 2BR (S8) | | | | | | | |
| Unit Size (SF) | #REF! | | | | | | |
| Subtotal: | | 13 | | | \$ 4,132 | \$ 13,546 | \$ 162,552 |
| 3BR (Non-PSH S8) | 30% | 12 | \$ 656 | \$ 2,335 | \$ 1,679 | \$ 20,148 | \$ 241,776 |
| 3BR (S8) | 40% | | \$ 924 | \$ 2,335 | \$ 1,411 | \$ - | \$ - |
| 3BR (S8) | 40% | | \$ 924 | \$ 2,335 | \$ 1,411 | \$ - | \$ - |
| 3BR (S8) | 50% | | \$ 1,458 | \$ 2,335 | \$ 877 | \$ - | \$ - |
| 3BR (S8) | 50% | 0 | \$ - | \$ 2,335 | \$ 2,335 | \$ - | \$ - |
| 3BR (S8) | 60% | | \$ 1,458 | \$ 2,335 | \$ 877 | \$ - | \$ - |
| 3BR (S8) | | | | | | | |
| Unit Size (SF) | #REF! | | | | | | |
| Subtotal: | | 12 | | | \$ 8,590 | \$ 20,148 | \$ 241,776 |
| 3BR MGR | Exempt-Mgr | | | | | | |
| Subtotal: | | 0 | | | | | |
| Total: | | 25 | | | \$ 15,410 | \$ 33,694 | \$ 404,328 |

| | | | |
|--|----------|----------|-------------|
| Total Gross Revenue S8 Overhang | \$15,410 | \$33,694 | \$404,328 |
| Total TCAC Gross Revenue | | | \$1,091,328 |
| Total Gross Revenue (TC and S8 Overhang) | | | \$1,495,656 |

OPERATING EXPENSES

Project Name:

Project Name: Iris at San Ysidro - 100

Developer: National CORE

Number of Dwelling Units: 100

Gross Building Area: 110,091

| Description | Annual | Monthly | Per Unit | Unit/Month |
|---|-------------------|---------------------|--------------------|------------------|
| 1. Management | | | | |
| Management Fee | \$ 72,000 | \$ 6,000.00 | \$ 720.00 | \$ 60.00 |
| Management Total: | \$ 72,000 | \$ 6,000.00 | \$ 720.00 | \$ 60.00 |
| 2. Administration | | | | |
| Marketing/Credit Checks | \$ 3,000 | \$ 250.00 | \$ 30.00 | \$ 2.50 |
| Audit / File Mgmt (Compliance) | \$ 15,000 | \$ 1,250.00 | \$ 150.00 | \$ 12.50 |
| Legal | \$ 5,000 | \$ 416.67 | \$ 50.00 | \$ 4.17 |
| Office Expenses/ MISC | \$ 20,000 | \$ 1,666.67 | \$ 200.00 | \$ 16.67 |
| Other - Security | \$ 25,000 | \$ 2,083.33 | \$ 250.00 | \$ 20.83 |
| Administration Total: | \$ 68,000 | \$ 5,666.67 | \$ 680.00 | \$ 56.67 |
| 3. Salaries and Benefits | | | | |
| Manager/Asst. Manager | \$ 75,000 | \$ 6,250.00 | \$ 750.00 | \$ 62.50 |
| Main Personnel | \$ 50,000 | \$ 4,166.67 | \$ 500.00 | \$ 41.67 |
| Payroll Txns, Ins & Wkr. Comp. | \$ 43,750 | \$ 3,645.83 | \$ 437.50 | \$ 36.46 |
| Salaries and Benefits Total: | \$ 168,750 | \$ 14,062.50 | \$ 1,687.50 | \$ 140.63 |
| 4. Maintenance | | | | |
| General Maintenance/ Janitorial | \$ 6,200 | \$ 516.67 | \$ 62.00 | \$ 5.17 |
| Repairs Contract | \$ 16,100 | \$ 1,341.67 | \$ 161.00 | \$ 13.42 |
| Exterminating | \$ 5,000 | \$ 416.67 | \$ 50.00 | \$ 4.17 |
| Fire Protection/ Security | \$ 18,000 | \$ 1,500.00 | \$ 180.00 | \$ 15.00 |
| Elevator | \$ 10,000 | \$ 833.33 | \$ 100.00 | \$ 8.33 |
| Grounds Contract | \$ 25,000 | \$ 2,083.33 | \$ 250.00 | \$ 20.83 |
| Decorating/ Equipment Maintenance | \$ - | \$ - | \$ - | \$ - |
| Maintenance Total: | \$ 80,300 | \$ 6,691.67 | \$ 803.00 | \$ 66.92 |
| 5. Utilities Not Paid by Tenants | | | | |
| Electricity and Gas | \$ 30,000 | \$ 2,500.00 | \$ 300.00 | \$ 25.00 |
| Water/Sewer | \$ 80,000 | \$ 6,666.67 | \$ 800.00 | \$ 66.67 |
| Trash Removal | \$ 25,000 | \$ 2,083.33 | \$ 250.00 | \$ 20.83 |
| Utilities Total: | \$ 135,000 | \$ 11,250.00 | \$ 1,350.00 | \$ 112.50 |
| 6. Insurance | | | | |
| Property & Liability Insurance | \$ 35,000 | \$ 2,916.67 | \$ 350.00 | \$ 29.17 |
| Insurance Total: | \$ 35,000 | \$ 2,916.67 | \$ 350.00 | \$ 29.17 |
| 7. Tax and Reserves | | | | |
| Real Estate Taxes | \$ 2,000 | \$ 166.67 | \$ 20.00 | \$ 1.67 |
| Replacement Reserves | \$ 50,000 | \$ 4,166.67 | \$ 500.00 | \$ 41.67 |
| Tax and Reserves Total: | \$ 52,000 | \$ 4,333.33 | \$ 520.00 | \$ 43.33 |
| 8. Other | | | | |
| Case Manager | \$ - | \$ - | \$ - | \$ - |
| Licenses/ Permits | \$ - | \$ - | \$ - | \$ - |
| | \$ 1,000 | \$ 83.33 | \$ 10.00 | \$ 0.83 |
| Social Services | \$ 76,440 | \$ 6,370.00 | \$ 764.40 | \$ 63.70 |
| SDHC/HHSA Monitoring Fees | \$ 19,000 | \$ 1,583.33 | \$ 190.00 | \$ 15.83 |
| Other Total: | \$ 96,440 | \$ 8,036.67 | \$ 964.40 | \$ 80.37 |
| Operating Expenses Total: | \$ 707,490 | \$ 58,957.50 | \$ 7,074.90 | \$ 589.58 |

Project Name: Iris at San Ysidro - 100
Project Financing: 4% Tax Credit/Large Family
Developer: National CORE
Number of Dwelling Units: 100
Gross Building Area: 110,091

| | | | |
|---------------------------------|-------|---------------------------|--------|
| Residential Income Infl. Rate: | 2.50% | Laundry Inc/Month/Unit: | 10 |
| Laundry & Misc. Infl. Factor: | 2.50% | Laundry, Misc Inc/Year: | 12,000 |
| Operating Expense Infl. Factor: | 3.50% | Unit Operating Exp: | 5,791 |
| Real Estate Infl. Factor: | 2.00% | Unit Property Taxes: | 20 |
| Vacancy Rate: | 5.00% | Unit Social Services: | 764 |
| Number of Units: | 100 | Unit Replacement Reserve: | 500 |

| | | | | | |
|--|--------------|--------------------------|--------------|----------|---------|
| Conventional Loan Rate: | 4.50% | | | | |
| Conventional Loan Yrs: | 35 | | | | |
| Conventional Loan Type: | AMORTIZED | Permanent Loan | Total | Per Unit | Percent |
| Debt Coverage Ratio: | 1.260 | City of San Diego EDD | \$11,673,828 | 116,738 | 24.72% |
| Cash Available for Debt Service: | 662,966 | County of SD IHTF | 5,000,000 | 50,000 | 10.59% |
| | | RTCIP/DIF Fee Waivers | 5,000,000 | 50,000 | 10.59% |
| | | Tax Credit Equity | 409,449 | 4,094 | 0.87% |
| | | Deferred Developer Fee | 25,144,668 | 251,447 | 53.24% |
| Perm Loan Size | \$11,673,828 | Development Costs Total: | 0 | 0 | 0.00% |
| Loan Constant Per Each \$1 of Debt Svc | \$18 | | 47,227,945 | 472,279 | 100.00% |

| Expense | | | | | | | | | | | | | | | |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|-----------|-----------|
| Operating Expense | 579,050 | 599,317 | 620,293 | 642,003 | 664,473 | 687,730 | 711,800 | 736,713 | 762,498 | 789,186 | 816,807 | 845,395 | 874,984 | 905,609 | 937,305 |
| Property Taxes | 2,000 | 2,040 | 2,081 | 2,122 | 2,165 | 2,208 | 2,252 | 2,297 | 2,343 | 2,390 | 2,438 | 2,487 | 2,536 | 2,587 | 2,639 |
| Social Services | 76,440 | 78,733 | 81,095 | 83,528 | 86,034 | 88,615 | 91,273 | 94,012 | 96,832 | 99,737 | 102,729 | 105,811 | 108,985 | 112,255 | 115,622 |
| Replacement Reserve | 50,000 | 51,500 | 53,045 | 54,636 | 56,275 | 57,964 | 59,703 | 61,494 | 63,339 | 65,239 | 67,196 | 69,212 | 71,288 | 73,427 | 75,629 |
| Expense Total | 707,490 | 731,590 | 756,514 | 782,290 | 808,947 | 836,517 | 865,029 | 894,516 | 925,012 | 956,551 | 989,170 | 1,022,095 | 1,057,794 | 1,093,877 | 1,131,196 |
| NPLH COSR | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 |
| NOI Before Debt Service | 835,337 | 847,044 | 858,822 | 870,665 | 882,568 | 894,523 | 906,523 | 918,561 | 930,628 | 942,715 | 954,815 | 966,916 | 979,080 | 991,081 | 1,003,122 |

| CASH AVAILABLE AFTER DEBT SERVICE | | | | | | | | | | | | | | | |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Available Cash Flow | 140,483 | 152,190 | 163,968 | 175,811 | 187,714 | 199,669 | 211,669 | 223,706 | 235,773 | 247,861 | 259,960 | 272,061 | 284,154 | 296,227 | 308,268 |

[illegible][illegible]

| | | | | | | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| CASH AVAILABLE FOR GP PARTNERSHIP AM FEES | 125,483 | 136,740 | 148,054 | 159,420 | 170,831 | 182,280 | 193,758 | 205,258 | 216,772 | 228,289 | 239,802 | 251,298 | 262,767 | 274,199 | 285,579 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|

| Cash Available for Residual Receipts Distribution: | | | | | | | | | | | | | | | | |
|--|------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Available Cash Flow | 100% | 125,483 | 136,740 | 148,054 | 159,420 | 170,831 | 182,280 | 193,758 | 205,258 | 216,772 | 228,289 | 239,802 | 251,298 | 262,767 | 274,199 | 285,579 |
| | | 125,483 | 136,740 | 148,054 | 159,420 | 170,831 | 182,280 | 193,758 | 205,258 | 216,772 | 228,289 | 239,802 | 251,298 | 262,767 | 274,199 | 285,579 |

| | | | | | | | | | | | | | | | | |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Balance Beginning | 2,300,000 | 2,300,000 | 2,368,374 | 2,438,260 | 2,509,713 | 2,582,790 | 2,657,551 | 2,734,060 | 2,812,382 | 2,892,588 | 2,974,752 | 3,058,952 | 3,145,270 | 3,233,793 | 3,324,610 | 3,417,819 |
| Simple Interest @ AFR | 4.00% | 92,000 | 94,735 | 97,530 | 100,389 | 103,312 | 106,302 | 109,362 | 112,495 | 115,704 | 118,990 | 122,358 | 125,811 | 129,352 | 132,984 | 136,713 |
| Annual Payment | | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 |
| Payment @ % of RR | 10.86% | -13,626 | -14,849 | -16,077 | -17,311 | -18,551 | -19,794 | -21,040 | -22,289 | -23,539 | -24,790 | -26,040 | -27,289 | -28,534 | -29,775 | -31,011 |
| Balance Remaining | | 2,368,374 | 2,438,260 | 2,509,713 | 2,582,790 | 2,657,551 | 2,734,060 | 2,812,382 | 2,892,588 | 2,974,752 | 3,058,952 | 3,145,270 | 3,233,793 | 3,324,610 | 3,417,819 | 3,513,521 |

| SD County NPLH | | | | | | | | | | | | | | | | |
|--|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Balance Beginning | \$ 3,290,265 | 3,290,265 | 3,270,772 | 3,249,530 | 3,226,531 | 3,201,766 | 3,175,229 | 3,146,913 | 3,116,813 | 3,084,928 | 3,051,254 | 3,015,790 | 2,978,539 | 2,939,501 | 2,898,682 | 2,856,087 |
| Simple Interest @ AFR | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payment @ % of RR for Repayment of Public Soft Loans | 15.53% | -19,493 | -21,242 | -22,999 | -24,765 | -26,538 | -28,316 | -30,099 | -31,886 | -33,674 | -35,463 | -37,252 | -39,038 | -40,819 | -42,599 | -44,363 |
| Balance Remaining | | 3,270,772 | 3,249,530 | 3,226,531 | 3,201,766 | 3,175,229 | 3,146,913 | 3,116,813 | 3,084,928 | 3,051,254 | 3,015,790 | 2,978,539 | 2,939,501 | 2,898,682 | 2,856,087 | 2,811,724 |

| | | | | | | | | | | | | | | | | |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|
| CASH FLOW AVAILABLE FOR GPS | 50.00% | 62,741 | 68,370 | 74,027 | 79,710 | 85,416 | 91,140 | 96,879 | 102,629 | 108,386 | 114,145 | 119,901 | 125,649 | 131,384 | 137,099 | 142,790 |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|

CASH FLOW ANALYSIS

Project Name: Iris at San Ys
Project Financing: 4% Tax Credi
Developer: National COF
Number of Dwelling Units: 100
Gross Building Area: 110,091

| Assumptions | | Public Agency Prorata Percentage Calculation w/ HACSB | | | | | | Public Agency Prorata Percentage Calculation WITHOUT HACSB | | | | | | | | |
|--|--------------|---|-----------|-----------|---------------|-----------|------------|--|-----------|-----------|---------------|-----------|-----------|-----------|-----------|-----------|
| | | | | Total | % of PA Loans | % of TDC | Selected % | | | Total | % of PA Loans | % of TDC | | | | |
| Residential Income Infl. Rate: | 2.50% | | | | #REF! | 0.00% | 0.00% | CITY HOME | | 2,300,000 | 84.89% | 4.08% | | | | |
| Laundry & Misc. Infl. Factor: | 2.50% | | | | #REF! | 0.00% | 0.00% | COUNTY HOME | | 409,449 | 15.11% | 0.73% | | | | |
| Operating Expense Infl. Factor: | 3.50% | | | | #REF! | 0.00% | 0.00% | HACSB | | 0 | #REF! | 0.00% | | | | |
| Real Estate Infl. Factor: | 2.00% | | | | #REF! | 0.00% | 0.00% | | | #REF! | 0.00% | | | | | |
| Vacancy Rate: | 5.00% | | | | #REF! | 0.00% | 0.00% | | | #REF! | 0.00% | | | | | |
| Number of Units: | 100 | | | | #REF! | 0.00% | 0.00% | | | #REF! | 0.00% | | | | | |
| | | | | Total: | #REF! | #REF! | #REF! | #REF! | | Total: | 2,709,449 | #REF! | 4.80% | | | |
| | | | | | | | | | | | | | | | | |
| | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 | Year 21 | Year 22 | Year 23 | Year 24 | Year 25 | Year 26 | Year 27 | Year 28 | Year 29 | Year 30 | Year 31 |
| Revenue | | | | | | | | | | | | | | | | |
| Residential Income - CTCAC | 1,580,568 | 1,620,083 | 1,660,585 | 1,702,099 | 1,744,652 | 1,788,268 | 1,832,975 | 1,878,799 | 1,925,769 | 1,973,913 | 2,023,261 | 2,073,843 | 2,125,689 | 2,178,831 | 2,233,302 | 2,289,134 |
| Residential Income - PBV | 585,588 | 600,227 | 615,233 | 630,614 | 646,379 | 662,539 | 679,102 | 696,080 | 713,482 | 731,319 | 749,602 | 768,342 | 787,550 | 807,239 | 827,420 | 848,105 |
| Laundry & Miscellaneous | 17,380 | 17,814 | 18,259 | 18,716 | 19,184 | 19,663 | 20,155 | 20,659 | 21,175 | 21,705 | 22,247 | 22,804 | 23,374 | 23,958 | 24,557 | 25,171 |
| Gross Income | 2,183,535 | 2,238,124 | 2,294,077 | 2,351,429 | 2,410,215 | 2,470,470 | 2,532,232 | 2,595,537 | 2,660,426 | 2,726,937 | 2,795,110 | 2,864,988 | 2,936,612 | 3,010,028 | 3,085,278 | 3,162,410 |
| Vacancy | -109,177 | -111,906 | -114,704 | -117,571 | -120,511 | -123,523 | -126,612 | -129,777 | -133,021 | -136,347 | -139,755 | -143,249 | -146,831 | -150,501 | -154,264 | -158,121 |
| Effective Gross Income | 2,074,359 | 2,126,218 | 2,179,373 | 2,233,857 | 2,289,704 | 2,346,946 | 2,405,620 | 2,465,761 | 2,527,405 | 2,590,590 | 2,655,354 | 2,721,738 | 2,789,782 | 2,859,526 | 2,931,014 | 3,004,290 |
| | | | | | | | | | | | | | | | | |
| Expense | | | | | | | | | | | | | | | | |
| Operating Expense | 970,111 | 1,004,065 | 1,039,207 | 1,075,579 | 1,113,224 | 1,152,187 | 1,192,514 | 1,234,252 | 1,277,451 | 1,322,161 | 1,368,437 | 1,416,332 | 1,465,904 | 1,517,211 | 1,570,313 | 1,625,274 |
| Property Taxes | 2,692 | 2,746 | 2,800 | 2,856 | 2,914 | 2,972 | 3,031 | 3,092 | 3,154 | 3,217 | 3,281 | 3,347 | 3,414 | 3,482 | 3,552 | 3,623 |
| Social Services | 119,091 | 122,664 | 126,344 | 130,134 | 134,038 | 138,059 | 142,201 | 146,467 | 150,861 | 155,387 | 160,048 | 164,850 | 169,795 | 174,889 | 180,136 | 185,540 |
| Replacement Reserve | 77,898 | 80,235 | 82,642 | 85,122 | 87,675 | 90,306 | 93,015 | 95,805 | 98,679 | 101,640 | 104,689 | 107,830 | 111,064 | 114,396 | 117,828 | 121,363 |
| Expense Total | 1,169,792 | 1,209,709 | 1,250,993 | 1,293,691 | 1,337,851 | 1,383,524 | 1,430,761 | 1,479,616 | 1,530,145 | 1,582,405 | 1,636,456 | 1,692,359 | 1,750,177 | 1,809,978 | 1,871,829 | 1,935,800 |
| NPLH COSR | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 | 110,554 |
| NOI Before Debt Service | 1,015,121 | 1,027,062 | 1,038,933 | 1,050,720 | 1,062,406 | 963,423 | 974,859 | 986,145 | 997,260 | 1,008,185 | 1,018,899 | 1,029,380 | 1,039,604 | 1,049,548 | 1,059,186 | 1,068,490 |
| | | | | | | | | | | | | | | | | |
| Debt Service | | | | | | | | | | | | | | | | |
| 1st Mortgage Debt Service | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 |
| Bond Monitoring | 21,888 | 21,888 | 21,888 | 21,888 | 21,888 | 21,888 | 21,888 | 21,888 | 21,888 | 21,888 | 21,888 | 21,888 | 21,888 | 21,888 | 21,888 | 21,888 |
| SDHC Payment | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Debt Service Coverage | 1.46 | 1.48 | 1.50 | 1.51 | 1.53 | 1.39 | 1.40 | 1.42 | 1.44 | 1.45 | 1.47 | 1.48 | 1.50 | 1.51 | 1.52 | 1.54 |
| | | | | | | | | | | | | | | | | |
| CASH AVAILABLE AFTER DEBT SERVICE | | | | | | | | | | | | | | | | |
| Available Cash Flow | 320,266 | 332,208 | 344,079 | 355,866 | 367,552 | 268,568 | 280,005 | 291,290 | 302,406 | 313,331 | 324,045 | 334,526 | 344,750 | 354,694 | 364,331 | 373,636 |
| | | | | | | | | | | | | | | | | |
| PAYMENTS TO INVESTOR LIMITED PARTNER | | | | | | | | | | | | | | | | |
| Credit Adjustors, Recapture, Change in Law Adjustor | | | | | | | | | | | | | | | | |
| LP & GP Partnership Asset Management Fees | 3.00% | 11,344 | 11,685 | 12,035 | 12,396 | 12,768 | 13,151 | 13,546 | 13,952 | 14,371 | 14,802 | 15,246 | 15,703 | 16,174 | 16,660 | 17,159 |
| Investor Limited Partner Loans | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Incentive Management Fee | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OPERATING RESERVE UNTIL BALANCE EQUALS REQUIRED | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| CASH AVAILABLE FOR DEFERRED DEVELOPER FEE: | | | | | | | | | | | | | | | | |
| Available Cash Flow | 308,922 | 320,523 | 332,044 | 343,469 | 354,784 | 255,417 | 266,459 | 277,338 | 288,035 | 298,529 | 308,799 | 318,822 | 328,576 | 338,034 | 347,172 | 355,962 |
| Balance Beginning | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Simple Interest @ AFR | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payment @ % of RR | 100.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance Remaining | \$ (0) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CASH AVAILABLE FOR DISTRIBUTION | 308,922 | 320,523 | 332,044 | 343,469 | 354,784 | 255,417 | 266,459 | 277,338 | 288,035 | 298,529 | 308,799 | 318,822 | 328,576 | 338,034 | 347,172 | 355,962 |
| CASH AVAILABLE FOR GP PARTNERSHIP AM FEES | 308,922 | 320,523 | 332,044 | 343,469 | 354,784 | 255,417 | 266,459 | 277,338 | 288,035 | 298,529 | 308,799 | 318,822 | 328,576 | 338,034 | 347,172 | 355,962 |
| CASH AVAILABLE FOR RESIDUAL RECEIPTS DISTRIBUTION: | 308,922 | 320,523 | 332,044 | 343,469 | 354,784 | 255,417 | 266,459 | 277,338 | 288,035 | 298,529 | 308,799 | 318,822 | 328,576 | 338,034 | 347,172 | 355,962 |
| Available Cash Flow | 100% | 308,922 | 320,523 | 332,044 | 343,469 | 354,784 | 255,417 | 266,459 | 277,338 | 288,035 | 298,529 | 308,799 | 318,822 | 328,576 | 338,034 | 347,172 |
| | | | | | | | | | | | | | | | | |
| San Diego Housing Commission | | | | | | | | | | | | | | | | |
| Balance Beginning | 2,300,000 | 3,513,521 | 3,610,516 | 3,710,131 | 3,812,479 | 3,917,681 | 4,025,862 | 4,149,161 | 4,276,193 | 4,407,124 | 4,542,131 | 4,681,399 | 4,825,123 | 4,973,506 | 5,126,767 | 5,285,130 |
| Simple Interest @ AFR | 4.00% | 140,541 | 144,421 | 148,405 | 152,499 | 156,707 | 161,034 | 165,966 | 171,048 | 176,285 | 181,685 | 187,256 | 193,005 | 198,940 | 205,071 | 211,405 |
| Annual Payment | | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 |
| Payment @ % of RR | 10.86% | -33,546 | -34,806 | -36,057 | -37,297 | -38,526 | -39,736 | -40,935 | -42,116 | -43,278 | -44,417 | -45,533 | -46,621 | -47,680 | -48,707 | -49,693 |
| Balance Remaining | | 3,610,516 | 3,710,131 | 3,812,479 | 3,917,681 | 4,025,862 | 4,149,161 | 4,276,193 | 4,407,124 | 4,542,131 | 4,681,399 | 4,825,123 | 4,973,506 | 5,126,767 | 5,285,130 | 5,448,836 |
| SD County NPLH | | | | | | | | | | | | | | | | |
| Balance Beginning | \$ 3,290,265 | 2,811,724 | 2,763,735 | 2,713,943 | 2,662,362 | 2,609,007 | 2,553,893 | 2,514,216 | 2,472,823 | 2,429,740 | 2,384,996 | 2,338,621 | 2,290,651 | 2,241,124 | 2,190,082 | 2,137,570 |
| Simple Interest @ AFR | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payment @ % of RR for Repayment of Public Soft Loans | 15.53% | -47,989 | -49,791 | -51,581 | -53,356 | -55,113 | -56,857 | -58,583 | -60,291 | -61,980 | -63,650 | -65,301 | -66,933 | -68,546 | -70,140 | -71,714 |
| Balance Remaining | | 2,763,735 | 2,713,943 | 2,662,362 | 2,609,007 | 2,553,893 | 2,514,216 | 2,472,823 | 2,429,740 | 2,384,996 | 2,338,621 | 2,290,651 | 2,241,124 | 2,190,082 | 2,137,570 | 2,083,639 |
| CASH FLOW AVAILABLE FOR GPS | 50.00% | 154,461 | 160,262 | 166,022 | 171,735 | 177,392 | 127,709 | 133,230 | 138,669 | 144,017 | 149,264 | 154,399 | 159,411 | 164,288 | 169,017 | 173,586 |

CASH FLOW ANALYSIS

Project Name: Iris at San Ys
Project Financing: 4% Tax Credi
Developer: National COF
Number of Dwelling Units: 100
Gross Building Area: 110,091

Assumptions

Residential Income Infl. Rate: 2.50%
 Laundry & Misc. Infl. Factor: 2.50%
 Operating Expense Infl. Factor: 3.50%
 Real Estate Infl. Factor: 2.00%
 Vacancy Rate: 5.00%
 Number of Units: 100

| | Year 32 | Year 33 | Year 34 | Year 35 | Year 36 | Year 37 | Year 38 | Year 39 | Year 40 | Year 41 | Year 42 | Year 43 | Year 44 | Year 45 | Year 46 | Year 47 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue | | | | | | | | | | | | | | | | |
| Residential Income - CTCAC | 2,346,363 | 2,405,022 | 2,465,147 | 2,526,776 | 2,589,945 | 2,654,694 | 2,721,061 | 2,789,088 | 2,858,815 | 2,930,285 | 3,003,542 | 3,078,631 | 3,155,597 | 3,234,487 | 3,315,349 | 3,398,233 |
| Residential Income - PBV | 869,308 | 891,041 | 913,317 | 936,150 | 959,553 | 983,542 | 1,008,131 | 1,033,334 | 1,059,167 | 1,085,646 | 1,112,788 | 1,140,607 | 1,169,123 | 1,198,351 | 1,228,309 | 1,259,017 |
| Laundry & Miscellaneous | 25,800 | 26,445 | 27,106 | 27,784 | 28,478 | 29,190 | 29,920 | 30,668 | 31,435 | 32,221 | 33,026 | 33,852 | 34,698 | 35,566 | 36,455 | 37,366 |
| Gross Income | 3,241,471 | 3,322,507 | 3,405,570 | 3,490,709 | 3,577,977 | 3,667,426 | 3,759,112 | 3,853,090 | 3,949,417 | 4,048,153 | 4,149,356 | 4,253,090 | 4,359,418 | 4,468,403 | 4,580,113 | 4,694,616 |
| Vacancy | -162,074 | -166,125 | -170,279 | -174,535 | -178,899 | -183,371 | -187,956 | -192,654 | -197,471 | -202,408 | -207,468 | -212,655 | -217,971 | -223,420 | -229,006 | -234,731 |
| Effective Gross Income | 3,079,397 | 3,156,382 | 3,235,292 | 3,316,174 | 3,399,078 | 3,484,055 | 3,571,157 | 3,660,435 | 3,751,946 | 3,845,745 | 3,941,889 | 4,040,436 | 4,141,447 | 4,244,983 | 4,351,107 | 4,459,885 |
| Expense | | | | | | | | | | | | | | | | |
| Operating Expense | 1,682,158 | 1,741,034 | 1,801,970 | 1,865,039 | 1,930,316 | 1,997,877 | 2,067,802 | 2,140,175 | 2,215,081 | 2,292,609 | 2,372,851 | 2,455,900 | 2,541,857 | 2,630,822 | 2,722,901 | 2,818,202 |
| Property Taxes | 3,695 | 3,769 | 3,844 | 3,921 | 4,000 | 4,080 | 4,161 | 4,245 | 4,329 | 4,416 | 4,504 | 4,594 | 4,686 | 4,780 | 4,876 | 4,973 |
| Social Services | 191,106 | 196,839 | 202,745 | 208,827 | 215,092 | 221,544 | 228,191 | 235,036 | 242,088 | 249,350 | 256,831 | 264,536 | 272,472 | 280,646 | 289,065 | 297,737 |
| Replacement Reserve | 125,004 | 128,754 | 132,617 | 136,595 | 140,693 | 144,914 | 149,261 | 153,739 | 158,351 | 163,102 | 167,995 | 173,035 | 178,226 | 183,573 | 189,080 | 194,752 |
| Expense Total | 2,001,964 | 2,070,397 | 2,141,176 | 2,214,383 | 2,290,100 | 2,368,415 | 2,449,416 | 2,533,196 | 2,619,850 | 2,709,477 | 2,802,181 | 2,898,065 | 2,997,241 | 3,099,820 | 3,205,921 | 3,315,665 |
| NPLH COSR | | | | | | | | | | | | | | | | |
| NOI Before Debt Service | 1,077,433 | 1,085,985 | 1,094,116 | 1,101,791 | 1,108,978 | 1,115,640 | 1,121,741 | 1,127,240 | 1,132,096 | 1,136,267 | 1,139,708 | 1,142,370 | 1,144,206 | 1,145,162 | 1,145,186 | 1,144,220 |
| Debt Service | | | | | | | | | | | | | | | | |
| 1st Mortgage Debt Service | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 662,966 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bond Monitoring | 21,888 | 21,888 | 21,888 | 21,888 | | | | | | | | | | | | |
| SDHC Payment | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Debt Service Coverage | 1.55 | 1.56 | 1.57 | 1.59 | 1.65 | 1.66 | 1.67 | 1.68 | 1.68 | 113.63 | 113.97 | 114.24 | 114.42 | 114.52 | 114.52 | 114.42 |
| CASH AVAILABLE AFTER DEBT SERVICE | | | | | | | | | | | | | | | | |
| Available Cash Flow | 382,579 | 391,131 | 399,261 | 406,937 | 436,012 | 442,675 | 448,775 | 454,274 | 459,131 | 1,126,267 | 1,129,708 | 1,132,370 | 1,134,206 | 1,135,162 | 1,135,186 | 1,134,220 |
| PAYMENTS TO INVESTOR LIMITED PARTNER | | | | | | | | | | | | | | | | |
| Credit Adjustors, Recapture, Change in Law Adjustor | | | | | | | | | | | | | | | | |
| LP & GP Partnership Asset Management Fees | 3.00% | 18,204 | 18,751 | 19,313 | 19,893 | 20,489 | 21,104 | 21,737 | 22,389 | 23,061 | 23,753 | 24,465 | 25,199 | 25,955 | 26,734 | 27,536 |
| Investor Limited Partner Loans | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Incentive Management Fee | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OPERATING RESERVE UNTIL BALANCE EQUALS REQUIRED | | | | | | | | | | | | | | | | |
| CASH AVAILABLE FOR DEFERRED DEVELOPER FEE: | | | | | | | | | | | | | | | | |
| Available Cash Flow | 364,375 | 372,381 | 379,948 | 387,044 | 415,523 | 421,571 | 427,038 | 431,885 | 436,070 | 1,102,515 | 1,105,243 | 1,107,171 | 1,108,251 | 1,108,429 | 1,107,650 | 1,105,858 |
| Balance Beginning | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Simple Interest @ AFR | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payment @ % of RR | 100.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance Remaining | \$ (0) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CASH AVAILABLE FOR DISTRIBUTION | 364,375 | 372,381 | 379,948 | 387,044 | 415,523 | 421,571 | 427,038 | 431,885 | 436,070 | 1,102,515 | 1,105,243 | 1,107,171 | 1,108,251 | 1,108,429 | 1,107,650 | 1,105,858 |
| CASH AVAILABLE FOR GP PARTNERSHIP AM FEES | 364,375 | 372,381 | 379,948 | 387,044 | 415,523 | 421,571 | 427,038 | 431,885 | 436,070 | 1,102,515 | 1,105,243 | 1,107,171 | 1,108,251 | 1,108,429 | 1,107,650 | 1,105,858 |
| CASH AVAILABLE FOR RESIDUAL RECEIPTS DISTRIBUTION: | 364,375 | 372,381 | 379,948 | 387,044 | 415,523 | 421,571 | 427,038 | 431,885 | 436,070 | 1,102,515 | 1,105,243 | 1,107,171 | 1,108,251 | 1,108,429 | 1,107,650 | 1,105,858 |
| Available Cash Flow | 100% | 364,375 | 372,381 | 379,948 | 387,044 | 415,523 | 421,571 | 427,038 | 431,885 | 436,070 | 1,102,515 | 1,105,243 | 1,107,171 | 1,108,251 | 1,108,429 | 1,107,650 |
| San Diego Housing Commission | | | | | | | | | | | | | | | | |
| Balance Beginning | 2,300,000 | 5,618,135 | 5,793,293 | 5,974,588 | 6,162,313 | 6,356,776 | 6,555,925 | 6,762,384 | 6,976,507 | 7,198,669 | 7,429,263 | 7,596,711 | 7,770,560 | 7,951,155 | 8,138,856 | 8,334,045 |
| Simple Interest @ AFR | 4.00% | 224,725 | 231,732 | 238,984 | 246,493 | 254,271 | 262,237 | 270,495 | 279,060 | 287,947 | 297,171 | 303,868 | 310,822 | 318,046 | 325,554 | 333,362 |
| Annual Payment | | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 |
| Payment @ % of RR | 10.86% | -39,568 | -40,437 | -41,259 | -42,029 | -42,778 | -43,512 | -44,232 | -44,947 | -45,657 | -46,362 | -47,062 | -47,757 | -48,447 | -49,132 | -49,812 |
| Balance Remaining | | 5,793,293 | 5,974,588 | 6,162,313 | 6,356,776 | 6,555,925 | 6,762,384 | 6,976,507 | 7,198,669 | 7,429,263 | 7,596,711 | 7,770,560 | 7,951,155 | 8,138,856 | 8,334,045 | 8,537,127 |
| SD County NPLH | | | | | | | | | | | | | | | | |
| Balance Beginning | \$ 3,290,265 | 2,028,343 | 1,971,739 | 1,913,892 | 1,854,870 | 1,794,745 | 1,730,196 | 1,664,707 | 1,598,370 | 1,531,279 | 1,463,538 | 1,292,269 | 1,120,577 | 948,585 | 776,425 | 604,237 |
| Simple Interest @ AFR | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payment @ % of RR for Repayment of Public Soft Loans | 15.53% | -56,603 | -57,847 | -59,023 | -60,125 | -61,159 | -62,125 | -63,025 | -63,862 | -64,637 | -65,352 | -66,007 | -66,602 | -67,137 | -67,612 | -68,027 |
| Balance Remaining | | 1,971,739 | 1,913,892 | 1,854,870 | 1,794,745 | 1,730,196 | 1,664,707 | 1,598,370 | 1,531,279 | 1,463,538 | 1,292,269 | 1,120,577 | 948,585 | 776,425 | 604,237 | 432,170 |
| CASH FLOW AVAILABLE FOR GPS | 50.00% | 182,187 | 186,190 | 189,974 | 193,522 | 207,761 | 210,785 | 213,519 | 215,942 | 218,035 | 551,257 | 552,621 | 553,586 | 554,125 | 554,214 | 553,825 |

CASH FLOW ANALYSIS

Project Name: Iris at San Ys
Project Financing: 4% Tax Credi
Developer: National COR
Number of Dwelling Units: 100
Gross Building Area: 110,091

Assumptions

Residential Income Infl. Rate: 2.50%
 Laundry & Misc. Infl. Factor: 2.50%
 Operating Expense Infl. Factor: 3.50%
 Real Estate Infl. Factor: 2.00%
 Vacancy Rate: 5.00%
 Number of Units: 100

| | | Year 48 | Year 49 | Year 50 | Year 51 | Year 52 | Year 53 | Year 54 | Year 55 |
|---|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue | | | | | | | | | |
| Residential Income - CTCAC | | 3,483,188 | 3,570,268 | 3,659,525 | 3,751,013 | 3,844,788 | 3,940,908 | 4,039,431 | 4,140,416 |
| Residential Income - PBV | | 1,290,493 | 1,322,755 | 1,355,824 | 1,389,719 | 1,424,462 | 1,460,074 | 1,496,576 | 1,533,990 |
| Laundry & Miscellaneous | | 38,300 | 39,258 | 40,239 | 41,245 | 42,276 | 43,333 | 44,417 | 45,527 |
| Gross Income | | 4,811,981 | 4,932,281 | 5,055,588 | 5,181,978 | 5,311,527 | 5,444,315 | 5,580,423 | 5,719,934 |
| Vacancy | | -240,599 | -246,614 | -252,779 | -259,099 | -265,576 | -272,216 | -279,021 | -285,997 |
| Effective Gross Income | | 4,571,382 | 4,685,667 | 4,802,808 | 4,922,879 | 5,045,951 | 5,172,099 | 5,301,402 | 5,433,937 |
| Expense | | | | | | | | | |
| Operating Expense | | 2,916,839 | 3,018,929 | 3,124,591 | 3,233,952 | 3,347,140 | 3,464,290 | 3,585,540 | 3,711,034 |
| Property Taxes | | 5,073 | 5,174 | 5,278 | 5,383 | 5,491 | 5,601 | 5,713 | 5,827 |
| Social Services | | 306,669 | 315,869 | 325,345 | 335,106 | 345,159 | 355,514 | 366,179 | 377,165 |
| Replacement Reserve | | 200,595 | 206,613 | 212,811 | 219,195 | 225,771 | 232,544 | 239,521 | 246,706 |
| Expense Total | | 3,429,176 | 3,546,585 | 3,668,025 | 3,793,636 | 3,923,561 | 4,057,949 | 4,196,953 | 4,340,732 |
| NPLH COSR | | | | | | | | | |
| NOI Before Debt Service | | 1,142,206 | 1,139,082 | 1,134,783 | 1,129,243 | 1,122,390 | 1,114,151 | 1,104,449 | 1,093,205 |
| Debt Service | | | | | | | | | |
| 1st Mortgage Debt Service | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bond Monitoring | | | | | | | | | |
| SDHC Payment | | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Debt Service Coverage | | 114.22 | 113.91 | 113.48 | 112.92 | 112.24 | 111.42 | 110.44 | 109.32 |
| CASH AVAILABLE AFTER DEBT SERVICE | | | | | | | | | |
| Available Cash Flow | | 1,132,206 | 1,129,082 | 1,124,783 | 1,119,243 | 1,112,390 | 1,104,151 | 1,094,449 | 1,083,205 |
| PAYMENTS TO INVESTOR LIMITED PARTNER | | | | | | | | | |
| Credit Adjustors, Recapture, Change in Law Adjustor | | | | | | | | | |
| LP & GP Partnership Asset Management Fees | 3.00% | 29,213 | 30,089 | 30,992 | 31,922 | 32,879 | 33,866 | 34,882 | 35,928 |
| Investor Limited Partner Loans | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Incentive Management Fee | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OPERATING RESERVE UNTIL BALANCE EQUALS REQUIRED | | | | | | | | | |
| CASH AVAILABLE FOR DEFERRED DEVELOPER FEE: | | | | | | | | | |
| Available Cash Flow | | 1,102,993 | 1,098,993 | 1,093,791 | 1,087,321 | 1,079,510 | 1,070,285 | 1,059,568 | 1,047,277 |
| Balance Beginning | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Simple Interest @ AFR | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payment @ % of RR | 100.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance Remaining | \$ (0) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CASH AVAILABLE FOR DISTRIBUTION | | | | | | | | | |
| | | 1,102,993 | 1,098,993 | 1,093,791 | 1,087,321 | 1,079,510 | 1,070,285 | 1,059,568 | 1,047,277 |
| CASH AVAILABLE FOR GP PARTNERSHIP AM FEES | | | | | | | | | |
| | | 1,102,993 | 1,098,993 | 1,093,791 | 1,087,321 | 1,079,510 | 1,070,285 | 1,059,568 | 1,047,277 |
| CASH AVAILABLE FOR RESIDUAL RECEIPTS DISTRIBUTION: | | | | | | | | | |
| Available Cash Flow | 100% | 1,102,993 | 1,098,993 | 1,093,791 | 1,087,321 | 1,079,510 | 1,070,285 | 1,059,568 | 1,047,277 |
| San Diego Housing Commission | | | | | | | | | |
| Balance Beginning | 2,300,000 | 8,748,527 | 8,968,693 | 9,198,101 | 9,437,250 | 9,686,668 | 9,946,910 | 10,218,564 | 10,502,248 |
| Simple Interest @ AFR | 4.00% | 349,941 | 358,748 | 367,924 | 377,490 | 387,467 | 397,876 | 408,743 | 420,090 |
| Annual Payment | | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 | -10,000 |
| Payment @ % of RR | 10.86% | -119,774 | -119,340 | -118,775 | -118,072 | -117,224 | -116,223 | -115,059 | -113,724 |
| Balance Remaining | | 8,968,693 | 9,198,101 | 9,437,250 | 9,686,668 | 9,946,910 | 10,218,564 | 10,502,248 | 10,798,613 |
| SD County NPLH | | | | | | | | | |
| Balance Beginning | \$ 3,290,265 | 260,382 | 89,039 | -81,683 | 0 | 0 | 0 | 0 | 0 |
| Simple Interest @ AFR | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payment @ % of RR for Repayment of Public Soft Loans | 15.53% | -171,343 | -170,722 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance Remaining | | 89,039 | -81,683 | 0 | 0 | 0 | 0 | 0 | 0 |
| CASH FLOW AVAILABLE FOR GPS | | | | | | | | | |
| | 50.00% | 551,497 | 549,496 | 546,896 | 543,660 | 539,755 | 535,142 | 529,784 | 523,639 |

Iris at San Ysidro - 100

Tax Credit Calculation

| | FEDERAL | | | CALIFORNIA | | |
|---|-----------------|-----------------|--------------|----------------|-------------------------------|-------------------------------|
| | ACQUIS | CONST/ REHAB | TOTAL | ACQUIS | CONST/ REHAB | TOTAL |
| TOTAL ELIGIBLE COSTS | 0 | 46,897,230 | 46,897,230 | 0 | 46,897,230 | 46,897,230 |
| ELIGIBLE BASIS | 0 | 46,897,230 | 46,897,230 | 0 | 46,897,230 | 46,897,230 |
| THRESHOLD BASIS LIMIT | | | 48,901,381 | | | |
| REQUESTED ELIGIBLE BASIS | 0 | 46,897,230 | 46,897,230 | 0 | 46,897,230 | 46,897,230 |
| LESS: Voluntary Reduction for Tiebreaker | | | 0 | | | |
| TOTAL REQUESTED UNADJUSTED ELIGIBLE BASIS | 0 | 46,897,230 | | 0 | 46,897,230 | |
| HIGH COST ADJUSTMENT (Y/N) Y | 100.0% | 130.0% | | 100.0% | 100.0% | |
| ADJUSTED ELIGIBLE BASIS | 0 | 60,966,399 | 60,966,399 | 0 | 46,897,230 | 46,897,230 |
| APPLICABLE FRACTION* | 100.0% | 100.0% | | 100.0% | 100.0% | |
| QUALIFIED CREDIT BASIS | 0 | 60,966,399 | 60,966,399 | 0 | 46,897,230 | 46,897,230 |
| LESS: Credit Reduction for Leveraging 0.00% | 0 | 0 | 0 | | | |
| ADJUSTED QUALIFIED CREDIT BASIS | 0 | 60,966,399 | 60,966,399 | | | |
| CREDIT RATE Federal Annual/Yr 1-3 State Year 4 - State | 7.48% | 4.00% | | 3.18% 3.46% | 30.00% 0.00% | |
| MAXIMUM CREDIT AMOUNT PER COSTS Federal Annual/Yr 1-3 State Year 4 - State Total | 0 | 2,438,656 | 2,438,656 | 0 0 0 | 14,069,169 0 14,069,169 | 14,069,169 0 14,069,169 |
| ACTUAL TCAC CREDIT RESERVATION Federal Annual/Total State | N/A | N/A | 2,438,656 | N/A | N/A | 14,069,169 |
| MAXIMUM ALLOWABLE CREDITS Federal Annual/Total State | 0 | 2,438,656 | 2,438,656 | | | 14,069,169 |
| MAXIMUM ALLOWABLE - TEN YEAR TOTAL | | | 24,386,560 | | 3,306,766 | 3,306,766 |
| | Federal Pricing | | \$0.920 | State Pricing | | \$0.82 |
| | Federal Equity | | \$22,435,635 | State Equity | | \$2,711,548 |

ATTACHMENT 5

HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM SUMMARY

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

Bond Issuer: Housing Authority of the City of San Diego. There is no direct legal liability to the City, the Housing Authority or the Housing Commission in connection with the issuance or repayment of bonds. There is no pledge of the City's faith, credit or taxing power nor of the Housing Authority's faith and credit. The bonds do not constitute a general obligation of the issuer because security for repayment of the bonds is limited to specific private revenue sources, such as project revenues. The developer is responsible for the payment of costs of issuance and all other costs under each financing.

Affordability: Minimum requirement is that at least 20% of the units are affordable at 50% of Area Median Income (AMI). Alternatively, a minimum of the units may be affordable at 50% AMI with an additional 30% of the units affordable at 60% AMI. The Housing Commission requires that the affordability restriction be in place for a minimum of 15 years. Due to the combined requirements of state, local, and federal funding sources, projects financed under the Bond Program are normally affordable for 30-55 years and often provide deeper affordability levels than the minimum levels required under the Bond Program.

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

Approval Process:

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

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

[Note: Members of the Housing Commission or the San Diego City Council may be asked to take two actions at this stage in the bond process -- one in their capacity as approving the TEFRA hearing resolution and another as approving the bond inducement.]

- Application for Bond Allocation: The issuance of these "private activity bonds" (bonds for projects owned by private developers, including projects with nonprofit sponsors and for-profit investors) requires an allocation of bond issuing authority from the State of California. To apply for an allocation, an application approved by the Housing Commission and supported by an adopted inducement resolution and by proof of credit enhancement (or bond rating) must be filed with the California Debt Limit Allocation Committee (CDLAC). In addition, evidence of a TEFRA hearing and approval must be submitted prior to the CDLAC meeting.
- Final Bond Approval: The Housing Authority retains absolute discretion over the issuance of bonds through adoption of a final resolution authorizing the issuance. Prior to final consideration of the proposed bond issuance, the project must comply with all applicable financing, affordability, and legal requirements and undergo all required planning procedures/reviews by local planning groups, etc.
- Funding and Bond Administration: All monies are held and accounted for by a third party trustee. The trustee disburses proceeds from bond sales to the developer in order to acquire and/or construct the housing project. Rental income used to make bond payments is collected from the developer by the trustee and disbursed to bond holders, if rents are insufficient to make bond payments, the trustee obtains funds from the credit enhancement provider. No monies are transferred through the Housing Commission or Housing Authority, and the trustee has no standing to ask the issuer for funds. Bond Disclosure: The offering document (typically a Preliminary Offering Statement or bond placement memorandum) discloses relevant information regarding the project, the developer, and the credit enhancement provider. Since the Housing Authority is not responsible in any way for bond repayment, there are no financial statements or summaries about the Housing Authority or the City that are included as part of the offering document. The offering document includes a paragraph that states that the Housing Authority is a legal entity with the authority to issue multifamily housing bonds and that the Housing Commission acts on behalf of the Housing Authority to issue the bonds. The offering document also includes a paragraph that details that there is no pending or threatened litigation that would affect the validity of the bonds or curtail the ability of the Housing Authority to

issue bonds. This is the extent of the disclosure required of the Housing Authority, Housing Commission, or the City. However, it is the obligation of members of the Housing Authority to disclose any material facts known about the project, not available to the general public, which might have an impact on the viability of the project.



SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

**DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/
ENTITY SEEKING GRANT/BORROWERS**
(Collectively referred to as "CONTRACTOR" herein)

Statement for Public Disclosure

1. Name of CONTRACTOR: National Community Renaissance of California, a nonprofit public benefit corporation (NCRC)
2. Email: lhampton@nationalcore.org
2. Address and Zip Code: 9421 Haven Ave, Rancho Cucamonga, CA 91730
3. Telephone Number: 909-483-2444
4. Name of Principal Contact for CONTRACTOR: Lesley Hampton, Vice President
5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0521215
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 (*select and upload requested documents*):

- ☐ A corporation (*Upload Articles of Incorporation*)
- ☒ A nonprofit or charitable institution or corporation. (*Upload copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status*)
- ☐ A partnership known as (Name): _____

Check one:

- ☐ General Partnership (*Upload statement of General Partnership*)
- ☐ Limited Partnership (*Upload Certificate of Limited Partnership*)
- ☐ A business association or a joint venture known as: _____
(*Upload joint venture or business association agreement*)
- ☐ A Federal, State or local government or instrumentality thereof.
- ☐ Other (*Please explain*): _____

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

March 20, 1992; (Name change on February 15, 2007)



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HOUSING
COMMISSION**

Real Estate Department

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:
- If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
 - 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. [Please see attached list of board members and officers \(with contact information\)](#)
 - 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.
 - 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.
 - If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%. (Attach extra sheet if necessary)

| Name and Address | Position Title (if any) and percent of interest or description of character and extent of interest |
|-------------------------|---|
| Name: | |
| Address: | |
| | |
| Name: | |
| Address: | |
| | |
| Name: | |
| Address: | |
| | |

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail. **No**
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**



**SAN DIEGO
HOUSING
COMMISSION**

Real Estate Department

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](#)

| Name and Address | Position Title (if any) and percent of interest or description of character and extent of interest |
|-------------------------|---|
| Name: | |
| Address: | |
| | |
| Name: | |
| Address: | |
| | |
| Name: | |
| Address: | |
| | |

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

| Name and Address | Position Title (if any) and percent of interest or description of character and extent of interest |
|-------------------------|---|
| Name: | |
| Address: | |
| | |
| Name: | |
| Address: | |
| | |
| Name: | |
| Address: | |
| | |

[See list of NCRC Executive Leadership Team contact information attached.](#)



**SAN DIEGO
HOUSING
COMMISSION**

Real Estate Department

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

| Name and Address | Relationship to CONTRACTOR |
|---|--|
| Name: Hope Through Housing Foundation | Affiliated nonprofit organization, shared board of directors |
| Address: 9421 Haven Avenue | |
| Rancho Cucamonga, CA 91730 | |
| Name: | |
| Address: | |
| | |
| Name: | |
| Address: | |
| | |

14. Provide description of 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 financial statements that was requested (attached) as part of the Application, including, but not necessarily limited to, profit and loss statements and statements of financial position: [Audited financials are 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:

[See attached financing plan.](#)

16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking: [The developer is utilizing low income housing tax credit equity and other public and private sources of funds to finance the construction of Nestor Senior Village. NCRC will provide predevelopment funding to finance development expenditures prior to closing construction financing. See attached financial statements.](#)

- a. In banks/savings and loans:

Name: _____
 Address: _____
 Amount: \$ _____

- b. By loans from affiliated or associated corporations or firms: [See attached financial statements.](#)

Name: _____
 Address: _____
 Amount: \$ _____



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Real Estate Department

- c. By sale of readily salable assets/including marketable securities: [See attached financial statements.](#)

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

Additional Information, as needed: _____

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

| Name and Address | Contact Name |
|---|---|
| Name: Wells Frago Bank | Ivy Wong (909)481-6534 |
| Address: 4141 Inland Empire Blvd., #350 | |
| Ontario, CA 91764 | |
| Name: Citizens Business Bank | Peter Agarwal (714)773-0600 |
| Address: 310 N. Harbor Blvd | |
| Fullerton, CA 92832 | |
| Name: | |
| Address: | |
| | |

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, provide 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, for each case, provide (1) date, (2) charge, (3) place, (4) court, and (5) action taken. *Upload* any explanation deemed necessary:



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HOUSING
COMMISSION**

Real Estate Department

Case 1: _____

Case 2: _____

Case 3: _____

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

| Type of Bond | Project Description | Date of Completion | Amount of Bond | Action on Bond |
|-----------------------|---|---------------------------|-----------------------|-----------------------|
| Payment & Performance | Encanto Village: 66-unit family apartments (includes 8 PSH) | 12/4/2019 | \$13,950,548 | None |
| Payment & Performance | Vista Grande Court: 66-unit senior apartments | 10/18/2019 | \$12,861,211 | None |
| Payment & Performance | Vista del Puente: 52-unit family apartments (includes 38 PSH units) | 10/31/2018 | \$12,878,344 | None |
| Payment & Performance | Oakcrest Heights; 54-unit family apartments (includes 14 PSH units) | 10/29/2018 | \$13,072,606 | None |

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

a. Name and addresses of such contractor or builder:

| Name and Address | Affiliation |
|---|---------------------------------|
| Name: <u>National Community Renaissance of California</u> | <u>Same entity as developer</u> |
| Address: <u>9421 Haven Avenue</u> | |
| <u>Rancho Cucamonga, CA 91730</u> | |
| Name: | |
| Address: | |
| | |
| Name: | |
| Address: | |
| | |



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- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract?

☐ Yes

☒ No

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

- c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: \$ 250 million

General description of such work: _____

NCRC is the General Contractor on numerous affordable developments located in Los Angeles, Orange, San Bernardino and San Diego Counties. Project sizes range from 19 to 184 units and consist of seniors, family and special needs housing. NCRC has completed Type III, Type V over podium, subterranean construction and modular construction.

Complete one table for each project:

| | | |
|--|---|--------------------|
| Project Name | See attached Project List | |
| Project Owner Contact Information | | |
| | Name | Address |
| Project Location | | |
| Project Details | | |
| Bonding Company Involved | HCC Surety Group provides bonding if required by lender | |
| | Name | Amount of Contract |
| Change Order Details | | |
| Change Order Cost | | |
| Litigation Details | There has been no litigation for any of the Litigation Details projects | |
| | Location/Date | Outcome Details |



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

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



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HOUSING
COMMISSION**

Real Estate Department

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

| Identification of Contract or Development | Location | Amount | Date to be Completed |
|---|-----------------|--------------|----------------------|
| Legacy Square | Santa Ana, CA | \$26,139,808 | 12/01/2022 |
| Villa Serena | San Marcos, CA | \$25,628,254 | 12/05/2022 |
| 3rd & Dangler | Los Angeles, CA | \$26,590,860 | 04/17/2023 |

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

| Awarding Agency | Amount | Date Opened |
|-----------------|--------|-------------|
| | | |
| | | |
| | | |

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

NCRC is a full-service construction contractor that provides predevelopment/pre-construction services, proforma level cost estimating, design management, construction management, project field superintending, and project engineering services.

23. Does any member of the governing body of the San Diego Housing Commission ("SDHC"), 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 SDHC, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor?

☐ Yes

☒ No

If yes, explain:



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

Additional attachments following this certification include a list of projects developed and constructed by NCRC and a list of trade references.

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

☐ Yes

☒ No

If yes, please 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.

IMA, Inc., 1705 17th Street, Suite 100, Denver, CO 80202, (310) 534-4567

- 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 certificate, \$1 million

Check coverage(s) carried:

- ☐ Comprehensive Form
☐ Owned
☒ Hired
☒ Non-Owned



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- c. Workers Compensation [*Attach* certificate of insurance showing the amount of coverage and coverage period(s)]:
\$1 million limit, see attached certificate

- d. Professional Liability (Errors and Omissions) [*Attach* certificate of insurance showing the amount of coverage and coverage period(s)]:
N/A for General Contractor, will obtain from architect, engineers, and other third parties.

- e. Excess Liability [*Attach* certificate(s) of insurance showing the amount of coverage and coverage period(s)]:
\$5 million limit, see attached certificate

- f. Other (Specify) [*Attach* certificate(s) of insurance showing the amount of coverage and coverage period(s)]:
Umbrella Liability Policy, see attached certificate

- 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 SDHC setting forth the provisions of this nondiscrimination clause.
- 28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the SDHC, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
- 29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the SDHC, 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 SDHC 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.



Real Estate Department

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

| Government Complaint | Entity | Making | Date | Resolution |
|----------------------|--------|--------|------|------------|
| None | | | | |
| | | | | |
| | | | | |
| | | | | |

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?

☐ Yes ☒ No

If yes, please explain in detail: _____

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

| Government Agency | License Description | License Number | Date Issued (Original) | Status (Current) | Revocation (Yes/No) |
|---------------------------------|----------------------------------|----------------|------------------------|--------------------|---------------------|
| Contractors State License Board | B (General Contractor's License) | 747393 | 3/24/1998 | Current and Active | No |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |



**SAN DIEGO
HOUSING
COMMISSION**

Real Estate Department

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 SDHC.

There are no 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 SDHC.

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 SDHC.

NCRC has a long and successful track record of financing, developing, building and managing affordable housing and partnering with numerous public agencies throughout the country. Having NCRC's general contractor and property management group in-house allows close coordination between Development, Construction and Management from pre-development through construction, lease-up, and operations. This will ensure the feasibility of Nestor Senior Village and timely repayment of debt to financial partners such as SDHC.

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

| Date | Entity Involved (i.e. City SDHC, etc) | Status (Current, delinquent, repaid, etc.) | Dollar Amount |
|------------|---|---|----------------------------|
| 11/30/2018 | San Ysidro Senior Village: SDHC City of San Diego | Current Current | \$760,000 \$5,500,000 |
| 2/01/2017 | Encanto Village: SDHC City of San Diego | Current Current | \$1,060,000 \$6,250,000 |
| 6/15/2017 | Vista del Puente: SDHC | Current | \$4,100,000 |

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 ☒ No

If yes, please 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, please explain: _____



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HOUSING
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Real Estate Department

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

1. Name: Holly Nelson, City of Escondido

Address: 201 North Broadway Escondido, CA

Phone: 760-839-4518 hnelson@escondido.org

Project Name and Description: Valley Senior Village, 50 Units

2. Name: Candi Roberts, City of San Marcos

Address: 1 Civic Center Drive, San Marcos, CA 92069

Phone: 760-744-1050 x 3178; croberts@san-marcos.net

Project Name and Description: Villa Serena, Westlake Village

3. Name: Eli Sanchez, Civic San Diego

Address: 8989 Rio San Diego Dr., Ste. 100, San Diego, CA 92108-1647

Phone: 619-533-7121; sanchez@civicsd.com

Project Name and Description: Encanto Village, 66 units; San Ysidro Senior Village, 51 units

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

NCRC is a full-service construction contractor that provides predevelopment/pre-construction services, pro forma level cost estimating, design management, construction management, project field superintending, and project engineering services.

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

| Name | Experience |
|---------------|---|
| Dennis Woerle | Mr. Woerle joined the National CORE construction department in 2018. He has worked in the construction industry for over 30 years, including over 20 years as a Superintendent overseeing single family and multifamily apartment construction. |



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Real Estate Department

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 ("SDHC"), 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 SDHC, 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 SDHC, 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 SDHC, 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 4 day of May, 20 22, at San Diego, California.
Rancho Cucamonga

CONTRACTOR

By: [Signature]
Signature

Chief Financial Officer

Title



SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

CERTIFICATION

The CONTRACTOR, _____, 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: [Signature]

By: _____

Title: Chief Financial Officer

Title: _____

Dated: 5/4/22

Dated: _____

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

JURAT

State of California

County of _____

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 20_

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

Signature of Notary

SEAL

CALIFORNIA JURAT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

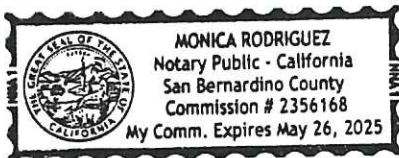
State of California)

County of San Bernardino)

Subscribed and sworn to (or affirmed) before me this 4 day of May, 2022

by Michael Finn proved to me on the

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



(Seal)

[Signature]
Signature of Notary Public

My Commission Expires: May 26, 2025

Optional

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or type of Document: _____

Document Date: _____ Number of Pages: _____ (not including this page)

Signer(s) Other Than Named Above: _____

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: JUN 13 2007

NATIONAL COMMUNITY RENAISSANCE OF
CALIFORNIA
9065 HAVEN AVE STE 100
RANCHO CUCUMONGA CA 91730

Person to Contact:

Gregory Renier
ID #31-07231

Toll Free Telephone Number:

877-829-5500

Employer Identification Number:

33-0521215

Dear Sir or Madam:

This is in response to the amendment to your organization's Articles of Incorporation filed with the state on February 21, 2007. We have updated our records to reflect the name change from Southern California Housing Development Corporation to National Community Renaissance of California.

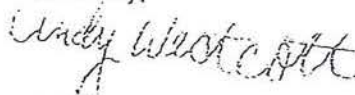
Our records indicate that a determination letter was issued in October 1996 that recognized you as exempt from Federal income tax, and reflect that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Cindy Westcott
Manager, Exempt Organizations
Determinations

04/22/2004 12:48 FAX 513 283 3756

TE/GE CINTI

002/002

Internal Revenue Service

Date: April 22, 2004

Adam Kobus
400 Sansome St
San Francisco, CA 94111

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:
Ms. K. Hilson 31-07340
Customer Service Representative
Toll Free Telephone Number:
8:00 a.m. to 6:30 p.m. EST
877-829-5500
Fax Number:
513-263-3756

Dear Sir:

This is in response to your request of April 22, 2004, regarding affirmation of the tax-exempt status of Southern California Housing Development Corporation.

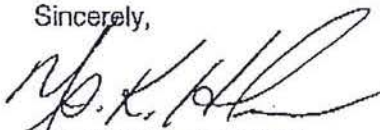
Our records indicate that a determination letter issued in October 1996 granted this organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified this organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to this organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to the organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Ms. K. Hilson 31-07340
Customer Account Services

04/22/2004 11:48 FAX 513 263 3756

TE/CA CONF

0402/002

Internal Revenue Service

Date: April 22, 2004

Adam Kohan
400 Sansome St
San Francisco, CA 94111

Department of the Treasury
P. O. Box 2500
Cincinnati, OH 45201

Person to Contact
Ms. K. Hilson 31 07340
Customer Service Representative
Toll Free Telephone Number:
800 829 5500
877-829-5500
Fax Number:
513-263-3756

Dear Sir:

This is in response to your request of April 22, 2004, regarding affirmation of the tax-exempt status of Southern California Housing Development Corporation.

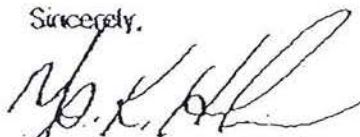
Our records indicate that a determination letter issued in October 1996 granted this organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified this organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to this organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to the organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Ms. K. Hilson 31-07340
Customer Account Services

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Southern California Housing
Development Corporation
8265 Aspen Ave., Ste 100
Rancho Cucamonga, CA 91730

Person to Contact: Bree Ermentrout
Telephone Number: (202) 622-7373
Refer Reply to: CP:E:EO:T:5
Date: **MAR - 4 1997**

EIN: 33-0521215
Key District: Western (Los Angeles, CA)

. Dear Applicant:

This is in response to your request for a ruling, dated January 14, 1997 regarding the tax consequences under the Internal Revenue Code of the change to your bylaws.

You were organized to provide housing to low and moderate income families in California. As an organization lessening the burdens of government, you are exempt from tax under section 501(c)(3) of the Internal Revenue Code. Your exemption was based on many factors. Primarily, you work in close contact with local governments. Apart from local funding approval, each local government must separately approve each project as one that will ease local low-income housing problems. In addition, you must provide ongoing local reports to the local governments.

Your bylaws were originally drafted to include government representatives. After discovering that these representatives were unable to devote the necessary time to carry out their responsibilities as directors, you reduced the size of your board and eliminated any specific class of director. You also created a non-voting advisory board. Any local government that desires to have input can become a member of this board.

Section 501(c)(3) of the Code provides, in part, for the exemption from federal income tax for corporations organized and operated exclusively for charitable, scientific or educational purposes, provided no part of the net earnings inures to the benefit of any private shareholder or individual.

Section 1.501(c)(3)-1(d)(2) of the regulations provides that the term 'charitable' is used in section 501(c)(3) of the Code in its generally accepted legal sense, and includes lessening the burdens of government.

Rev. Rul. 85-2, 1985-1 C.B. 178 provides that an organization wishing to be recognized as exempt under section 501(c)(3) of the Code as an organization lessening the burdens of

-2-

Southern California Housing
Development Corporation

government must satisfy two tests. First, it must perform an activity which the governmental unit considers to be its burden. Second, the activity must actually lessen such burden of government.

To assure that you would remain responsive to local governments, your exemption requires that local governments must separately approve each and every project you develop, acquire or operate. They must also allocate public monies to these projects. Local governments also provide oversight. Under this close and continuing governmental contact, the presence of a few governmental officials as board members constituting a minority, was not regarded as a significant factor in your exemption.

This governmental approval and financial commitment will remain notwithstanding any bylaw change. Further, the change to your bylaws continues to allow local governments to provide input as members of an advisory board. You will therefore still perform an activity which a governmental unit considers to be its burden as required by Rev. Rul. 85-2.

Your activities will not change in any way. You will continue to provide housing to low and moderate income families. You will continue to lessen the burden of government.

Accordingly, we rule as follows:

The elimination of the requirement for governmental directors as provided in the original bylaws will not jeopardize your status as an organization described in section 501(c)(3) of the Code.

We are informing your key District Director of this ruling. Because this ruling could help resolve future questions about your federal income tax status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the address above.

Because this letter could help resolve any further questions about your exempt status and unrelated trade or business activities, you should keep it for your permanent records.

-3-

Southern California Housing
Development Corporation

For other matters including questions concerning reporting
requirements, please contact your key District Director.

Sincerely yours,

A handwritten signature in cursive script that reads "Garland A. Carter".

Garland A. Carter
Chief, Exempt Organizations
Technical Branch 5

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
2 CUPANIA CIRCLE
MONTEREY PARK, CA 91755-7406

DEPARTMENT OF THE TREASURY

Date: OCT 08 1995

THE SOUTHERN CALIFORNIA HOUSING
DEVELOPMENT CORPORATION
10300 FOURTH, SUITE 200
RANCHO CUCAMONGA, CA 91730-5808

Employer Identification Number:
33-0521215
Case Number:
956263019
Contact Person:
TYRONE THOMAS
Contact Telephone Number:
(213) 894-2289
Our Letter Dated:
September 1992
Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

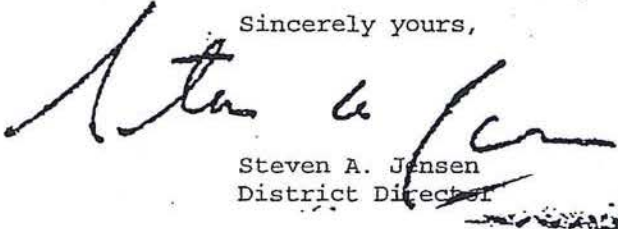
Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Steven A. Jensen
District Director

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

The Southern California Housing
Development Corporation
c/o Andrew B. Wright
190 North Arrowhead, Suite E
Rialto, CA 92376

Person to Contact: J. O'Malley

Telephone Number: (202) 622-7247
(202) 622-7323

Refer Reply to: E:EO:R:1

Date: SEP 30 1992

Employer Identification Number: 33-0521215
Key District: Los Angeles
Accounting Period Ending: June 30
Foundation Status Classification: 509(a)(2)
Advance Ruling Period Begins: March 26, 1992
Advance Ruling Period Ends: June 30, 1996
Effective Date of Exemption: March 26, 1992
Form 990 Required: Yes

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3), beginning on your effective date of exemption.

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publicly supported organization described in the section(s) shown above.

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must submit to your key District Director information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also,

The Southern California Housing
Development Corporation

if you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Donors may deduct contributions to you as provided in section 170 of the Code, beginning on your effective date of exemption. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes, if they meet the applicable provisions of sections 2055, 2106, and 2522, beginning on your effective date of exemption.

Donors (including private foundations) may rely on the advance ruling that you are not a private foundation until 90 days after your advance ruling period ends. If you submit the required information within the 90 days, donors may continue to rely on the advance ruling until we make a final determination of your foundation status. However, if notice that you will no longer be treated as the type of organization shown above is published in the Internal Revenue Bulletin, donors may not rely on this advance ruling after the date of such publication. Also, donors (other than private foundations) may not rely on the classification shown above if they were in part responsible for, or were aware of, the act that resulted in your loss of that classification, or if they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification. Private foundations may rely on the classification as long as you were not directly or indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification shown above if they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key District Director of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

The Southern California Housing
Development Corporation

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key District Director.

If you conduct fund-raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund-Raising Events. You may obtain copies of Publication 1391 from your key district office.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt from Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. If your gross receipts each year are not normally more than \$25,000, we ask that you establish that you are not required to file Form 990 by completing Part I of that Form for your first year. Thereafter, you will not be required to file a return until your gross receipts exceed the \$25,000 minimum. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. The maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, and supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is a failure to comply (up to a maximum of \$5,000 in the case of an

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annual return). See Internal Revenue Service Notice 88-120,
1988-2 C.B. 454, for additional information.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely,



Marvin Friedlander
Chief, Exempt Organizations
Rulings Branch 1

Enclosure: Form 872-C

A0657184

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

FEB 21 2007

**CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
THE SOUTHERN CALIFORNIA HOUSING DEVELOPMENT CORPORATION**

Rebecca Clark and Doretta Bryan certify that:

1. They are the President and the Secretary, respectively, of The Southern California Housing Development Corporation, a California nonprofit public benefit corporation (the "Corporation").
2. Article I of the Articles of Incorporation of the Corporation shall be amended to read in its entirety as follows:


"I

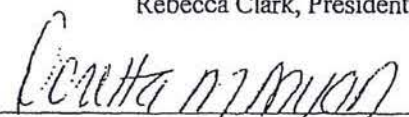
The name of this corporation is: NATIONAL COMMUNITY RENAISSANCE
OF CALIFORNIA."

3. The foregoing amendment of the Articles of Incorporation has been duly approved by the Board of Directors.
4. The Corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: February 15, 2007


Rebecca Clark, President


Doretta Bryan, Secretary



18-11-11
16-7911

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

MAR 23 1992

MARCH FONG EU, Secretary of State

ARTICLES OF INCORPORATION
OF
THE SOUTHERN CALIFORNIA HOUSING DEVELOPMENT CORPORATION

I.

The name of this corporation is The Southern California Housing Development Corporation.

II.

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The specific purpose of this corporation is to lessen the burdens of the governments of cities located in Imperial County, Kern County, Los Angeles County, Orange County, Riverside County, San Bernardino County, San Diego County, Santa Barbara County and Ventura County, California, by assisting such cities in the development of affordable housing, as defined by the State of California Community Redevelopment Law (Health and Safety Code Section 33000 et. seq.), as it may be amended from time to time.

III.

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

Andrew Wright
356 West Eleventh Street
Claremont, California 91711

IV.

A. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

B. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (ii) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

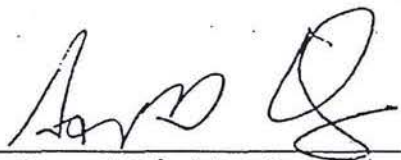
C. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

V.

A. The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.

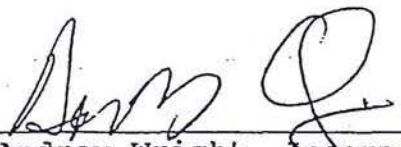
B. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

Dated: March 20 1992



Andrew Wright, Incorporator

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, and that this instrument is my act and deed.



Andrew Wright, Incorporator

LISTING OF ORGANIZATION'S BOARD MEMBERS**(All Board Members are voting members)**

| Names & Addresses of all Board Members (Also please: 1. Note any titles such as Chairperson, Vice-Chair, Treasurer, Secretary; and 2. State the start and the end of the Board Member's Term) | Number of the Census Tract in which the Board Member Resides (See Thomas Bros. Map Book) | Is this Board Member a resident of a low-income neighborhood? (If yes, specify which one) | Is this Board Member a low-income (annual gross income less than 80% of area median income) person? (If yes, a self certification signed by the Board Member may be required) | Is this Board Member an elected representative of a low-income neighborhood organization? (If yes, specify which one) | Is this Board Member a representative of the public sector? (Are there any public officials or any public employees on the Board) |
|---|--|---|---|---|---|
| 1. Jeffrey Burum - Chairman 10621 Civic Center Drive Rancho Cucamonga, CA 91730 Start of Term: June 2019 End of Term: April 2020 | 06 071 0021.10 | No | No | No | No |
| 2. Armando J. Bucelo, Jr. Esq. 6303 Blue Lagoon Dr Ste 390 Miami, FL 33126-6005 Start of Term: June 2019 End of Term: April 2020 | 12 086 0074.00 | No | No | No | No |
| 3. James D. Cashion 100 East Corson St., Ste. 200 Pasadena, CA 91103 Start of Term: June 2019 End of Term: April 2020 | 06 037 4619.02 | No | No | No | No |
| 4. Gavin Michael Clingham 5412 Blackistone Rd. Bethesda, MD 20816 Start of Term: June 2019 End of Term: April 2020 | 24 031 7057.02 | No | No | No | No |
| 5. Raymond Crebs 2110 N. Laurel Avenue Upland, CA 91784 Start of Term: June 2019 End of Term: April 2020 | 06 071 0008.14 | No | No | No | No |
| 6. Laura Kuhns P.O. Box 2585 Fairmount, WV 26554 Start of Term: June 2019 End of Term: April 2020 | 54 049 0203.00 | No | No | No | No |
| 7. James Previti 8300 Utica Avenue, Suite 300 Rancho Cucamonga, CA 91730 Start of Term: June 2019 End of Term: April 2020 | 06 071 0021.10 | No | No | No | No |
| 8. Stephen G. Larson 555 South Flower St., Ste. 4400 Los Angeles, CA 90071 Start of Term: June 2019 End of Term: April 2020 | 06 037 2077.10 | No | No | No | No |

| | | | | | |
|---|---------------------------------|------------|------------|-----------|-----------|
| 9. Dr. Joe Inigpen 673 Turkey Creek Alachua, FL 32615 Start of Term: June 2019 End of Term: April 2020 | 12 001 0018.14 | No | No | No | No |
| 10. Susanne Monterosso 22765 EastPark Drive, #2205 Yorba Linda, CA 92887 Start of Term: June 2019 End of Term: April 2020 | 06 059 0219.24 | Yes | Yes | No | No |
| 11. Venus Lujan 1578 W. Persimmon St. Rialto, CA 92377 Start of Term: June 2019 End of Term: April 2020 | 06 071 0027.04 | No | Yes | No | No |
| 12. Jovita Schofield 10220 Foothill Blvd., #6101 Rancho Cucamonga, CA 91730 Start of Term: June 2019 End of Term: April 2020 | 06 071 0020.28 | Yes | Yes | No | No |
| 13. Richard Dawson 2650 Jamacha Rd., #47, PMB 263 El Cajon, CA 92019 Start of Term: June 2019 End of Term: April 2020 | 06 073 0136.06 | Yes | Yes | No | No |
| 14. Susan Burton 1720 North Wilmington Compton, CA 90222 State of Term: June 2019 End of Term: April 2020 | 06 037 5413.00 | Yes | Yes | No | No |

National Community Renaissance of California

Executive Leadership Team

Company Officers

Steve PonTell, CEO and President

Mr. PonTell, as Chief Executive Officer and President of NCRC and Hope through Housing Foundation, oversees two large nonprofits that serve over 25,000 low-income residents in over 8,000 apartment units under ownership and management throughout Arkansas, California, Florida and Texas. Mr. PonTell has extensive experience managing large-scale innovative community based projects. He is a nationally recognized authority on community development and creating forward-thinking organizations to maximize evolving market environments.

Mr. PonTell, with a track record of success in organizational development, is improving NCRC's in-house model that guarantees superior quality control and results. He is building on the organization's demonstrated capacity to build on its successes through prudent financial management and a holistic approach to building and preserving affordable housing.

Prior to leading NCRC, Mr. PonTell founded the La Jolla Institute in 1996, a California-based nonprofit think tank. While at La Jolla Institute, Mr. PonTell was vigorously involved in "Pioneering the New Community". The La Jolla Institute worked on major research projects ranging from studying critical community indicators in San Bernardino County to bringing together four counties: Los Angeles, San Bernardino, Riverside, and Orange County with the four Corners Coalition. In addition, he has served as a strategic consultant to both corporations and communities helping them to adapt to changes impacting the economy and the workplace. Mr. PonTell's clients included the County of San Bernardino; The Four Corners Coalition; and the Ventura Auto Center. Mr. PonTell has an MBA from the Claremont Graduate School Drucker Center, and he holds a Bachelor of Science degree in City and Regional Planning from California Polytechnic State University.

Michael Ruane, Executive Vice President

As Executive Vice President, Mr. Ruane is responsible for overseeing the operations of a NCRC, one of the nation's largest nonprofit affordable housing developers. He leads the development of NCRC's program and business strategies as well as oversees the communication of NCRC's mission to internal and external stakeholders. Prior to this position, Mr. Ruane served as Interim Chief Operating Officer and Chief of Strategy and Public Affairs for Cal Optima, the community health plan for Orange County. He has more than 20 years of experience working for the County of Orange in various positions, including as Assistant County Executive Officer for Strategic and Intergovernmental Affairs, and as Executive Director of the Children and Families Commission of Orange County. Mr. Ruane is the immediate past Chair of the Orange County/Inland Empire District Council of the Urban Land Institute. He holds a Master's Degree in Architecture and Urban Planning from UCLA and is an Adjunct Lecturer in the Department of Policy, Planning and Design at UC Irvine.

Michael Finn, Chief Financial Officer







Mr. Finn is NCRC's Chief Financial Officer. As CFO, Mike is responsible for the overall financial strategy and fiscal practices of the organization. Before joining NCRC, Mike served as CFO for a major healthcare technology company. With more than 25 years of management experience in finance and accounting, Mike has spent the majority of his career working for mid-market companies. He has significant experience in the technology, healthcare, real estate, construction, manufacturing, and entertainment fields. His expertise is in strategic financial planning and analysis, financial reporting and forecasting, mergers and acquisitions, corporate governance, and corporate restructuring. He received his bachelor's degree in economics from UCLA.

Robert Diaz, General Counsel







Robert Diaz, NCRC's General Counsel, joined NCRC in 2017. Robert brings significant experience in the areas of debt finance, corporate governance, banking regulations, mergers and acquisitions and general corporate law. Robert has also focused on the development and implementation of corporate controls and structure and has previously played a major role in managing significant portions of large-scale regulatory remediation efforts. Robert graduated from the University of Chicago Law School in 2000 and received his B.S. degree in Business Administration from Chapman University in 1997. He was commissioned as an officer in the United States Army Reserve and served as a member of the Army's JAG Corps for 15 years. Fluent in Spanish, Robert has represented clients in cross-border transactions in Latin America.







Gregory Bradbard, President of Hope through Housing Foundation







Gregory J. Bradbard, President of the Hope through Housing Foundation and NCRC’s Senior Vice President of Strategic Partnerships has more than 20 years of experience as a community leader and fundraiser throughout Southern California. Prior to joining Hope through Housing and NCRC, Greg served as President and Chief Executive Officer of the Inland Empire United Way (IEUW). Under his leadership, IEUW increased its community impact by launching several new programs to improve youth and family self-sufficiency. Greg holds a B.A. in Psychology and Social Behavior from UC Irvine, and past roles have included serving as the Executive Director for Court Appointed Special Advocates (CASA) of Orange County, Executive Director for the Irvine Public Schools Foundation, and Director of Development for Families Forward.







| PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|---|-------------|---|---------------------------|--|---|--|--|
|  <p>DAY CREEK VILLAS R Cucamonga, CA Start in 2019 Completion in 2020</p> | 140 | 131 1-Bedroom 9 2-Bedroom | 30%, 45%, 50%, 60% AMI | New Construction Senior 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center Warming Lobby Fitness Room Computer Room Pool Outdoor Fireplaces Bike Storage | City of Rancho Cucamonga Land Loan City of Rancho Cucamonga Dev Loan 9%+4% Hybrid LIHTC HACSB PBV (8) IEHP Loan Conventional Mortgage FHLB AHP |
|  <p>ARROWHEAD GROVE PH III San Bernardino CA Start in 2019 Completion in 2021</p> | 184 | 28 1-Bedroom 102 2-Bedroom 46 3-Bedroom 10 - 4-Bedroom | 30%, 45%, 50%, 60% AMI | New Construction Family Mixed Income | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center Computer Center Laundry Facilities Pool Tot Lots Community Garden Private Bike Storage | AHSC HRI Grant AHSC AHD Loan Tax-Exempt Mortgage City of San Bernardino Loan County of San Bernardino Loan HACSB Capital + RAD PBV 4% LIHTC |
|  <p>VISTA VERDE Ontario, CA Start in 2019 Completion in 2021</p> | 101 | 69 2-Bedroom 32 3-Bedroom | 30%, 45%, 50%, 60% AMI | New Construction Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center Computer Center Laundry Facilities Pool Community Garden Private Bike Storage | Affordable Housing and Sustainable Communities Loan City of Ontario Land Loan City of Ontario Loan 4% LIHTC Tax-Exempt Mortgage |
|  <p>SAN YSIDRO SENIOR VILLAGE 517 W. San Ysidro Blvd. San Ysidro, CA Start in 2018 Completion in 2020</p> | 51 | 50 Studio 1 2-Bedroom | 30%, 40%, 50% AMI | New Construction Senior Permanent Supportive Housing 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center Computer Center Laundry Facilities Outdoor Gathering Spaces | San Diego Housing Commission City of San Diego 9% LIHTC FHLB-SF AHP Funds Permanent Loan |
|  <p>VISTA GRANDE COURT 1116 Sonora Avenue Glendale, CA Start in 2018 Completion in 2020</p> | 66 | 60 1-Bedroom 6 2-Bedroom | 30%, 45%, 50%, 60% AMI | New Construction Senior 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Large Resident Community Center Community Garden Outdoor Fireplace BBQ Area Computer Room Elevator Laundry Facilities | City of Glendale Capital One, N/A Century Housing 9% LIHTC Raymond James Tax Credit Funds FHLB of San Francisco AHP Funds (City National Bank) |
|  <p>ENCANTO VILLAGE 6315 Imperial Ave San Diego, CA Start in 2018 Completion in 2020</p> | 66 | 30 1-Bedroom 18 2-Bedroom 18 3-Bedroom | 30%, 45%, 50%, 60% AMI | New Construction Mixed-Use Transit-Oriented Family Seniors Homeless Veterans 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Station/Bus Stop Bicycle Storage Areas Community Center Community Gardens EV Charging Stations Onsite Laundry Facilities Outdoor Play Area | U.S. Department of Housing and Urban Development San Diego Housing Commission Civic San Diego Bank of America 9% LIHTC |







| PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|--|-------------|--|---------------------------|---|---|--|---|
|  <p>VISTA DEL PUENTE 1436 South 40th St San Diego, CA Start in 2017 Completion in 2018</p> | 52 | 6 1-Bedroom 30 2-Bedroom 16 3-Bedroom | 30%, 40%, 50%, 60% AMI | New Construction Family Special Needs Veterans Formerly Homeless 100% Affordable | Owner Developer General Contractor Property Manager | Community Center BBQ Area Laundry Facility Onsite Social Services Outdoor Play Area | CA HCD VHHP Loan San Diego Housing Commission Loan + PBV (38) City of San Diego Conventional Mortgage 9% LIHTC Equity FHLB AHP Home Depot Foundation Grant Funders Together End Homelessness |
|  <p>OAKCREST HEIGHTS 22733 Oakcrest Circle Yorba Linda, CA Start in June 2017 Completed in 2018</p> | 54 | 9 1-Bedroom 27 2-Bedroom 18 3-Bedroom | 30%, 45%, 50%, 60% AMI | New Construction Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Onsite Preschool Community Center Onsite Laundry Facilities Private Patios/Balconies Outdoor Gathering Spaces | Citibank Permanent Loan Raymond James LIHTC Equity – 9% City of Yorba Linda FHLB AHP CHEA - MESA Orange County Housing Authority County of Orange |
|  <p>MISSION COVE II 3247 Anchor Way Oceanside, CA Start in March 2017 Completed in 2018</p> | 60 | 32 2-Bedroom 28 3-Bedroom | 30%, 45%, 50%, 60% AMI | New Construction Mixed - Use Special Needs 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Preschool Computer Lab In-unit Washers & Dryers Residential Private Outdoor Patio/Balcony Fitness Center Office/Retail Space | City of Oceanside Bank of America Permanent Loan Hudson Housing Capital LIHTC Equity FHLB AHP |
|  <p>THREE OAKS Santa Clarita, CA Start in March 2016 Completed in 2017</p> | 30 | 21 2-Bedroom 9 3-Bedroom | 30%, 40%, 50%, 60% AMI | New Construction Family 100% Affordable | Owner Developer General Contractor Supportive Services Provider | Community Center/Office Area Computer Lab./After-School Program Children's Play Area | LIHTC - 9% City RDA/Bond & CDBG Funds Wells Fargo Const & Perm Loan |
| <p>OLIVE MEADOW San Bernardino, CA Start in March 2016 Completed in 2017</p> | 62 | 12 1-Bedroom 30 2-Bedroom 20 3-Bedroom | 30%, 45%, 50%, 60% AMI | New Construction Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Computer Lab./After-School Program In-unit Washers & Dryers Children's Play Area Fitness Center Elevators in 3-story Building | LIHTC - 9% HUD Rental Assistance Demonstration City HOME Funds Housing Authority of County of San Bernardino, PBVs & Loan Ground Lease FHLB AHP Wells Fargo HUD/FHA 221(d)(4) Loan |
| <p>OAKCREST TERRACE 22744 Eastpark Dr. Yorba Linda, CA Completed in 2017</p> | 69 | 15 1-Bedroom 33 2-Bedroom 21 3-Bedroom | 30%, 45%, 50%, 60% AMI | New Construction Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/After-School Program Facilities Centralized Laundry Facilities Tot-Lot Computer Lab Elevators in 3-story Building | LIHTC - 9% FHLB AHP City of Yorba Linda RDA Loan Citibank Const & Perm Loans Citibank Subordinate Loan |







| PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|--|-------------|---|---------------------------|---|--|---|--|
|  <p>MISSION COVE I 3247 Anchor Way Oceanside, CA Completed in 2017</p> | 90 | 26 1-Bedroom 32 2-Bedroom 32 3-Bedroom | 30%, 45%, 50%, 60% AMI | New Construction Mixed - Use Special Needs 100% Affordable | Owner Co-Developer General Contractor Property Manager Supportive Services Provider | Community Center/Preschool Computer Lab In-unit Washers & Dryers Residential Private Outdoor Patio/Balcony Fitness Center Office/Retail Space | LIHTC - 9% (Wells Fargo as Investor) FHLB AHP City HOME Funds & Ground Lease UrbanLIFT Grant Citibank Const & Perm Loans Citibank Subordinate Loan MHSA FHLB AHP Veterans VHHP |
|  <p>VALENCIA VISTA San Bernardino, CA Start in 2015 Completed in 2016</p> | 76 | 10 1-Bedroom 40 2-Bedroom 22 3-Bedroom 4 4-Bedroom | 30%, 45%, 50%, 60% AMI | New Construction Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Computer Lab In-unit Washers & Dryers Property Management & Maintenance Swimming Pool Fitness Center Elevators in 3-story Building | LIHTC - 9% (Wells Fargo as Investor) HUD Rental Assistance Demonstration City HOME Funds Housing Authority of County of San Bernardino, PBVs & Loan PNC HUD/FHA 221(d)(4) Loan |
|  <p>MARV'S PLACE Pasadena, CA Start in 2015 Completed in 2016</p> | 20 | 10 1-Bedroom 10 2-Bedroom | 30% AMI | New Construction Special Needs Homeless 100% Affordable | Owner Developer General Contractor Property Manager | Community Center/Office Area Computer Lab Central Laundry Facilities Property Management & Maintenance | LIHTC - 9% City of Pasadena Housing Funds & PBV's County of Los Angeles Industry & First 5 Funds |
|  <p>LAS PALMAS VILLAGE 107-115 Ave. Serra San Clemente, CA 92673 Completed in 2015</p> | 19 | 19 1-Bedroom | 30%, 50%, 60% AMI | New Construction Family/Workforce 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Computer Lab Central Laundry Facilities Property Management & Maintenance | LIHTC - 4% City of San Clemente Inclusionary Funds HCD IIG Tax-exempt Bonds (Citibank) Citibank Subordinate Loan |
|  <p>THE VIEW 8314 2nd Street Downey, CA 90241 Completed in 2014</p> | 50 | 35 2-Bedroom 15 3-Bedroom | 30%, 45%, 50% AMI | New Construction Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Tot-Lot Computer Lab Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% City of Downey HOME/Set-Asides Los Angeles County Industry Funds Permanent Bank Loan with JP Morgan Chase |
|  <p>SAN EMI 4115 Kingsley St. Montclair, CA 91763 Completed in 2014</p> | 18 | 18 1-Bedroom | 30%, 45%, 50% AMI | New Construction Special Needs 100% Affordable | Owner Developer Property Manager | Office Area Outdoor Community Areas Share Community Facilities with Adjacent National CORE Projects Property Management & Maintenance | LIHTC - 9% HUD 811 City of Montclair AHP |







| | PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|---|---|-------------|--|---------------------------|---|---|--|--|
|  | DUMOSA SENIOR VILLAGE 57110 29 Palms Hwy Yucca Valley, CA 92884 Completed in 2014 | 75 | 74 1-Bedroom 1 2-Bedroom | 30%, 40%, 50%, 55% AMI | New Construction Senior 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Computer Lab Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% Town of Yucca Valley Funds County of San Bernardino HOME USDA Section 538 Permanent Loan AHP |
|  | WESTLAKE VILLAGE II 405 & 419 Autumn Drive San Marcos, CA 92069 Completed in 2014 | 57 | 21 1-Bedroom 18 2-Bedroom 18 3-Bedroom | 30%, 45%, 50%, 55% AMI | New Construction Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Centralized Laundry Facilities Tot-Lot Outdoor Community Areas Share Community Center with Westlake Village I Property Management & Maintenance | LIHTC - 9% City of San Marcos RDA Loan Permanent Loan |
|  | DESERT MEADOWS 44071 Clinton St. Indio, CA 92201 Completed in 2013 | 80 | | 25%, 35%, 40% AMI | New Construction Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Swimming Pool Tot-Lot Computer Lab Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | LIHTC - 4% County of Riverside RDA Funds FHLB AHP State of CA HCD MHP Funds |
|  | RIVER CANYON 34300 Corrigor Drive Cathedral City, CA 92234 Completed in 2011 | 60 | 41 2-Bedroom 19 3-Bedroom | 30%, 45%, 50%, 60% AMI | New Construction Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Swimming Pool Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% City of Cathedral City RDA Loan Infill Grant Permanent Loan Developer Equity County of Riverside Home Funds |
|  | ALTA VISTA 5051 E. 3rd St. Los Angeles, CA 90022 Completed in 2012 | 60 | 41 2-Bedroom 19 3-Bedroom | 30%, 45%, 50% AMI | New Construction Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Tot-Lot Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | Los Angeles County Industry Funds Los Angeles County CDC HOME Los Angeles County 1st District Funds State of CA HCD IIG State of CA HCD TOD LIHTC - 9% Permanent Bank Loan |
|  | ENCANTO COURT 1345 W. 105th St. Los Angeles, CA 90044 Completed in 2012 | 62 | 56 1-Bedroom 6 2-Bedroom | 25%, 45%, 50% AMI | New Construction Senior Infill 100% Affordable | Owner Developer Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Security Gates and Fencing Property Management & Maintenance | LIHTC - 9% CDC HOME/DDA Loan CDC CCP Homeless Loan Infill Infrastructure Grant HACOLA Industry Loan FHLB AHP Permanent Loan Developer Equity |







| PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|---|-------------|--|---------------------------|--|---|---|---|
|  <p>SIGNATURE AT FAIRFIELD 1189 Tabor Ave. Fairfield, CA 94533 Completed in 2012</p> | 93 | | 30%, 40%, 50%, 60% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facility Outdoor Community Areas Tot-Lot Swimming Pool Learning Center Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% CaHFA MHSA State of CA HOME Funds City of Fairfield RDA Funds Permanent Loan Developer Equity |
|  <p>WESTLAKE VILLAGE I 405 Autumn Drive San Marcos, CA 92069 Completed in November 2013</p> | 49 | 15 1-Bedroom 18 2-Bedroom 16 3-Bedroom | 35%, 45%, 50%, 60% AMI | New Construction Family Mixed-Use 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center Centralized Laundry Facilities Learning Center Swimming Pool and Spa Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% City of San Marcos RDA Loan FHLB AHP Permanent Loan |
|  <p>JUNIPER SENIOR VILLAGE 215 E. Washington Avenue Escondido, CA 92025 Completed in 2011</p> | 61 | | 35%, 45%, 50, 60% AMI | New Construction Senior 100% Affordable | Owner Developer Property Manager Supportive Services Provider | Community Center/Office Area with a Service Kitchen Centralized Laundry Facilities Swimming Pool and Spa Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% City of Escondido RDA/HOME Loan HCD Infill Infrastructure Grant Permanent Loan Developer Equity |
|  <p>VISTA DEL CIELO 10319 Mills Avenue Montclair, CA 91763 Completed in 2011</p> | 50 | 1 1-Bedroom 34 2-Bedroom 15 3-Bedroom | 30%, 45%, 50, 60% AMI | New Construction Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Swimming Pool Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% County of San Bernardino HOME Loan City of Montclair RDA Loan Permanent Bank Loan Developer Equity |
|  <p>MISSION VILLAGE SENIOR 8989 Mission Blvd. Riverside, CA 92509 Completed 2010</p> | 110 | 99 1-Bedroom 11 2-Bedroom | 50% AMI | New Construction Senior 100% Affordable | Owner Developer Property Manager Supportive Services Provider | Community Center/Office Area with a Service Kitchen Centralized Laundry Facilities Swimming Pool and Spa Outdoor Community Areas Property Management & Maintenance | Tax Exempt Bonds LIHTC - 4% City of Riverside RDA Loan FHLB AHP Permanent Loan Developer Equity |
|  <p>SAN MARINO 10355 Mills Avenue Montclair, CA 91763 Completed 2010</p> | 85 | 84 1-Bedroom 1 2-Bedroom | 50%, 60% AMI | New Construction Senior 3 Phase Project 100% Affordable | Owner Developer Property Manager Supportive Services Provider | Community Center/Office Area Outdoor Community Areas Centralized Laundry Facilities Security Gates and Fencing Property Management & Maintenance | LIHTC - 9% HUD 202 HUD Predevelopment Loan City of Montclair RDA Loan FHLB AHP Permanent Loan Developer Equity |

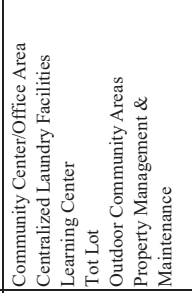
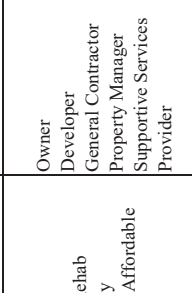
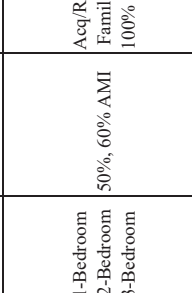


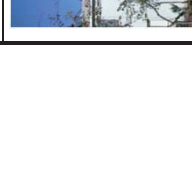
| | PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|---|---|-------------|-------------------------------|---------------------------|---|---|---|---|
|  | TRES LOMAS 4343 Toland Way Los Angeles, CA 90041 Completed 2010 | 46 | 45 1-Bedroom 1 2-Bedroom | 30%, 40%, 50%, 60% AMI | Acq/Rehab Senior 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Outdoor Community Areas Centralized Laundry Facilities Security Gates and Fencing Property Management & Maintenance | LIHTC - 4% HCD MHP Loan LAHD Permanent Loan Developers Equity |
|  | VISTA CASCADE 1432 N. Willow Avenue Rialto, CA Completed in 2010 | 42 | 29 2-Bedroom 13 3-Bedroom | 50% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Computer Lab Fitness Center Outdoor Community Area Property Management & Maintenance | LIHTC - 4% HCD MHP Loan AHP Permanent Loan Developers Equity |
|  | RANCHO VERDE EAST EXPANSION 8837 Grove Avenue Rancho Cucamonga, CA Completed in 2009 | 40 | 40 3-Bedroom | 35%, 45%, 60% AMI | New Construction Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center with Service Kitchen Centralized Laundry Facilities Security Gates and Fencing Tot Lot Outdoor Community Areas Property Management and Maintenance | Tax Exempt Bonds LIHTC - 4% County of San Bernardino HOME Loan City of Rancho Cucamonga RDA Loan Permanent Loan Developer Equity |
|  | VILLAGGIO ON ROUTE 66 10220 Foothill Blvd. Rancho Cucamonga, CA Completed in 2009 | 166 | 104 2-Bedroom 62 2-Bedroom | 35%, 45%, 60% AMI | New Construction Family Mixed Market Rate & Affordable | Owner Developer Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Swimming Pool Tot Lot Learning Center Outdoor Community Areas Property Management & Maintenance | Tax Exempt Bonds LIHTC - 4% HCD MHP City of Rancho Cucamonga RDA Loan Permanent Loan Developer Equity |
|  | VILLA PLUMOSA 4672 Plumbosa Drive Yorba Linda, CA 92886 Completed in 2009 | 76 | 52 2-Bedroom 24 3-Bedroom | 30%, 45%, 50%, 60% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% City of Yorba Linda RDA Loan Permanent Loan Developer Equity |
|  | CAPE COD VILLAS 1710 Maxson Street Oceanside, CA 92054 Completed in 2008 | 36 | 36 1-Bedroom | 30%, 50%, 60% AMI | Acq/Rehab Senior 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% City of Oceanside RDA Loan |







| | PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|---|--|-------------|--|---------------------------|--|---|---|---|
|  | CITRUS GROVE AT RIALTO 1432 Willow Avenue Rialto, CA 92376 Completed in 2008 | 152 | 100 2-Bedroom 52 3-Bedroom | 30%, 40%, 50%, 60% AMI | Acq/Rehab Family 2 Phase Project 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Computer Lab Fitness Center Outdoor Community Area Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% HCD MHP/MHP-NSSS CalHFA HELP Loan San Bernardino County HOME Loan City of Rialto RDA Loan FHLB AHP Permanent Bank Loan Developer Equity |
|  | LA MISION VILLAGE 3220 Mission Avenue Oceanside, CA 92054 Completed in 2008 | 80 | 3 1-Bedroom 46 2-Bedroom 31 3-Bedroom | 40%, 45%, 50% AMI | New Construction Family 100% Affordable | Owner Developer Property Manager Supportive Services Provider | Day Care Center with a Service Kitchen Commercial Lease Area Tot-Lot Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% HCD MHP Loan City of Oceanside RDA Loan Permanent Loan |
|  | VISTA DUNES 44-950 Vista Dunes Lane La Quinta, CA 92201 Completed in 2008 | 80 | 14 1-Bedroom 38 2-Bedroom 28 3-Bedroom | 30%, 45%, 50% AMI | New Construction Family Certified LEED Platinum 100% Affordable | Owner Developer Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Swimming Pool Sports Court Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% City of La Quinta RDA Loan Permanent Loan |
|  | NORTHGATE VILLAGE 17251 Dante Street Victorville, CA 92392 Completed in 2007 | 140 | 42 1-Bedroom 73 2-Bedroom 25 3-Bedroom | 50%, 80% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Swimming Pool Tot Lot Outdoor Community Areas Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% HCD MHP City of Victorville RDA Loan Permanent Loan Developer Equity |
|  | PARK VIEW TERRACE 6728 Clara Street Bell Gardens, CA 90201 Completed in 2007 | 72 | 65 1-Bedroom 7 2-Bedroom | 50% AMI | New Construction Senior Infill 100% Affordable | Owner Developer Property Manager | Community Center/Office Area with a Service Kitchen Centralized Laundry Facilities Fitness Center Reflection Pond Outdoor Patio/Picnic Area Central Courtyard Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% HACOLA HOME Loan LACDC Loan City of Industry Loan City of Bell Gardens CDC Loan FHLB AHP Developer Equity |
|  | SAN ANTONIO VISTA 10410 Pradera Avenue Montclair, CA 91763 Completed in 2007 | 75 | 50 2-Bedroom 25 3-Bedroom | 30%, 45%, 50%, 60% AMI | New Construction Family 3 Phase Project 100% Affordable | Owner Developer General Contractor Property Manager Co-Supportive Services Provider | Community Center/Office Area with a Service Kitchen Centralized Laundry Facilities Outdoor Community Areas Tot-Lot Swimming Pool Property Management & Maintenance | LIHTC - 9% County of San Bernardino HOME Loan City of Montclair RDA Loan Permanent Bank Loan Developer Equity |




| PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|--|-------------|--|-------------------|--|---|--|---|
|  SUNSET HEIGHTS 6230 Haven Avenue Alta Loma, CA 91737 Completed in 2007 | 117 | 80 2-Bedroom 37 3-Bedroom | 35%, 45%, 60% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | a Service Kitchen Centralized Laundry Facilities Learning Center Computer Lab Outdoor Patio/Picnic Area Tot-Lot Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% CalHFA Perm - A Bonds CalHFA Perm - B Bonds City of Rancho Cucamonga RDA Loan |
|  MELROSE VILLAS 1820 Melrose Drive San Marcos, CA 92069 Completed in 2006 | 114 | 12 1-Bedroom 63 2-Bedroom 39 3-Bedroom | 35%, 60% AMI | New Construction Family Inclusionary 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | a Service Kitchen Centralized Laundry Facilities Learning Center Computer Lab Outdoor Patio/Picnic Area Tot-Lot Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% HCD MHP Loan Developer Equity |
|  TALMADGE SENIOR VILLAGE 5252 El Cajon Boulevard San Diego, CA 92115 Completed in 2006 | 91 | 88 1-Bedroom 3 2-Bedroom | 30%, 45%, 50% AMI | New Construction Senior Infill 100% Affordable | Owner Developer Property Manager Co-Supportive Services Provider | Community Center/Office Area with a Service Kitchen Centralized Laundry Facilities Underground Parking Computer Lab Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% City of San Diego RDA NOFA Loan Permanent Bank Loan Developer Equity |
|  VISTA TERRAZA 7735 Via Solare San Diego, CA 92129 Completed in 2006 | 123 | 12 1-Bedroom 71 2-Bedroom 40 3-Bedroom | 35%, 60% AMI | New Construction Family Inclusionary 100% Affordable | Owner Developer Property Manager Supportive Services Provider | Community Center/Office Area with a Service Kitchen Centralized Laundry Facilities Learning Center Swimming Pool and Spa Outdoor Community Areas Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% HCD MHP Loan Developer Equity |
|  FOUNTAINS AT SIERRA 16946 Ceres Avenue Fontana, CA 92335 Completed in 2005 | 93 | 75 1-Bedroom 18 2-Bedroom | 30%, 45%, 50% AMI | New Construction Senior 3 Phase Project 100% Affordable | Co-Owner Co-Developer Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Swimming Pool and Spa Fitness Room Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% City of Fontana RDA Loan FHLB AHP CCRC Permanent Loan |
|  GARDENS AT SIERRA 16838 Ceres Avenue Fontana, CA 92335 Completed in 2005 | 93 | 75 1-Bedroom 18 2-Bedroom | 50% AMI | New Construction Senior 3 Phase Project 100% Affordable | Co-Owner Co-Developer Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Swimming Pool and Spa Fitness Room Outdoor Community Areas Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% City of Fontana RDA Loan FHLB AHP CCRC Permanent Loan |






| | PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|---|--|-------------|--|---------------------------|---|---|--|---|
|  | HAWTHORNE TERRACE 13006 Komblum Avenue Hawthorne, CA 90250 Completed in 2005 | 100 | 40 1-Bedroom 36 2-Bedroom 24 3-Bedroom | 35%, 50%, 60%, 80% AMI | Acq/Rehab Family Inclusionary 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Tot Lot Learning Center Outdoor Community Areas Property Management & Maintenance | CCRC Permanent Loan Developer Equity |
|  | MISSION POINTE 2750 Topaz Drive Riverside, CA 92507 Completed in 2005 | 64 | 44 2-Bedroom 20 3-Bedroom | 40%, 55% AMI | Acq/Rehab Family Neighborhood Revitalization 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Centralized Laundry Facilities Learning Center Computer Lab Outdoor Community Area Swimming Pool Tot-Lot Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% HCD MHP Permanent Loan Developer Equity |
|  | CLARK MANOR 13032 Clark Avenue Downey, CA 90242 Completed in 2004 | 41 | 13 1-Bedroom 20 2-Bedroom 8 3-Bedroom | 35%, 50%, 60%, 80% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Laundry Facility Property Management & Maintenance | City of Downey HOME Loan Washington Mutual |
|  | MULBERRY VILLAS 14950 Mulberry Drive Whittier, CA 90604 Completed in 2004 | 51 | 31 1-Bedroom 20 2-Bedroom | 35%, 50%, 60%, 80% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Outdoor Community Areas Property Management & Maintenance | Washington Mutual Permanent Loan |
|  | LITTLE LAKE VILLAGE 10902 Fulton Wells Avenue Santa Fe Springs, CA 90670 Completed in 2003 | 144 | 120 1-Bedroom 24 2-Bedroom | 50%, 60% AMI | New Construction Senior 100% Affordable | Owner Developer Property Manager Supportive Services Provider | Community Center/Office Area with a Service Kitchen Centralized Laundry Facilities Computer Lab Outdoor Community Area Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% LACDC HOME Loan City of Industry Loan City of Santa Fe Springs CDC Loan Permanent Loan |
|  | OAKS ON FLORENCE 4224 Florence Avenue Bell, CA 90201 Completed in 2003 | 63 | 55 1-Bedroom 8 2-Bedroom | 50% AMI | New Construction Senior Infill 100% Affordable | Owner Developer Property Manager Co-Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Computer Lab Outdoor Community Areas Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% City of Industry Loan Bell Land Loan LACDC HOME Loan FHLB AHP Developer Equity |







| PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|---|-------------|---|--------------------------------------|--|---|---|---|
|  SHADOW HILL 11085 Woodside Avenue Santee, CA 92071 Completed in 2003 | 82 | 44 2-Bedroom 38 3-Bedroom | 20%, 30%, 60% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Outdoor Community Areas Tot-Lot Swimming Pool Learning Center Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% HCD MHP CalHFA HELP County of San Diego HOME/HOPWA City of Santee CDC Loan Permanent Loan Developer Equity |
|  SPRING VALLEY 8885 Orville Street Spring Valley, CA 91977 Completed in 2003 | 60 | 16 Efficiency 27 1-Bedroom 16 2-Bedroom | 50%, 60% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facility Outdoor Community Areas Tot-Lot Swimming Pool Learning Center Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% County of San Diego HOME/HOPWA Loan Permanent Loan Developer Equity |
|  VILLAGE AT SIERRA 8684 Sierra Avenue Fontana, CA 92335 Completed in 2003 | 108 | 107 1-Bedroom 1 2-Bedroom | 45%, 50%, 60% AMI | New Construction Senior 3 Phase Project 100% Affordable | Co-Owner Co-Developer Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Swimming Pool and Spa Fitness Room Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% City of Fontana RDA Loan FHLB AHP CCRC Permanent Loan |
|  HERITAGE POINTE 8590 Malven Avenue Rancho Cucamonga, CA 91730 Completed in 2003 | 49 | 49 1-Bedroom | 35%, 45%, 60% AMI | New Construction Senior 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area with a Service Kitchen Centralized Laundry Facilities Computer Lab Outdoor Community Areas Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% County of San Bernardino HOME Loan MHRB/Rancho Cucamonga RDA Loan Permanent Loan (WAMU) |
|  IMPRESSIONS AT VALLEY CENTER 15500 Midtown Drive Victorville, CA 92392 Completed in 2003 | 100 | 68 2-Bedroom 32 3-Bedroom | 45%, 50% AMI | New Construction Family 100% Affordable | Owner Developer Property Manager Supportive Services Provider | Centralized Laundry Facilities Swimming Pool and Spa Computer Lab Learning Center Tot-Lot Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% San Bernardino County HOME Loan City of Victorville RDA Loan Permanent Loan Developer Equity |
|  COBBLESTONE VILLAGE 360 E. Washington Avenue Escondido, CA 92025 Completed in 2002 | 44 | 44 3-Bedroom | 20%, 30%, 60% AMI 100% Affordable | Acq/Rehab Family All-3 Bedrooms | Owner Developer General Contractor Property Manager Supportive Services Provider | Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% HCD MHP City of Escondido RDA Loan FHLB AHP CCRC Permanent Loan Developer Equity |

| PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|--|-------------|---|-------------------|---|--|---|--|
|  <p>PARKSIDE 4035 Park Haven Court, #D San Diego, CA 92113 Completed in 2002</p> | 40 | 5 1-Bedroom 30 2-Bedroom 5 3-Bedroom | 50%, 60% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Learning Center Tot Lot Outdoor Community Areas Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% San Diego Housing Commission Funds Permanent Loan Developer Equity |
|  <p>PASEO DEL ORO 432 West Mission Road, Suite 106 San Marcos, CA 92069 Completed in 2002</p> | 120 | 24 1-Bedroom 59 2-Bedroom 37 3-Bedroom | 30%, 45%, 50% AMI | New Construction Family Mixed-Use Smart Growth Mixed Market-Rate & Affordable | Co-Owner Developer Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Learning Center Swimming Pool Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% County of San Diego HOME/HOPWA Loan City of San Marcos RDA Loan FHLB AHP Permanent Loan |
|  <p>SUMMERIDGE 818 E. Alvarado Street Fallbrook, CA 92028 Completed in 2002</p> | 96 | 32 Efficiency 48 1-Bedroom 16 2-Bedroom | 50%, 60%, 80% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facility Outdoor Community Areas Tot-Lot Swimming Pool and Spa Learning Center Property Management & Maintenance | CalHFA HELP County of San Diego HOME Funds Permanent Loan |
|  <p>CORONA DE ORO 680 West Second Street Corona, CA 92882 Completed in 2001</p> | 72 | 50 2-Bedroom 22 3-Bedroom | 45%, 50% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Swimming Pool Tot-Lot Learning Center Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% City of Corona HOME Loan City of Corona RDA Loan FHLB AHP Permanent Bank Loan |
|  <p>SIERRA VISTA 422 Los Vallecitos Boulevard San Marcos, CA 92069 Completed in 2001</p> | 192 | 96 2-Bedroom 96 3-Bedroom | 50%, 60% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Outdoor Community Areas Tot-Lot Swimming Pool and Spa Learning Center Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% County of San Diego HOME/HOPWA Loan City of San Marcos RDA Loan Permanent Loan |
|  <p>CROSSINGS 177 W. South Street Rialto, CA 92376 Completed in 2000</p> | 100 | 48 2-Bedroom 52 3-Bedroom | 30%, 45%, 50% AMI | New Construction Family 100% Affordable | Owner Developer Property Manager Supportive Services Provider | Community Center/Office Area Swimming Pool Tot-Lot Computer Lab Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | LIHTC - 9% County of San Bernardino HOME Funds FHLB AHP Permanent Bank Loan |

| PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|--|-------------|---|------------------------|--|---|---|--|
|  VISTA DEL SOL 1545 Q Avenue National City, CA 91950 Completed in 2000 | 132 | 76 1-Bedroom 48 2-Bedroom 8 3-Bedroom | 50%, 60% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Swimming Pool Tot Lot Learning Center Outdoor Community Areas Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% City of National City CDC Loan Permanent Bank Loan |
|  ARBOR VILLAS 4661 Plumosa Drive Yorba Linda, CA 92886 Completed in 1999 | 67 | 7 40% AMI 26 50% AMI 34 60% AMI | 40%, 50%, 60% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Swimming Pool Tot-Lot Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | City of Yorba Linda RDA Loan FHLB AHP Permanent Bank Loan |
|  CORONA DEL REY 1148 D Street Corona, CA 92882 Completed in 1999 | 160 | 160 2-Bedroom | 50%, 60%, 80% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Tot-Lot Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | County of Riverside HOME Loan City of Corona HOME Loan City of Corona RDA Loan FHLB AHP Permanent Bank Loan |
|  PROMENADE 1333 W. Garvey Avenue North West Covina, CA 91790 Completed in 1999 | 124 | 28 Studio 96 1-Bedroom | 40%, 50%, 60% AMI | Acq/Rehab Family Hotel Conversion 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Swimming Pool and Spa Tot Lot Outdoor Community Areas Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% City of West Covina RDA Loan FHLB AHP Permanent Loan |
|  VILLA SERENA 339-340 Marcos Street San Marcos, CA 92069 Completed in 1999 | 136 | 36 1-Bedroom 98 2-Bedroom 2 3-Bedroom | 35%, 45%, 50%, 60% AMI | Acq/Rehab Family 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area with a Service Kitchen Centralized Laundry Facilities Swimming Pool Tot Lot Outdoor Community Areas Property Management & Maintenance | Tax-Exempt Bonds LIHTC - 4% County of San Diego HOME Loan City of San Marcos RDA Loan FHLB AHP Permanent Loan |
|  CATHEDRAL PALMS 31-750 Landau Boulevard Cathedral City, CA 92234 Completed in 1997 | 231 | 191 Studio 40 2-Bedroom | 40%, 50% AMI | Acq/Rehab Senior 100% Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Swimming Pool and Spa Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | County of Riverside HOME Loan City of Cathedral City RDA Loan FHLB AHP Permanent Bank Loan |

| | PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|---|--|-------------|---|---------------------------|---|--|---|---|
|  | COLONY 221 New York Street Redlands, CA 92373 Completed in 1996 | 88 | 20 1-Bedroom 68 2-Bedroom | 40%, 50% AMI | Acq/Rehab Family Mixed Market-Rate & Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Swimming Pool Computer Lab Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | City of San Bernardino HOME Loan Permanent Loan |
|  | MONTEREY VILLAGE 10244 Arrow Route Rancho Cucamonga, CA 91730 Completed in 1996 | 224 | 96 1-Bedroom 128 2-Bedroom | 35%, 45%, 60%, 80% AMI | Acq/Rehab Family Mixed Market-Rate & Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Swimming Pool (2) and Spa Tot-Lot (2) Sports Courts Tennis Court Fitness Center Central Laundry Facilities Outdoor Community Areas Property Management & Maintenance | CalHFA City of Rancho Cucamonga RDA Loan Permanent Bank Loan |
|  | MOUNTAINSIDE 9181 Foothill Boulevard Rancho Cucamonga, CA 91730 Completed in 1996 | 384 | 160 1-Bedroom 224 2-Bedroom | 35%, 45%, 60%, 80% AMI | Acq/Rehab Family Mixed Market-Rate & Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Centralized Laundry Facilities Swimming Pool and Spa Computer Lab Learning Center Sports Courts Outdoor Community Areas Property Management & Maintenance | CalHFA City of Rancho Cucamonga RDA Loan Permanent Bank Loan |
|  | RENAISSANCE VILLAGE 220 N. Glenwood Avenue Rialto, CA 92376 Completed in 1996 | 144 | 18 1-Bedroom 35 2-Bedroom 90 3-Bedroom 1 4-Bedroom | 50%, 60% AMI | Acq/Rehab Family Neighborhood Revitalization 100% Affordable | Owner Developer General Contractor Property Manager Co-Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Swimming Pool Tot Lot Learning Center Outdoor Community Areas Property Management & Maintenance | City of Rialto RDA Loan FHLB AHP Permanent Loan |
|  | SYCAMORE VILLAGE 7127 Archibald Avenue Alta Loma, CA 91701 Completed in 1995 | 240 | 96 1-Bedroom 144 2-Bedroom | 35%, 45%, 60%, 80% AMI | Acq/Rehab Family Mixed Market-Rate & Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area with a Service Kitchen Centralized Laundry Facilities Learning Center Outdoor Patio/Picnic Area Tot-Lot Property Management & Maintenance | CalHFA City of Rancho Cucamonga RDA Loan Permanent Bank Loan |
|  | RANCHO VERDE VILLAGE 8837 Grove Avenue Rancho Cucamonga, CA 91730 Completed in 1993 | 248 | 120 1-Bedroom 128 2-Bedroom | 35%, 45%, 60%, 80% AMI | Acq/Rehab Family Mixed Market-Rate & Affordable | Owner Developer General Contractor Property Manager Supportive Services Provider | Community Center/Office Area Centralized Laundry Facilities Swimming Pool and Spa Tot Lot Learning Center Outdoor Community Areas Property Management & Maintenance | City of Rancho Cucamonga RDA Loan Essex Corporation Permanent Bank Loan |

| | PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|---|---|-------------|---|-------------------------|--|---|---|---|
|  | COUNTRYSIDE VILLAGE 625 Wilson Road Humble, TX 77338 Acquired 2003; Rehab Started 2011, Completed 2012 | 182 | 58 1 Bedroom 114 Two Bedroom 10 Three Bedroom | 30%, 50% AMI | Acq/Rehab Family 100% Affordable PBS8 | Owner Developer Property Manager Supportive Services Provider | Office Area Centralized Laundry Facility Outdoor Community Areas Tot-Lot Swimming Pool Property Management & Maintenance | CDBG DR FHA 223 (f) Perm Loan |
|  | COLONY OF HUMBLE 831 Wilson Road Humble, TX 77338 Acquired 2003; Rehab Completed 2012 | 200 | 112 1 Bedroom 88 Two Bedroom | 30%, 50% AMI; Market | Acq/Rehab Family 75% Affordable PBS8 | Owner Developer Property Manager Supportive Services Provider | Community Center Centralized Laundry Facility Outdoor Community Areas Tot-Lot Swimming Pool Property Management & Maintenance | CDBG DR FHA 223 (f) Perm Loan |
|  | SUNFLOWER TERRACE 5050 Sunflower Terrace Houston TX 77033 Acquired 2003; Rehab completed 2012 | 160 | 24 1 Bedroom 72 Two Bedroom 52 Three Bedroom 12 Four Bedroom | 30%, 50% AMI | Acq/Rehab Family 100% Affordable PBS8 | Owner Developer Property Manager Supportive Services Provider | Community Center Centralized Laundry Facility Outdoor Community Areas Tot-Lot Property Management & Maintenance | HOME (City of Houston) Perm Loan FHA 223 (f) |
|  | LEXINGTON SQUARE 1324 E Hospital Drive Angleton, TX 77515 Acquired 2003; Rehab started 2011, Completed 2012 | 80 | 20 One Bedroom 40 Two Bedroom 20 Three Bedroom | 30%, 50%, 60% AMI | Acq/Rehab Family 100% Affordable PBS8 | Owner Developer Property Manager Supportive Services Provider | Community Center Centralized Laundry Facility Outdoor Community Areas Tot-Lot Property Management & Maintenance | CDBG DR Loan FHA 223 (f) TCEP Perm |
|  | LA POSADA DEL REY 3135 Roosevelt Ave San Antonio, TX 78217 Acquired 2005; Rehab completed 2012 | 145 | 26 One Bedroom 64 Two Bedroom 55 Three Bedroom | 30%, 50%, 60% AMI | Acq/Rehab Family 100% Affordable PBS8 | Owner Developer Property Manager Supportive Services Provider | Community Center Centralized Laundry Facility Center Outdoor Community Areas Tot-Lot Property Management & Maintenance | 9% LIHTC Loan FHA 221(d)(4) Perm |

| | PROPERTY NAME & LOCATION | TOTAL UNITS | BEDROOM UNIT BREAKDOWN | AMI BREAKDOWN | TYPE | ROLE | ONSITE AMENITIES | FINANCING SOURCES |
|---|--|-------------|--|----------------------|--|---|---|--|
|  | THE COTTAGES 10434 W 34th Street Little Rock, AR 72204 Acquired 2005; Rehab 2006 | 144 | 140 One Bedroom 4 Two Bedroom | 30%, 50%, 60% AMI | Acq/Rehab Senior 100% Affordable PBS8 | Owner Developer Property Manager Supportive Services Provider | Community Center Centralized Laundry Facility Outdoor Community Areas Tot-Lot Property Management & Maintenance | 9% LIHTC Perm Loan (Fannie Mae) HOME |
|  | CERNY VILLAGE 5227 Cerny Road Pensacola, FL 32526 Acquired 2004 | 60 | 16 One Bedroom 28 Two Bedroom 16 Three Bedroom | 30%, 50% AMI | Acquisition Family 100% Affordable PBS8 | Owner | Community Center Centralized Laundry Facility Tot-Lot Property Management & Maintenance | Perm Loan (Fannie Mae) |
|  | FAIRFIELD VILLAGE 601 N. Fairfield Dr. Pensacola, FL 32506 Acquired 2004 | 72 | 33 One Bedroom 31 Two Bedroom 8 Three Bedroom | 30%, 50% AMI | Acquisition Family 100% Affordable PBS8 | Owner | Community Center Centralized Laundry Facility Outdoor Community Areas Tot-Lot Property Management & Maintenance | Perm Loan (Fannie Mae) |
|  | FOREST HILLS 7214 Forest City Rd Orlando, FL 32810 Acquired 2004 | 60 | 20 One Bedroom 40 Two Bedroom | 30%, 50% AMI | Acquisition Family 100% Affordable PBS8 | Owner | Community Center Centralized Laundry Facility Tot-Lot Property Management & Maintenance | Perm Loan (Fannie Mae) |
|  | HAMPTON COURT 6415 NW 23rd Terrace Gainesville, FL 32653 Acquired 2004 | 42 | 16 One Bedroom 22 Two Bedroom 4 Three Bedroom | 30%, 50% AMI | Acquisition Family 100% Affordable PBS8 | Owner | Community Center Centralized Laundry Facility Tot-Lot Property Management & Maintenance | Perm Loan (Fannie Mae) |
|  | SANDPIPER VILLAGE 300 S Walton Ave Tarpon Springs, FL 34689 Acquired 2004 | 80 | 48 One Bedroom 32 Two Bedroom | 30%, 50% AMI | Acquisition Family 100% Affordable PBS8 | Owner | Community Center Centralized Laundry Facility Tot-Lot Property Management & Maintenance | Perm Loan (Fannie Mae) |

| TRADE REFERENCES | | TRADE | | Contact Name | Contact email | Address | Phone Number |
|--|---------------|------------------------------------|--|--|--|---|----------------|
| A&D Fire Sprinklers | SUBCONTRACTOR | Fire Sprinklers | | JC Lyn Grace Archeta Project Co | JC@adfiresprinklers.com; tbengel@adfiresprinklers.com; ron@adfiresprink.com; ron@adfiresprink.com | 1601 West Orangewood Avenue, Orange CA 92668 | 714-634-3923 |
| | | | | Steve Berger, Kyle Nordby | bergralls@aol.com; advancenonworksmal@gmail.com | 945 W Markham St, Perris CA 92571 | 951-557-6676 |
| Advance Iron Works | | Wrought Iron | | Steve Wiens, Daniel Lang | steve@advantagepaintingsolutions.com; daniel@advantagepaintingsolutions.com | 1880 N. Delilah Street, Corona, CA 92879 | 951-557-6676 |
| Advantage Painting | | Painting | | Eryn Griffith | evyngtriff@icloud.com | 12155 Paine Place, Poway, CA 92064 | 951-568-8838 |
| Aero Cine Pros | | Drone/Time Lapse | | Patrick Adams | padams@altectesting.com | 6035 Fremont Street, Riverside, CA 92504 | (909) 260-7633 |
| Altect Testing & Engineering | | Demo/Abatement | | Jacquie, Rosanne, and Sonia, Terr | info@waterproofing.net;sonia@waterproofing.net | 20800 Dearborn St., Chatsworth CA 91311 | 951-352-8510 |
| Art Deck Inc | | Waterproofing | | Mike Hayes and Sean Decker | baysheetmetalinc@gmail.com; sean@baysheetmetalinc.sdcornal.com; mike@bsm.sdcornal.com | 9343 Bond Ave. Ste C, El Cajon CA 92021 | 818-350-0776 |
| Bay Sheet Metal | | Sheet Metal | | Sean Neman | sean@alsolarinc.com | 200 S San Pedro St., Suite 500, Los Angeles, CA 90012 | 619-401-9170 |
| Cal Solar (California Solar Integrators) | | Photovoltaic Solar System | | Ray Rike; Cindy Kleppe | rarikr@yahoo.com; cindykleppe@yahoo.com | 454 6th Street, Norco, CA 92860 | 800-784-7612 |
| Circle City Roofing | | Roofing | | Dwilsen@coastlinesteel.com | dustl@dnelectric-inc.com; dan@dnelectric-inc.com | 8903 Miner St., Los Angeles, CA 90002 | 951-736-5252 |
| Coastline Steel | | Structural Steel | | Daisy Wilson; Jason Monroe | dustl@dnelectric-inc.com; dan@dnelectric-inc.com | 1833 Riverview Dr, San Bernardino, CA 92408 | 310-764-0227 |
| Dan Moore Electric | | Electrical/Low Voltage/Dry Utiliti | | dustl@dnelectric-inc.com; dan@dnelectric-inc.com | dustl@dnelectric-inc.com; dan@dnelectric-inc.com | 1833 Riverview Dr, San Bernardino, CA 92408 | 909-888-8639 |
| DCC | | Concrete Flatwork, Curb, Gutter | | Nick D Agostini; Crystal Garvey; S Nick@dccengineering.com; crystal@dccengineering.com; sharon@dccengineering.com; derek@dccengin | nick@dccengineering.com; derek@dccengineering.com; sharon@dccengineering.com; derek@dccengin | 2180 Meyers Ave., Escondido, CA 92029 | 760-480-7400 |
| Dan Moore Electric | | Electrical/Low Voltage/Dry Utiliti | | dustl@dnelectric-inc.com; dan@dnelectric-inc.com | dustl@dnelectric-inc.com; dan@dnelectric-inc.com | 1833 Riverview Dr, San Bernardino, CA 92408 | 909-888-8639 |
| DCC | | Concrete Flatwork, Curb, Gutter | | Nick D Agostini; Crystal Garvey; S Nick@dccengineering.com; crystal@dccengineering.com; sharon@dccengineering.com; derek@dccengin | nick@dccengineering.com; derek@dccengineering.com; sharon@dccengineering.com; derek@dccengin | 2180 Meyers Ave., Escondido, CA 92029 | 760-480-7400 |
| Endrizz Enterprises | | Grading | | Rex Endrizz; Mike Wood | rexend@att.net; mike@endrizz.net | 1035 N. Armando Street, Ste. Y, Anaheim, CA 92806 | 714-537-2601 |
| Gauthier Construction | | Rough Carpentry | | Ray Gauthier | gauthierconstruction@msn.com | 3576 Highland Drive, Carlsbad, CA 92008 | 760-730-7533 |
| HRM Security Systems | | Fire Alarm/Burglar Alarm | | Henry Mileske | hmlsks@sbcglobal.net | 28203 Tamarack Lane, Santa Clarita, CA 91390 | 661-297-0357 |
| Imac Construction | | Structural Concrete | | Mike McMaster Annette Solorio | mike@imacconstruction.com; annette@imacconstruction.com | 19740 Bolora Ave, Corona, CA 92881 | 951-520-9755 |
| Kenyon Plastering | | Stucco | | Julie Kenyon; Kevin Anderson | jkenyon@kenyonweb.com; landersen@kenyonweb.com | 1410 La Mirada Drive, San Marcos, CA 92078 | (760) 621-7300 |
| Landscape Development | | Landscaping | | Julie Robinson; Caroline DeBlaise; jrobinson@landscapedevelopment.com; cdeblaise@landscapedevelopment.com; forsberg@landscapedevelopment.com | jrobinson@landscapedevelopment.com; cdeblaise@landscapedevelopment.com; forsberg@landscapedevelopment.com | 28447 Witherspoon Parkway, Valencia, CA 91355 | 661-295-1970 |
| Marina Sash & Lock | | Windows | | Jim Lovato; Sam Rodriguez | jim@marinasash.com; sam@marinasash.com | 426 Constitution Ave, Camarillo, CA 93012 | 805-558-7274 |
| OJ Insulation | | Ol Insulation | | Adam Jenkins; Christina Cortez; KJenkins@ojinc.com; cortez@ojinc.com; kbuss@ojinc.com | adam@ojinc.com; cortez@ojinc.com; kbuss@ojinc.com | 600 S. Vincent, Azusa, CA 91702 | 626-812-6070 |
| Professional Cabinet Solutions | | Cabinets | | Jake McKee; Yolanda Leilusio | jmckee@pcscabinetry.com; ylleilusio@pcscabinetry.com; pcscaccounting@pcscabinetry.com | P.O. Box 740846, Los Angeles, CA 90074 | (909) 614-2900 |
| Residential Design Services | | Flooring | | Scott Johnson; Denette Raab; Col Johnson@resdesign.com; ylleilusio@resdesign.com; pcscaccounting@pcscabinetry.com | scottjohnson@resdesign.com; draab@resdesign.com; ylleilusio@resdesign.com; pcscaccounting@pcscabinetry.com | 1341 W. Arrow Hwy, San Dimas, CA 91773 | 714-701-4200 |
| Rockwell Drywall | | Drywall/Acoustical Ceilings | | Danny Gates, Stasi Catania, Kim Tdgates@rockwelldrywall.com; scatania@ockwelldrywall.com | dannygates@rockwelldrywall.com; scatania@ockwelldrywall.com; kimt@rockwelldrywall.com | 1341 W. Arrow Hwy, San Dimas, CA 91773 | 909-539-4091 |
| Royal Countertops | | Countertops | | Shae Askew; Bruce Smith; Aneth | shae@thecountertopfactory.net; bruce@thecountertopfactory.net; aneth@thecountertopfactory.net | 2740 E. Coronado Street, Anaheim, CA 92806 | 562-944-2450 |
| True Air Mechanical | | HVAC | | Brad Tunby; Cheryl Atkins | brunby@trueairinc.com; ckatkins@trueairinc.com | 4 Faraday, Irvine, CA 92618 | 949-382-6338 |

ACORD™ EVIDENCE OF COMMERCIAL PROPERTY INSURANCEDATE (MM/DD/YYYY)
10/21/2020

THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

| | | | | |
|--|--|---------------------------------------|---|-----------------------------|
| PRODUCER NAME, CONTACT PERSON AND ADDRESS IMA, Inc. – Colorado Division 1705 17 th Street, Suite 100 Denver, CO 80202 | | PHONE (A/C, No, Ext): 303-534-4567 | COMPANY NAME AND ADDRESS Lexington Insurance Company | NAIC NO: 19437 |
| FAX (A/C, No): 303-534-0600 | E-MAIL ADDRESS: HPIExServices@imacorp.com | | IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH | |
| CODE: | SUB CODE: 425 | | POLICY TYPE Commercial Property Policy | |
| AGENCY CUSTOMER ID #: | 34403 | | LOAN NUMBER | |
| NAMED INSURED AND ADDRESS National Community Renaissance of California 9421 Haven Avenue Rancho Cucamonga, CA 91730 | | | POLICY NUMBER 03571510320 | |
| ADDITIONAL NAMED INSURED(S) - | | | EFFECTIVE DATE 1/1/2020 | EXPIRATION DATE 1/1/2021 |
| | | | <input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED | |
| | | | THIS REPLACES PRIOR EVIDENCE DATED: | |

PROPERTY INFORMATION (ACORD 101 may be attached if more space is required) ☒ BUILDING OR ☐ BUSINESS PERSONAL PROPERTY

LOCATION/DESCRIPTION

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


COVERAGE INFORMATION PERILS INSURED ☐ BASIC ☐ BROAD ☐ SPECIAL ☒

| | | | | | |
|---|--|-------------|----|------------|---|
| COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: | | See Remarks | | Loss Limit | DED: \$ 5,000 |
| <input checked="" type="checkbox"/> BUSINESS INCOME | <input checked="" type="checkbox"/> RENTAL VALUE | YES | NO | N/A | |
| BLANKET COVERAGE | | X | | | If YES, LIMIT: See Remarks <input checked="" type="checkbox"/> Actual Loss Sustained; # of months: 12 |
| TERRORISM COVERAGE | | | X | | If YES, indicate value(s) reported on property identified above: \$ |
| IS THERE A TERRORISM-SPECIFIC EXCLUSION? | | X | | | Attach Disclosure Notice / DEC |
| IS DOMESTIC TERRORISM EXCLUDED? | | X | | | |
| LIMITED FUNGUS COVERAGE | | X | | | If YES, LIMIT: See Remarks DED: \$ 5,000 |
| FUNGUS EXCLUSION (IF "YES," specify organization's form used) | | X | | | |
| REPLACEMENT COST | | X | | | |
| AGREED VALUE | | X | | | |
| COINSURANCE | | | X | | If Yes, % |
| EQUIPMENT BREAKDOWN (If Applicable) | | X | | | If YES, LIMIT: Incl. in Loss Limit DED: \$ 5,000 |
| ORDINANCE OR LAW – Coverage for loss to undamaged portion of bldg | | X | | | If YES, LIMIT: Incl. in Loss Limit DED: \$ 5,000 |
| – Demolition Costs | | X | | | If YES, LIMIT: See Remarks DED: \$ 5,000 |
| – Incr. Cost of Construction | | X | | | If YES, LIMIT: See Remarks DED: \$ 5,000 |
| EARTH MOVEMENT (If Applicable) | | X | | | If YES, LIMIT: See Remarks DED: See Remarks |
| FLOOD (If Applicable) | | X | | | If YES, LIMIT: See Remarks DED: See Remarks |
| WIND/HAIL INCL <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions: | | X | | | If YES, LIMIT: See Remarks DED: \$ 5,000 |
| NAMED STORM INCL <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions: | | X | | | If YES, LIMIT: See Remarks DED: \$ 5,000 |
| PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS | | X | | | |

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

| | | |
|--|-----------------------|--|
| ADDITIONAL INSURED | LENDER'S LOSS PAYABLE | LENDER SERVICING AGENT NAME AND ADDRESS |
| MORTGAGEE | LOSS PAYEE | |
| NAME AND ADDRESS For Information Only | | AUTHORIZED REPRESENTATIVE  |

EVIDENCE OF COMMERCIAL PROPERTY INSURANCE REMARKS – Including Special Conditions (Use only if more space is required)

Subject to the policy Terms and Conditions, in the event of a covered loss, the following limits will apply:

Builders Risk Hard Costs:

Builders Risk Soft Costs:

Extra Expense Per Occurrence Limit: \$10,000,000

Coverage is provided for Property under the Course of Construction (Builders Risk) on a completed value / non-reporting form basis. There is no Permit or Permission to Occupy exclusion on the policy. Buildings under construction or renovation are not considered vacant. Vandalism and Malicious Mischief is included. Coverage for Cold Testing is included.

All entities listed as Named Insured(s) on the referenced policy have common ownership or common management

Roofs are valued at replacement cost, regardless of age

Property In Transit, including covered property during Course of Construction - \$500,000 Each Occurrence

Property Off Premises including covered property during Course of Construction - \$500,000 Each Occurrence

Building Ordinance or Law: Demolition and Increased Cost of Construction Sub-Limit: Total Any One Occurrence - \$10,000,000

'Period of restoration' includes any increased period required to repair or reconstruct the property to comply with the minimum standards or any ordinance or law, in force at the time of loss, that regulates the construction or repair or requires the tearing down of any property. The expiration date of this policy will not cut short the 'period of restoration'

Earthquake – \$5,000,000 Any One Occurrence; \$5,000,000 Annual Aggregate; Deductible 2% of RC of damaged structure(s) or \$25,000 Minimum per Occurrence. Earthquake coverage is excluded in California, Hawaii, Alaska, Puerto Rico, Canada and New Madrid Zone States and Counties as defined by the policy.

Flood – \$5,000,000 Any One Occurrence; \$5,000,000 Annual Aggregate; Deductible 2% of RC of damaged structure(s) or \$25,000 Minimum per Occurrence. Flood coverage is excluded in Zones A, B or V.

Wind/Hail/Named Windstorm Included, Except:

Exclusion for Named Windstorm, Flood & Storm Surge as defined by the policy: Tier 1A States, Counties and Parishes as defined by the policy in Alabama, Florida (entire state), Georgia, Hawaii (entire state), Louisiana, Mississippi, North Carolina, South Carolina and Texas.

Wind/Hail/Named Windstorm includes coverage for Business Income (including Loss of Rents), except as excluded above.

Back-Up of Sewers or Drains: \$600,000 Sublimit (Coverage is excluded in Flood Zones A, B, and V)

Limited Fungus Coverage - \$500,000 per occurrence / \$500,000 annual aggregate; clean-up only as a result of a covered cause of loss.

Debris Removal: 25% of the sum of the deductible plus the amount for direct physical loss or damage to Covered Property that has sustained loss or damage. Additional \$25,000 applies if loss exceeds specified limits of insurance.

Employee Dishonesty: \$100,000 Sub-Limit

Extended Business Income (Extended Period of Indemnity) – 180 Consecutive days and as defined by policy.

No Waiting Period applies to Business Income (including Loss of Rents).

Definition of Business Income is expanded to include Soft Costs as defined by the policy.

Subject to policy the Terms and Conditions; in the event of a loss, blanket limit will apply.

Subject to the policy Terms and Conditions, in the event of a covered loss, the following limits will apply:

Builders Risk Hard Costs: \$37,024,424

Builders Risk Soft Costs: \$4,551,982

Draft- Coverage effective upon written bind order to the producer



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

2/11/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| PRODUCER IMA, Inc. - Colorado Division 1705 17th Street, Suite 100 Denver CO 80202 | CONTACT NAME: IMA Denver Team PHONE (A/C, No, Ext): 303-534-4567 E-MAIL ADDRESS: DenAccountTechs@imacorp.com FAX (A/C, No): | | | | | | | | | | | | | | |
|--|---|-------------------------------|--------|--|-------|--|-------|---|-------|---|-------|---|-------|------------|--|
| INSURED National Community Renaissance of California 9421 Haven Avenue Rancho Cucamonga CA 91730 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> <tr> <td>INSURER A: Lexington Insurance Company</td> <td>19437</td> </tr> <tr> <td>INSURER B: James River Insurance Company</td> <td>12203</td> </tr> <tr> <td>INSURER C: Travelers Property Casualty Co of Amer</td> <td>25674</td> </tr> <tr> <td>INSURER D: Travelers Indemnity Co. of America</td> <td>25666</td> </tr> <tr> <td>INSURER E: Great American Assurance Company</td> <td>26344</td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table> | INSURER(S) AFFORDING COVERAGE | NAIC # | INSURER A: Lexington Insurance Company | 19437 | INSURER B: James River Insurance Company | 12203 | INSURER C: Travelers Property Casualty Co of Amer | 25674 | INSURER D: Travelers Indemnity Co. of America | 25666 | INSURER E: Great American Assurance Company | 26344 | INSURER F: | |
| INSURER(S) AFFORDING COVERAGE | NAIC # | | | | | | | | | | | | | | |
| INSURER A: Lexington Insurance Company | 19437 | | | | | | | | | | | | | | |
| INSURER B: James River Insurance Company | 12203 | | | | | | | | | | | | | | |
| INSURER C: Travelers Property Casualty Co of Amer | 25674 | | | | | | | | | | | | | | |
| INSURER D: Travelers Indemnity Co. of America | 25666 | | | | | | | | | | | | | | |
| INSURER E: Great American Assurance Company | 26344 | | | | | | | | | | | | | | |
| INSURER F: | | | | | | | | | | | | | | | |

COVERAGES

CERTIFICATE NUMBER: 2061142635

REVISION NUMBER:

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

| INSR LTR | TYPE OF INSURANCE | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|---|-----------|----------|------------------------------|-------------------------|-------------------------|--|
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> \$0 Deductible <input checked="" type="checkbox"/> No SIR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER: | | | 3406407820 | 1/1/2020 | 1/1/2021 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$ |
| A | <input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY | | | 3406407820 | 1/1/2020 | 1/1/2021 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| B | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000 | | | 000876151 | 1/1/2020 | 1/1/2021 | EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ |
| C D | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y/N N | N/A | UB001L807338 UB001L815418 | 1/1/2020 1/1/2020 | 1/1/2021 1/1/2021 | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |
| E | Excess Second Layer | | | EXC2969811 | 1/1/2020 | 1/1/2021 | Each Occurrence \$5,000,000 Aggregate \$5,000,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The Excess policy is follow form in regards to the Additional Insured coverage provided by the General Liability and Automobile Liability Policies.

See Attached...

CERTIFICATE HOLDER**CANCELLATION**

For Information Only

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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AGENCY CUSTOMER ID: NATICOM2

LOC #: _____

**ADDITIONAL REMARKS SCHEDULE**Page 1 of 1

| | | |
|---|-----------|---|
| AGENCY IMA, Inc. - Colorado Division | | NAMED INSURED National Community Renaissance of California 9421 Haven Avenue Rancho Cucamonga CA 91730 |
| POLICY NUMBER | | |
| CARRIER | NAIC CODE | EFFECTIVE DATE: |

ADDITIONAL REMARKS**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,****FORM NUMBER:** 25 **FORM TITLE:** CERTIFICATE OF LIABILITY INSURANCE

Excess Third Layer Coverage: Policy #SXS005087402
Eff Date: 01/01/20-01/01/21 Insurer: XL Insurance America Inc
\$10,000,000 Each Occurrence; \$10,000,000 Aggregate

Excess Fourth Layer Coverage: Policy #3406407820
Eff Date: 01/01/20-01/01/21 Insurer E: See Above
\$5,000,000 Each Occurrence; \$5,000,000 Aggregate

For Information Only



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/13/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| PRODUCER IMA, Inc. - Colorado Division 1705 17th Street, Suite 100 Denver CO 80202 | CONTACT NAME: IMA Denver Team PHONE (A/C, No, Ext): 303-534-4567 E-MAIL ADDRESS: DenAccountTechs@imacorp.com FAX (A/C, No): | | | | | | | | | | | | | | |
|--|---|-------------------------------|--------|--|-------|--|-------|-------------|--|-------------|--|-------------|--|-------------|--|
| INSURED National Community Renaissance of California 9421 Haven Avenue Rancho Cucamonga CA 91730 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td>INSURER A : Travelers Property Casualty Co of Amer</td> <td style="text-align: center;">25674</td> </tr> <tr> <td>INSURER B : Travelers Indemnity Co. of America</td> <td style="text-align: center;">25666</td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table> | INSURER(S) AFFORDING COVERAGE | NAIC # | INSURER A : Travelers Property Casualty Co of Amer | 25674 | INSURER B : Travelers Indemnity Co. of America | 25666 | INSURER C : | | INSURER D : | | INSURER E : | | INSURER F : | |
| INSURER(S) AFFORDING COVERAGE | NAIC # | | | | | | | | | | | | | | |
| INSURER A : Travelers Property Casualty Co of Amer | 25674 | | | | | | | | | | | | | | |
| INSURER B : Travelers Indemnity Co. of America | 25666 | | | | | | | | | | | | | | |
| INSURER C : | | | | | | | | | | | | | | | |
| INSURER D : | | | | | | | | | | | | | | | |
| INSURER E : | | | | | | | | | | | | | | | |
| INSURER F : | | | | | | | | | | | | | | | |

COVERAGES**CERTIFICATE NUMBER:** 1704268671**REVISION NUMBER:**

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

| INSR LTR | TYPE OF INSURANCE | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|---|-----------|----------|------------------------------|-------------------------|-------------------------|--|
| | COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER: | | | | | | EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$ |
| | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY | | | | | | COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| | UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$ | | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| A B | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y/N N | N/A | UB001L807338 UB001L815418 | 1/1/2020 1/1/2020 | 1/1/2021 1/1/2021 | X PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Named Insured: National Community Renaissance of California

CERTIFICATE HOLDER**CANCELLATION**

For Information Only

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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National Community Renaissance of California

Consolidating Financial Statements

September 30, 2021

Unaudited

National Community Renaissance of California

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

September 30, 2021

Unaudited

Assets

| | National Community Renaissance of California | Housing Affiliates | Eliminations | Total |
|---|---|-------------------------|-------------------------|-------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 16,106,356 | \$ 15,743,083 | \$ - | \$ 31,849,439 |
| Reserve for security deposits held in trust | 1,718,540 | 2,901,925 | - | 4,620,465 |
| Restricted cash | 19,297,833 | 28,969,373 | - | 48,267,207 |
| Accounts receivable, net | 4,542,659 | 2,320,812 | | 6,863,471 |
| Prepaid expenses | 2,332,851 | 7,953,497 | - | 10,286,348 |
| Advance due from affiliate, net | 26,701,202 | - | (21,936,230) | 4,764,972 |
| Notes and interest receivable | 65,423,595 | 475,831 | (65,887,913) | 11,512 |
| Project development costs receivable | 953,550 | - | - | 953,550 |
| Developer fee receivable | 14,234,664 | - | (14,170,995) | 63,669 |
| Investments | 18,019,503 | - | (2,237,505) | 15,781,997 |
| Property, equipment and improvements, net | 202,540,454 | 941,991,378 | (55,804,342) | 1,088,727,490 |
| Deferred costs, net | 1,558,067 | 1,234,377 | - | 2,792,444 |
| Total assets | <u>\$ 373,429,274</u> | <u>\$ 1,001,590,277</u> | <u>\$ (160,036,987)</u> | <u>\$ 1,214,982,564</u> |

Liabilities and Net Assets

| | | | | |
|---|-----------------------|-------------------------|-------------------------|-------------------------|
| Liabilities | | | | |
| Accounts payable | \$ 8,814,689 | \$ 19,923,805 | | \$ 28,738,494 |
| Accrued expenses | 3,058,008 | 963,505 | | 4,021,513 |
| Security deposits payable | 1,692,670 | 2,768,806 | | 4,461,476 |
| Deferred revenue | 731,360 | 435,698 | - | 1,167,058 |
| Accrued Interest | 23,727,859 | 88,347,787 | (1,209,813) | 110,865,833 |
| Mortgages and notes payable, net | 164,886,827 | 663,540,432 | (65,232,300) | 763,194,960 |
| Due to affiliates | 7,789,890 | 11,836,110 | (12,786,405) | 6,839,595 |
| Developer fee payable | 1,102,847 | 8,677,752 | (8,983,161) | 797,438 |
| Total liabilities | 211,804,151 | 796,493,894 | (88,211,679) | 920,086,366 |
| Net assets | | | | |
| Without donor restriction, controlling | \$ 115,203,968 | \$ 16,926,460 | \$ (95,243,630) | \$ 36,886,797 |
| Without donor restriction, non-controlling | - | 188,169,922 | 23,418,323 | 211,588,245 |
| Total net assets without donor restrictions | 115,203,968 | 205,096,382 | (71,825,307) | 248,475,043 |
| Net assets with donor restrictions | 46,421,155 | - | - | 46,421,155 |
| Total net assets | 161,625,123 | 205,096,382 | (71,825,307) | 294,896,198 |
| Total liabilities and net assets | <u>\$ 373,429,274</u> | <u>\$ 1,001,590,277</u> | <u>\$ (160,036,987)</u> | <u>\$ 1,214,982,564</u> |

National Community Renaissance of California

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

For the Period Ending September 30, 2021

Unaudited

Unrestricted Net Assets

| | National Community Renaissance of California | Housing Affiliates | Temporarily Restricted Net Assets | Eliminations | Total |
|---|---|-----------------------|---|------------------------|-----------------------|
| Revenues and gains | | | | | |
| Rental income | \$ 23,708,391 | \$ 34,362,212 | \$ - | \$ - | \$ 58,070,603 |
| Other rental income | 846,135 | 202,511 | - | - | 1,048,647 |
| Consulting, development and partnership fees | 17,817,035 | 2,757 | - | (17,262,145) | 557,647 |
| Social Service fees | - | - | - | - | - |
| Management fees | 4,359,801 | - | - | (3,950,929) | 408,872 |
| Grants, including release of temporarily restricted net assets | 2,015,888 | 63,264 | 511,784 | - | 2,590,935 |
| Interest Income | 976,763 | 30,583 | - | (546,783) | 460,562 |
| Gain on sale of rental property | - | - | - | - | - |
| Other revenue | 339,868 | 518,842 | - | (298,634) | 560,076 |
| | <u>50,063,880</u> | <u>35,180,169</u> | <u>511,784</u> | <u>(22,058,491)</u> | <u>63,697,342</u> |
| Expenses | | | | | |
| Administrative | 4,290,614 | 2,708,573 | - | - | 6,999,187 |
| Salaries and related expenses | 15,660,295 | 5,498,583 | - | (72,077) | 21,086,801 |
| Utilities | 3,082,332 | 4,701,490 | - | - | 7,783,822 |
| Operating and maintenance | 5,010,393 | 5,347,972 | - | - | 10,358,365 |
| Professional services | 1,667,268 | 531,334 | - | - | 2,198,603 |
| Taxes and insurance | 2,180,443 | 1,665,064 | - | - | 3,845,507 |
| Interest | 3,783,310 | 13,296,682 | - | (363,135) | 16,716,858 |
| Depreciation | 4,922,303 | 19,764,205 | - | - | 24,686,508 |
| Amortization | 36,266 | 152,808 | - | - | 189,074 |
| Management fees | 2,086,934 | 4,204,527 | - | (5,760,897) | 530,563 |
| Other expense | 520,088 | 73,385 | - | - | 593,473 |
| Total expenses | <u>43,240,245</u> | <u>57,944,625</u> | <u>-</u> | <u>(6,196,109)</u> | <u>94,988,761</u> |
| Change in net assets before non- controlling interest | 6,823,635 | (22,764,456) | 511,784 | (15,862,382) | (31,291,419) |
| Less: attributable to non-controlling interest | | (21,773,292) | | | (21,773,292) |
| Changes in net assets | <u>\$ 6,823,635</u> | <u>\$ (991,164)</u> | <u>\$ 511,784</u> | <u>\$ (15,862,382)</u> | <u>\$ (9,518,127)</u> |



National Community Renaissance of California

AND SUBSIDIARIES

**Consolidated Financial Statements and Supplementary Information
with Report of Independent Auditors**

December 31, 2020

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA AND SUBSIDIARIES

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CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

To the Board of Directors of
National Community Renaissance of California:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of National Community Renaissance of California and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of National Community Renaissance of California and Subsidiaries as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As discussed in Note 2 to the financial statements, National Community Renaissance of California adopted changes in accounting principles related to financial instruments. Our opinion is not modified with respect to those matters.

Other Matters


Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position, statement of activities and changes in net assets, and consolidating statement of income are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and they are not a required part of the consolidated financial statements. The consolidating statement of income presents earnings before interest, taxes, depreciation and amortization, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 17, 2021, on our consideration of National Community Renaissance of California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of National Community Renaissance of California's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering National Community Renaissance of California's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Novogradac & Company LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
August 17, 2021

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

| | National Community Renaissance of California | Housing Affiliates | Eliminations | Total |
|---|---|-----------------------|-------------------------|-------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 22,613,228 | \$ 22,214,116 | \$ - | \$ 44,827,344 |
| Reserve for security deposits held in trust | 1,671,511 | 2,730,208 | - | 4,401,719 |
| Restricted cash | 18,710,800 | 27,353,589 | - | 46,064,389 |
| Accounts receivable, net | 1,817,811 | 1,574,746 | - | 3,392,557 |
| Prepaid expense | 687,797 | 7,778,720 | - | 8,466,517 |
| Advance due from affiliates, net | 20,872,256 | 3,833 | (15,448,085) | 5,428,004 |
| Notes and interest receivable | 63,545,855 | 467,164 | (63,053,335) | 959,684 |
| Project development costs receivable | 953,550 | - | - | 953,550 |
| Developer fee receivable | 16,081,986 | - | (14,665,532) | 1,416,454 |
| Investments | 6,744,605 | - | - | 6,744,605 |
| Property, equipment and improvements, net | 160,041,064 | 899,262,831 | (58,433,627) | 1,000,870,268 |
| Deferred costs, net | 1,594,330 | 1,387,175 | - | 2,981,505 |
| | <u>\$ 315,334,793</u> | <u>\$ 962,772,382</u> | <u>\$ (151,600,579)</u> | <u>\$ 1,126,506,596</u> |
| Total assets | <u>\$ 315,334,793</u> | <u>\$ 962,772,382</u> | <u>\$ (151,600,579)</u> | <u>\$ 1,126,506,596</u> |
| LIABILITIES AND NET ASSETS | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 2,692,160 | \$ 22,836,074 | \$ - | \$ 25,528,234 |
| Security deposits payable | 1,721,070 | 2,599,717 | - | 4,320,787 |
| Accrued expenses | 3,000,033 | 778,858 | - | 3,778,891 |
| Deferred revenue | 576,440 | 345,650 | (379,000) | 543,090 |
| Accrued interest | 23,859,100 | 80,682,301 | (865,368) | 103,676,033 |
| Mortgages and notes payable, net | 137,855,323 | 640,985,920 | (60,858,871) | 717,982,372 |
| Due to affiliates | 2,479,026 | 8,048,649 | (7,286,024) | 3,241,651 |
| Developer fee payable | - | 11,346,258 | (9,561,971) | 1,784,287 |
| Total liabilities | <u>172,183,152</u> | <u>767,623,427</u> | <u>(78,951,234)</u> | <u>860,855,345</u> |
| Net assets | | | | |
| Without donor restriction, controlling | 96,218,702 | 16,493,349 | (96,067,668) | 16,644,383 |
| Without donor restriction, non-controlling | - | 178,655,606 | 23,418,323 | 202,073,929 |
| Total net assets without donor restrictions | <u>96,218,702</u> | <u>195,148,955</u> | <u>(72,649,345)</u> | <u>218,718,312</u> |
| Net assets with donor restrictions | 46,932,939 | - | - | 46,932,939 |
| Total net assets | <u>143,151,641</u> | <u>195,148,955</u> | <u>(72,649,345)</u> | <u>265,651,251</u> |
| Total liabilities and net assets | <u>\$ 315,334,793</u> | <u>\$ 962,772,382</u> | <u>\$ (151,600,579)</u> | <u>\$ 1,126,506,596</u> |

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | National Community Renaissance of California | Housing Affiliates | Net Assets with donor restrictions | Eliminations | Total |
|--|---|-----------------------|--|-----------------|----------------|
| REVENUE AND OTHER INCOME | | | | | |
| Rental income, net of vacancy | \$ 33,051,300 | \$ 42,594,587 | \$ - | \$ - | \$ 75,645,887 |
| Other rental income | 953,037 | 1,851,981 | - | - | 2,805,018 |
| Social service fee income | 998,036 | - | - | (691,310) | 306,726 |
| Consulting, development and partnership fees | 17,080,513 | 5,240 | - | (16,035,683) | 1,050,070 |
| Management fees | 3,230,228 | - | - | (2,667,021) | 563,207 |
| Grants and contributions, including release of net assets with donor restrictions | 5,232,294 | 72,857 | (196,836) | - | 5,108,315 |
| Interest income | 983,722 | 30,388 | - | (433,477) | 580,633 |
| Forgiveness by lender | 1,000,000 | - | - | - | 1,000,000 |
| PPP loan forgiveness | 3,800,000 | - | - | - | 3,800,000 |
| Gain on sale | 12,470,142 | - | - | (12,470,142) | - |
| Other income | 844,518 | - | - | - | 844,518 |
| Total revenue and other income | 79,643,790 | 44,555,053 | (196,836) | (32,297,633) | 91,704,374 |
| EXPENSES | | | | | |
| Program services | 32,438,528 | 65,546,309 | - | (973,015) | 97,011,822 |
| Management and general | 22,731,675 | 7,884,171 | - | (3,887,810) | 26,728,036 |
| Fundraising expenses | 172,372 | - | - | - | 172,372 |
| Total expenses | 55,342,575 | 73,430,480 | - | (4,860,825) | 123,912,230 |
| Changes in net assets before non-controlling interest | 24,301,215 | (28,875,427) | (196,836) | (27,436,808) | (32,207,856) |
| Less: attributable to non-controlling interest | - | (27,618,191) | - | - | (27,618,191) |
| Changes in net assets, controlling interest | \$ 24,301,215 | \$ (1,257,236) | \$ (196,836) | \$ (27,436,808) | \$ (4,589,665) |

see accompanying notes

Total expenditures

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**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>Controlling</u> | <u>Non-Controlling</u> | <u>Total</u> |
|---|----------------------|------------------------|-----------------------|
| NET ASSETS WITHOUT DONOR RESTRICTIONS | | | |
| Net assets without donor restrictions, January 1, 2020 | \$ 21,234,048 | \$ 179,466,403 | \$ 200,700,451 |
| Contributions | - | 47,516,696 | 47,516,696 |
| Distributions | - | (283,625) | (283,625) |
| Changes in net assets | (4,589,665) | (27,618,191) | (32,207,856) |
| Deconsolidation of affiliate | - | 3,062,646 | 3,062,646 |
| Syndication costs | - | (70,000) | (70,000) |
| Balance at December 31, 2020 | <u>\$ 16,644,383</u> | <u>\$ 202,073,929</u> | <u>\$ 218,718,312</u> |
| NET ASSETS WITH DONOR RESTRICTIONS | | | |
| Net assets with donor restrictions January 1, 2020 | \$ 47,129,775 | \$ - | \$ 47,129,775 |
| Grant income - Pledge agreement grant | 339,200 | - | 339,200 |
| Grant and contribution income - Hope Through Housing | 763,319 | - | 763,319 |
| Release of donor restrictions | (1,299,355) | - | (1,299,355) |
| Balance at December 31, 2020 | <u>\$ 46,932,939</u> | <u>\$ -</u> | <u>\$ 46,932,939</u> |

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE CORPORATION
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|---|--------------------|
| Changes in net assets without donor restrictions | \$ (32,207,856) |
| Decrease in net assets with donor restrictions | (196,836) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Forgiveness by lender | (1,000,000) |
| PPP loan forgiveness | (3,800,000) |
| Bad debts | 102,567 |
| Interest expense - debt issuance costs | 574,530 |
| Depreciation and amortization | 31,808,435 |
| (Increase) decrease in assets: | |
| Accounts receivable | (965,603) |
| Prepaid expenses | (463,199) |
| Advance due from affiliates | (2,694,833) |
| Project development costs receivable | (3) |
| Developer fee receivable | (1,131,238) |
| Investments | (6,720) |
| Notes and interest receivable | (959,684) |
| Increase (decrease) in liabilities: | |
| Accounts payable | (4,030,842) |
| Accrued expenses | 543,796 |
| Security deposits payable | 300,770 |
| Deferred revenue | 134,394 |
| Accrued interest | 10,866,945 |
| Due to affiliates | 174,279 |
| Developer fee payable | (2,114,876) |
| Net cash used in operating activities | <u>(5,065,974)</u> |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|---|---------------------|
| Proceeds from sales of fixed assets | 321,841 |
| Purchases of property, equipment and improvements | (92,622,659) |
| Payment of deferred costs | (271,281) |
| Payment of construction payables | <u>(2,162,307)</u> |
| Net cash used in investing activities | <u>(94,734,406)</u> |

CASH FLOWS FROM FINANCING ACTIVITIES:

| | |
|---|-------------------|
| Proceeds from PPP loan | 3,800,000 |
| Principal payments of mortgages and notes payable | (59,601,995) |
| Proceeds from mortgages and notes payable | 105,576,089 |
| Payment of debt issuance costs | (619,589) |
| Syndication costs | (70,000) |
| Capital contributions | 47,565,604 |
| Capital distributions | <u>(283,625)</u> |
| Net cash provided by financing activities | <u>96,366,484</u> |

NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH (3,433,896)

CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR 98,727,348

CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAF \$ 95,293,452

| | |
|--|-----------------------------|
| Cash and cash equivalents | \$ 44,827,344 |
| Tenant security deposits | 4,401,719 |
| Restricted cash | <u>46,064,389</u> |
| Total cash, cash equivalents and restricted cash | <u><u>\$ 95,293,452</u></u> |

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

| | |
|--------------------------------------|-------------------|
| Cash paid for interest - expensed | \$ 12,423,855 |
| Cash paid for interest - capitalized | <u>\$ 829,749</u> |

SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:

| | |
|---|-----------------------------|
| Disposal of fully depreciated deferred charges | \$ 33,825 |
| Decrease in notes payable from forgiveness by lender | <u>\$ 1,000,000</u> |
| Increase in property, equipment and improvements from accounts payable - construction | <u><u>\$ 17,503,346</u></u> |

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

1. Organization and nature of operations

National Community Renaissance of California (“NCRC”) (formerly known as Southern California Housing Development Corporation “SCHDC”) is a non-profit organization dedicated to improving the quality of life for low-income families by stabilizing and revitalizing neighborhoods via development, renovation, and preservation of affordable housing developments. NCRC's principal sources of revenue are rental income from tenants, grants, property management fees and consulting and developer fees.

NCRC, its wholly-owned subsidiaries and affiliated entities receive significant funding from federal, state and local government subsidies in various forms, including low-income housing tax credits, low-interest rate loans, grants, and rent subsidies for qualifying very-low, low- and moderate-income tenants.

NCRC has an economic relationship with National Community Renaissance Development Corporation (“NCRDC”), a non-profit organization, which has some overlapping board of director members and shares facilities. NCRC also provides back office support to NCRDC. NCRC has provided voluntary operating advances to NCRDC. NCRC, NCRDC and their consolidated subsidiaries and affiliates are collectively known as National Community Renaissance, or National CORE.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of NCRC and of corporations and partnerships in which NCRC is the sole member, and investments in limited partnerships or limited liability companies in which NCRC has a controlling interest. Additionally, the consolidated financial statements include the accounts of limited partnerships in which NCRC owns a minority financial interest, but has a controlling interest. NCRC is the general partner in these entities and has determined that the presumption of control for the limited partnerships has not been overcome, and therefore, the limited partnerships have been consolidated. All material intercompany balances and transactions have been eliminated in consolidation.

The following not-for-profit supporting entities are consolidated in NCRC in the accompanying consolidated financial statements:

- Hope Through Access
- San Antonio Gateway Housing Corporation
- Southern California Affordable Housing Corporation
- SCHDC of Inland Empire
- SCHDC of Los Angeles
- SCHDC of Orange
- SCHDC of Riverside
- SCHDC of San Diego
- SCHDC of Rancho Cucamonga

SCHDC of Rancho Cucamonga owns 100% of the following affordable housing projects:

- Monterey Village Apartments
- Mountainside Apartments
- Sycamore Springs Apartments

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

1. Organization and nature of operations (continued)

Hope Through Housing Foundation, a separate 501(c)(3) entity, has some overlapping board of director members with, and is economically dependent on, NCRC.

Projects and subsidiaries which are owned 100% by NCRC, either directly or through wholly-owned subsidiaries, as of December 31, 2020 are as follows:

Affordable housing projects:

- Arbor Villas Apartments, LLC
- Bell Gardens Housing Partners, LP
- Clark Manor Apartments
- Corona de Oro Apartments, LP
- Corona del Rey Apartments
- Courson Senior Partners, LP
- Hawthorne Terrace Apartments
- Malvern Housing Partners, LP
- NCRC Interim Spring Valley, LLC
- Northgate Village Apartments
- Rancho Verde Village Apartments
- Riverside Housing Partners, LP
- Santa Fe Springs Housing Partners, LP
- Santee Apartments, LP
- UC Housing Partners, LP
- Victorville Housing Partners, LP
- Villa Serena Apartments, LP
- Vista Terraza II Apartments
- West Mission Housing Partners, LLC
- NCRC Mountain View, LLC (office project)

Under development:

- 3rd & Dangler, LP
- Golden Pierce
- La Sierra
- Legacy Square, LP
- Placentia Blessed Sacrament Church
- SGNTR VC, LLC
- The Iris at San Ysidro
- Villa Serena

Seller carryback loans:

- Autumn Ridge Apartments, LP
- Bolt Housing Partners, LP
- Copper Hills Housing Partners, LP
- Escondido Housing Partners, LP
- Executive Lodge Apartments, LP
- San Marcos Housing Partners, LP
- Spring Valley Housing Partners, LP

Passthrough entities:

- ANF Family Partners, LP
- CG Affordable Housing Partners, LLC
- CORE Hermosa Village 1 MGP, LLC
- CORE Rialto Metro South MGP, LLC
- Corona Del Rey Housing Partners GP, LLC
- Day Creek Housing Partners 2 MGP, LLC
- Day Creek Senior Housing Ptners MGP, LLC
- Mission Cove Family I MGP, LLC
- National CORE Newhall Ave. Hsg MGP, LLC
- NCRC Dangler, LLC
- NCRC Fairview MGP, LLC
- NCRC Glendale GP, LLC
- NCRC Ontario GP, LLC
- NCRC VDP, LLC
- River Canyon GP, LLC
- San Ysidro Senior Village GP, LLC
- Val 9 MGP, LLC
- WG Partners 1 MGP, LLC
- WG Partners 2 MGP, LLC

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. Organization and nature of operations (continued)

The for-profit housing affiliates (“Housing Affiliates”) are comprised of the following limited partnerships and limited liability companies, and the respective NCRC-owned nonprofit entities who have general partner and managing member interests:

| For-profit Housing Affiliate | Nonprofit general partner | % |
|---|--------------------------------------|-----------|
| Avenida Serra Housing Partners, LP | Avenida Serra Hsg Ptrs GP, LLC | 0.01% |
| Avenida Serra Hsg Ptrs GP, LLC | SCHDC of Orange | 79.00% |
| Bell Housing Partners, LP | SCHDC of Los Angeles | 0.01% |
| Cathedral Family Housing Partners, LP | SCHDC of Inland Empire | 0.01% |
| Citrus Grove Housing Partners, LP | SCHDC of Inland Empire | 0.01% |
| Cobblestone Apartments, LP | Cobblestone GP, LLC | 0.01% |
| Cobblestone GP, LLC | NCRC | 79.00% |
| CP Senior Apartments, LP | CP Senior GP, LLC | 0.009% |
| CP Senior GP, LLC | NCRC | 79.00% |
| Day Creek Senior Housing Partners, LP | NCRC | 0.009% |
| Day Creek Senior Housing Partners 2, LP | Day Creek Senior Hsg Ptrs 2 MGP, LLC | 0.01% |
| Desert Meadows Housing Partners, LP | SCHDC of Inland Empire | 0.01% |
| Downey Housing Partners, LP | SCHDC of Los Angeles | 0.01% |
| Eagle Rock Housing Partners, LP | SCHDC of Los Angeles | 0.01% |
| East Rancho Verde Housing Partners, LP | SCHDC of Inland Empire | 0.01% |
| EMI Partners, LP | SCHDC of Inland Empire | 0.01% |
| Escondido Senior Housing Partners, LP | SCHDC of Orange | 0.01% |
| Fontana Housing Partners, LP | SCHDC of Orange | 99.992% |
| Fontana II Housing Partners, LP | SCHDC of Orange | 99.99625% |
| Fontana III Housing Partners, LP | SCHDC of Orange | 99.99625% |
| Fontana IV Housing Partners, LP | SCHDC of Orange | 0.005% |
| Inland Valley Housing Partners, LP | SCHDC of Inland Empire | 0.01% |
| Ken-Tal Senior Housing Partners, LP | SCHDC of Orange | 0.005% |
| LINC-CORE Fairview Metro, LP | NCRC Fairview MGP, LLC | 0.005% |
| LINC-CORE Housing Ptrs Glendale, LP | NCRC Glendale GP, LLC | 0.005% |
| LINC-CORE San Pedro Lofts, LP | NCRC | 0.005% |
| Mar Vista Union Housing Partners, LP | SCHDC of Los Angeles | 0.01% |
| Mills Family Housing Partners, LP | SCHDC of Inland Empire | 0.01% |
| Mission Cove Family I Housing, LP | Mission Cove Family I MGP, LLC | 0.01% |
| Mission Cove Family II Housing, LP | SCHDC of Orange | 0.01% |
| Mission Village Senior Apartments, LP | SCHDC of Inland Empire | 0.005% |
| Montclair Family Housing Partners, LP | SCHDC of Inland Empire | 0.01% |
| Montclair Senior Housing Partners, LP | San Antonio Gateway Hsg Corp | 0.01% |
| NCRC Encanto, LP | NCRC | 0.01% |
| NCRC SYSV, LP | San Ysidro Senior Village GP, LLC | 0.01% |
| Normandie Senior Housing Partners, LP | Normandie Senior Hsg Ptrs GP, LLC | 0.008% |
| Normandie Senior Hsg Ptrs GP, LLC | SCHDC of Los Angeles | 79.00% |
| Oceanside Housing Partners, LP | SCHDC of Orange | 0.01% |

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. Organization and nature of operations (continued)

| For-profit Housing Affiliate | Nonprofit general partner | % |
|--|----------------------------------|----------|
| Oceanside Senior Housing, LP | SCHDC of Orange | 0.01% |
| Palmdale Senior Housing Partners, LP | SCHDC of Los Angeles | 0.01% |
| Parkside SD Apartments, LP | Parkside GP, LLC | 0.01% |
| Parkside GP, LLC | NCRC | 79.00% |
| Paseo del Oro Apartments, LP | Paseo del Oro GP, LLC | 0.01% |
| Paseo del Oro GP, LLC | NCRC | 79.00% |
| Rancho Workforce Housing Partners, LP | SCHDC of Inland Empire | 0.0045% |
| Renaissance Village Housing Partners, LP | RV Housing Partners GP, LLC | 0.01% |
| RV Housing Partners GP, LLC | SCHDC of Inland Empire | 79.00% |
| Rialto Housing Partners, LP | SCHDC of Inland Empire | 0.005% |
| Richmar Housing Partners, LP | SCHDC of Orange | 0.01% |
| Savi Ranch Housing Partners, LP | SCHDC of Orange | 0.01% |
| Savi Ranch II Housing Partners, LP | Oakcrest Heights MGP, LLC | 0.01% |
| Oakcrest Heights MGP, LLC | NCRC | 79.00% |
| SVSM Apartments, LP | SVSM GP, LLC | 0.01% |
| SVSM GP, LLC | NCRC | 79.00% |
| The Promenade Housing Partners, LP | The Promenade Hsg Ptrs GP, LLC | 0.01% |
| The Promenade Hsg Partners GP, LLC | NCRC | 79.00% |
| Val 9 Housing Partners, LP | Val 9 MGP, LLC | 0.008% |
| Virginia-Holt Housing, LP | NCRC Ontario GP, LLC | 0.01% |
| Vista del Sol Apartments, LP | Vista Del Sol GP, LLC | 0.008% |
| Vista Del Sol GP, LLC | NCRC | 79.00% |
| Vista Dunes Housing Partners, LP | Vista Dunes GP, LLC | 0.008% |
| Vista Dunes GP, LLC | SCHDC of Inland Empire | 75.00% |
| Vista Terraza Housing Partners, LP | SCHDC of Orange | 0.010% |
| Waterman Gardens Partners 1, LP | WG Partners 1 MGP, LLC | 0.01% |
| Waterman Gardens Partners 2, L.P. | WG Partners 2 MGP, LLC | 0.006% |
| Westlake Village Housing Partners, LP | SCHDC of Orange | 0.01% |
| Woods Family Housing Partners, LP | Woods Family Hsg Ptrs GP, LLC | 0.010% |
| Woods Family Hsg Ptrs GP, LLC | SCHDC of Los Angeles | 79.00% |
| Yorba Linda Housing Partners, LP | SCHDC of Orange | 0.010% |
| Yucca Valley Senior Housing Ptrs, LP | SCHDC of Inland Empire | 0.01% |

Grey highlighted entities in the table above are the general partner limited liability companies of the operating entity partnership listed immediately above it. NCRC or its wholly-controlled subsidiary is the controlling member with an unrelated not-profit organization as the noncontrolling member in these limited liability companies.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

2. Summary of significant accounting policies

Basis of accounting

NCRC prepares its consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and reflects the accounts and operations of NCRC and those of its subsidiaries in which NCRC has a controlling financial interest. See Note 1. All intercompany transactions and balances have been eliminated upon consolidation.

Non-controlling interests

Non-controlling interests represent the portion of net assets associated with consolidated entities that are not owned by the consolidating entity. NCRC has determined for its consolidated subsidiaries that the ownership percentages associated with each member interest does correspond to the economic substance of the transaction and, therefore, net income and losses are allocated to the non-controlling interests based on their ownership interest.

Basis of presentation

NCRC is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of NCRC. These net assets may be used at the discretion of NCRC's management and the boards of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of NCRC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

Changes in accounting principles

On January 1, 2020, NCRC adopted a new accounting standard for financial instruments that affects the accounting for certain equity investments (formerly cost-method investments). The new standard requires such investments to be reported at fair value unless such investments do not have a readily determinable fair value and the entity elects a measurement alternative. Adopting the standard did not have a quantitative impact on the consolidated financial statements due to the nature of NCRC's investments.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

2. Summary of significant accounting policies (continued)

Economic concentrations

NCRC's subsidiaries operate properties primarily in southern California. Future operations could be affected by changes in the economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing. 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 U.S. Department of Housing and Urban Development ("HUD"). Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

Restricted cash is not considered cash and cash equivalents, and includes cash held with financial institutions for funding of operating deficits, repairs or improvements to the buildings that extend their useful lives, annual payments of tax and insurance, and debt service payments. See Note 4. Restricted cash does not fall under the criteria for net assets with donor restrictions as these funds are held for operational purposes rather than donor-imposed restrictions. Tenant security deposits are restricted cash maintained in a separate account.

Concentration of credit risk

NCRC maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. NCRC has not experienced any losses in such accounts. NCRC believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable

Accounts receivable is stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are generally written off through a charge to the valuation allowance and a credit to trade accounts receivable. As of December 31, 2020, the balance of the allowance for doubtful accounts was \$122,349 and bad debt expense for tenant receivables for the year ended December 31, 2020 was \$102,567.

Advances due from affiliates

The advances due from affiliates are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on expected future operating performance and other factors. It is reasonably possible that management's estimate of the allowance will change. As of December 31, 2020, the allowance for doubtful accounts was \$0.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

2. Summary of significant accounting policies (continued)

Investments

NCRC has elected the measurement alternative pursuant to FASB ASC 321 whereby equity investments without readily determinable fair values that do not qualify for consolidation or equity method accounting are measured at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. These investments are not consolidated since NCRC is a limited partner or member in the investments, with no substantive participating rights or kick-out rights. Such investments include cooperative investment Housing Partnership Network Group Insurance Initiative (see Note 5), and the following:

| For-profit housing investment | Non-controlling partner/member | % |
|---|--|---------|
| HB Housing Partners, LP | SCHDC of Inland Empire | 0.005% |
| Anaheim Revitalization Partners III, LP | SCHDC of Los Angeles | 0.005% |
| Anaheim Revitalization Partners IV, LP | SCHDC of Los Angeles | 0.005% |
| Vista Del Puente, LP | NCRC VDP, LLC | 0.002% |
| Hermosa Village Phase I Hsg Ptrs, LP | CORE Hermosa Village I MGP, LLC | 0.004% |
| Hermosa Village Phase II Hsg Ptrs, LP | CORE Hermosa Village II MGP, LLC | 0.002% |
| ANF Family Partners II, LP | SCHDC of Los Angeles (via South PACE GP, LLC) | 0.0021% |
| Jordan Bayou Developer, LLC | NCRC | 25.00% |
| MHP Jordan Bayou, LLC | NCRC | 99.00% |

NCRC periodically evaluates its investments for impairment and records a write down if it is determined that impairment in value exists. If impairment exists at the for-profit housing investment entity, management assesses the need to apply impairment to the carrying value of NCRC's investment based on the facts and circumstances. All of NCRC's investments in the table above are materially insignificant. There were no impairment losses recognized during 2020.

Project development costs

NCRC incurs costs in connection with properties it is considering for development as well as costs associated with projects in the initial stages of development. These costs include such items as market studies, purchase options, environmental study costs, legal and accounting costs. Project development costs are capitalized to construction in progress. Project development costs related to projects that are ultimately developed are subsequently recorded as receivables to be repaid by the applicable project partnerships. If a project is no longer considered desirable or feasible, the costs are expensed. During the year ended December 31, 2020, \$179,993 of project development costs were expensed and are included in other expense on the accompanying consolidated statement of functional expenses.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

2. Summary of significant accounting policies (continued)

Fixed assets and depreciation

Purchases of property, equipment or improvements costing more than \$5,000 are recorded at cost. Major improvements are charged to the fixed asset account, while maintenance and repairs, which do not extend the life of the respective assets, are expensed. When fixed assets are retired or otherwise disposed, the cost of the fixed asset and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in income. Depreciation is computed on the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years.

Impairment of long-lived assets

NCRC reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. There were no impairment losses recognized during 2020.

Deferred costs

Tax credit fees are amortized on a straight-line basis over the 15-year tax credit compliance period. Amortization expense for the year ended December 31, 2020 was \$196,275.

Costs related to obtaining leasehold interests are capitalized and amortized on the straight-line method over the life of the related ground lease.

The deferred costs consist of the following:

| | Tax Credit Monitoring fees | Leasehold interest | Total |
|-----------------------------|-------------------------------|---------------------|---------------------|
| Deferred costs | \$ 3,289,470 | \$ 2,212,203 | \$ 5,501,673 |
| Accumulated amortization | (1,531,487) | (988,681) | (2,520,168) |
| Deferred costs, net | <u>\$ 1,757,983</u> | <u>\$ 1,223,522</u> | <u>\$ 2,981,505</u> |

Derivative instrument and fair value measurement

To minimize the effect of changes in interest rates, in 2015, NCRC entered into an interest rate swap agreement with Wells Fargo in connection with the mortgage on NCRC's corporate office building. During 2019, the building was sold and leased back (see Note 17). During 2020, the interest rate swap was paid off for \$72,700, which is including in interest expense on the accompanying consolidated statement of functional expenses. Before it was paid off, the interest rate swap was carried on the consolidated statement of financial position at fair value with changes in fair value estimated and recorded in interest expense on the accompanying consolidated statement of functional expenses.

No assets or liabilities are measured at fair value as of December 31, 2020.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

2. Summary of significant accounting policies (continued)

Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct reduction from the face amount of the mortgage loan payable to which costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Revenue recognition

Rental revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Other income includes fees for late payments, cleaning, damages, laundry facilities and other charges and is recorded when earned. Advance receipts of revenue are deferred and classified as liabilities until earned. Subsidy payments from HUD under Section 8 of the National Housing Act account for a portion of the rental income. See Note 10.

NCRC earns contractor fees based on services provided in the development of projects of affiliated limited partnerships and wholly owned properties. Such fees are capitalized into fixed assets on the limited partnerships' financial statements.

Developer fees are earned in connection with the construction and oversight of the development of properties. The developer fees are recognized as revenue commencing with the closing of a project's construction loan (the "Closing") based on the percentage of completion method, taking into account the total anticipated development costs and potential operating deficit obligation through the period from the Closing through the end of the operating deficit obligation period (typically three years from the achievement of Breakeven Operations, as defined in partnership agreements). Generally, NCRC utilizes the following formula to determine the amount of the developer fee earned as of a specific date: The developer fee multiplied by the fraction having as its denominator (i) the total development costs plus (ii) the total operating deficit obligation for the obligation period, and as its numerator (i) the total development costs incurred to the specific date of calculation plus (ii) the total operating deficits funded as of the specific date of calculation. Upon construction completion, the remaining developer fee is recorded as an asset with a corresponding offset to deferred revenue if the amount of developer fee owed exceeds the amount of developer fee earned to such date in accordance with the preceding formula. In the event that a portion or all of the developer fee is not paid at the end of the development period, the deferred developer fee is generally assumed to be paid from the future cash flow of the property and thereby recognized when paid. Developer fees that are earned during construction and paid for with investor equity or project debt are capitalized. The deferred developer fees expected to be paid from property operations are generally eliminated upon consolidation.

Laundry and cable income, and prepaid rent received in advance are deferred until earned. Property management fee income is earned monthly based on the applicable management agreements.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

2. Summary of significant accounting policies (continued)

Private donations

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Private donations include in-kind contributions, which generally consist of donated food, new toys, and services such as nursing student hours, and are recorded at estimated fair value at the time the goods and services are received.

Grant revenue

Grants received from governments, agencies and others are recognized when all significant conditions are met, all due diligence has been completed and they are approved by staff or board committee. Funds received but not yet spent are recorded as net assets with donor restrictions. Funds for qualifying costs incurred and recognized as revenue but not yet received are recorded as accounts receivable. See Note 16.

Income taxes

NCRC, including Hope Through Housing Foundation, is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and from California income and franchise taxes under Revenue and Taxation Code Section 23701(d). Income taxes on partnership and LLC income are levied on the partners and members in their individual capacity. Accordingly, all profits and losses of the consolidated entities are recognized by each partner and member on their respective tax return.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the entity to report information regarding its exposure to various tax positions taken by the entity. NCRC has determined whether any tax positions have met the recognition threshold and has measured NCRC's exposure to those tax positions. Management believes that NCRC has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to NCRC are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying consolidated financial statements.

Functional expenses

The costs of providing program services and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Accordingly, certain costs have been allocated among program services, management and general, and fundraising expenses. Such allocations are determined by management on an equitable basis. Payroll expenses are allocated based on time and effort.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

3. Liquidity and availability of financial assets

The following represents NCRC's financial assets at December 31, 2020:

Financial assets at year end:

| | |
|--|------------------|
| Cash and cash equivalents | \$ 44,827,344 |
| Restricted cash, including security deposits | 50,466,108 |
| Accounts receivable, net | <u>3,392,557</u> |
| Total financial assets | 98,686,009 |

Less amounts not available to be used within one year:

| | |
|------------------------------------|---------------------|
| Net assets with donor restrictions | <u>(46,932,939)</u> |
|------------------------------------|---------------------|

Financial assets available to meet general expenditures
over the next twelve months

\$ 51,753,070

Financial assets available to meet general expenditures over the next twelve months are not subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statement of financial position date. NCRC's goal is generally to maintain financial assets to meet 90 days of operating expenses.

4. Restricted cash

The regulatory and loan agreements of the subsidiaries and affiliates of NCRC generally require monthly impound deposits for insurance premiums, property taxes, replacements and operating expenses. The restricted accounts are held by the various lender agencies and expenditures are subject to their supervision and approval. The carrying value of restricted cash approximates fair value because of the short-term maturity of those instruments.

Restricted cash includes \$963,333 held in escrow in connection with various purchase and sales agreements as of December 31, 2020.

A summary of the restricted cash balances as of December 31, 2020 is as follows:

| | |
|----------------------------|----------------------|
| Operating reserves | \$ 17,047,071 |
| Replacement reserves | 15,737,962 |
| Other reserves and escrows | 10,085,584 |
| Tax and insurance reserves | 2,657,510 |
| Residual receipts reserves | <u>536,262</u> |
| Total restricted cash | <u>\$ 46,064,389</u> |

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

5. Investments

On March 30, 2004, NCRC invested in the Housing Partnership Network Group Insurance Initiative, a cooperative of other real estate investment companies, whose purpose is to offer low-cost insurance and worker's compensation to companies with a history of low-loss ratios. In 2004, NCRC purchased one share of Class A stock for \$10,000, and 277 shares of Class B stock at \$1,000 per share. In 2013, NCRC purchased 275 Class C shares at \$555 per share. NCRC is entitled to dividend payments in proportion to their investment once they are declared. No dividends were received during the year ended December 31, 2020. The investment is accounted for under the equity method of accounting and the investment has been recorded at cost. As of December 31, 2020, the investment balance was \$697,815.

Investments include \$6,000,000 paid over the course of 2017 and 2018 to acquire the limited partner interests in twenty Housing Affiliates for \$300,000 each, from an unrelated party.

NCRC consolidates its ownership interest in limited partnerships which it controls (see Note 1).

6. Property, equipment and improvements, net

Property, equipment and improvements consist of the following as of December 31, 2020:

| | |
|---|-------------------------|
| Land | \$ 143,173,026 |
| Buildings and improvements | 1,013,963,512 |
| Furniture, fixtures and equipment | 41,358,970 |
| Construction in progress | <u>113,013,052</u> |
| Subtotal | 1,311,508,560 |
| Less: accumulated depreciation | <u>(310,638,292)</u> |
| Total property, equipment and improvements, net | <u>\$ 1,000,870,268</u> |

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

7. Mortgages and notes payable, net

Mortgages and notes payable are as follows as of December 31, 2020:

| Lender | Secured Entity | Interest rate | Monthly principal and int or other repymt terms | Maturity | Principal balance |
|---------------------------------------|-------------------------------|----------------------|--|-----------------|--------------------------|
| Dept of Housing and Urban Development | San Antonio Gateway Hsg Corp | 0.00% | (3) | 3/1/2066 | \$ 10,604,000 |
| Citibank - AHP | NCRC | 0.00% | (3) | 9/1/2071 | 680,000 |
| Citibank - AHP | NCRC | 0.00% | (4) | 4/1/2069 | 480,000 |
| Citizens Business Bank | NCRC | Variable | (4) | 7/15/2021* | 2,000,000 |
| JP Morgan Chase | NCRC (Note for Rancho Verde) | 3.39% | 11,206 | 8/1/2047 | 1,000,000 |
| JPMorgan - AHP | NCRC | 0.00% | (4) | 5/1/2067 | 500,000 |
| Wells Fargo Bank | NCRC | 2.00% | (4) | 11/1/2023 | 1,000,000 |
| Wells Fargo Bank | NCRC | 2.00% | (4) | 11/1/2023 | 343,750 |
| Wells Fargo Bank | NCRC | 2.00% | (4) | 11/1/2023 | 156,250 |
| JP Morgan Chase Bank | CP Senior Apartments, LP | Variable | Variable | 7/1/2035 | 1,295,712 |
| NCRC | CP Senior Apartments, LP | 2.25% | 2,185 | 7/1/2077 | 1,165,125 |
| NCRC | CP Senior Apartments, LP | 3.00% | 33,618 | 7/1/2077 | 13,447,000 |
| Chase Commercial Term Lending | NCRC Interim Spring Valley | 5.09% | 12,852 | 10/31/2032 | 3,500,000 |
| County of San Diego | NCRC Interim Spring Valley | 3.00% | 4,563 | 2/15/2056 | 1,825,000 |
| County of San Diego HCD Services | NCRC Interim Spring Valley | 3.00% | 5,750 | 4/14/2075 | 2,300,000 |
| CCRC | Woods Family Housing Ptrs, LP | 8.50% | 10,765 | 11/1/2043 | 1,301,572 |
| LACDC - CDBG funds | Woods Family Housing Ptrs, LP | 3.00% | (1) | 9/1/2063 | 1,000,000 |
| LACDC - First District Loan | Woods Family Housing Ptrs, LP | 3.00% | (1) | 9/1/2063 | 1,000,000 |
| LACDC - HOME funds | Woods Family Housing Ptrs, LP | 3.00% | (1) | 9/1/2063 | 2,047,376 |
| LACDC - Industry funds | Woods Family Housing Ptrs, LP | 3.00% | (1) | 9/1/2063 | 1,249,201 |
| LACDC - Maravilla funds | Woods Family Housing Ptrs, LP | 3.00% | (1) | 9/1/2063 | 1,000,000 |
| NCRC (HCD Grant) | Woods Family Housing Ptrs, LP | 0.00% | (1) | 1/1/2066 | 2,465,846 |
| Greystone Servicing | NCRC / Arbor Villas Apts | 3.96% | 27,487 | 11/1/2049 | 5,554,062 |
| Century Housing | Rialto Housing Partners, LP | 5.50% | 10,450 | 4/24/2021* | 2,255,000 |
| Home-City | Rialto Housing Partners, LP | 3.00% | (1) | 1/1/2054 | 1,000,000 |
| City of Oceanside | Oceanside Senior Hsg Ptrs, LP | 3.00% | (1) | 7/1/2063 | 3,772,340 |
| JPMorgan Chase Bank | Oceanside Senior Hsg Ptrs, LP | 5.08% | 4,956 | 10/1/2038 | 696,521 |
| California HCD | Inland Valley Hsg Ptrs, LP | 3.00% | (2) | 7/1/2064 | 8,362,659 |
| City of Rialto Housing Authority | Inland Valley Hsg Ptrs, LP | 3.00% | (1) | 8/1/2061 | 14,054,480 |
| Cnty San Bernardino HOME funds | Inland Valley Hsg Ptrs, LP | 3.00% | (1) | 6/1/2060 | 3,000,000 |
| Miss Valley Life Ins. - AHP | Inland Valley Hsg Ptrs, LP | 0.00% | (3) | 2/1/2064 | 1,000,000 |
| US Bank | Inland Valley Hsg Ptrs, LP | 5.97% | 15,408 | 8/1/2038 | 2,140,801 |
| City of Long Beach | NCRC / Clark Manor | 4.00% | (1) | 6/1/2058 | 550,000 |
| JPMorgan Chase Bank | NCRC / Clark Manor | 4.93% | 7,833 | 8/1/2033 | 883,570 |
| Berkadia Commercial Mort. | Corona de Oro Apts. LP | 7.25% | 8,784 | 7/1/2032 | 824,508 |

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

7. Mortgages and notes payable, net (continued)

| Lender | Secured Entity | Interest rate | Monthly principal and int or other repymt terms | Maturity | Principal balance |
|--|----------------------------------|----------------------|--|-----------------|--------------------------|
| Citibank - AHP | Corona de Oro Apts. LP | 0.00% | \$ 8,784 | 7/26/2032 | \$ 181,873 |
| City of Corona HOME Funds | Corona de Oro Apts. LP | 1.00% | 1,499 | 9/1/2055 | 149,900 |
| City of Corona RDA | Corona de Oro Apts. LP | 3.00% | (1) | 3/1/2055 | 4,725,000 |
| City of Corona RDA | NCRC / Corona del Rey | 0.00% | (1) | 5/1/2051 | 643,340 |
| County of Riverside | NCRC / Corona del Rey | 3.00% | 1,304 | 7/1/2028 | 106,046 |
| JPMorgan Chase Bank | NCRC / Corona del Rey | Variable | 21,524 | 8/1/2022 | 2,168,062 |
| California HCD | Cobblestone Apartments, LP | 3.00% | (2) | 3/1/2058 | 1,345,219 |
| City of Escondido | Cobblestone Apartments, LP | 2.98% | (1) | 8/1/2073 | 3,168,027 |
| Escondido Hsg Partners, LP | Cobblestone Apartments, LP | 2.95% | (1) | 8/1/2073 | 191,334 |
| Pacific Western Bank | Cobblestone Apartments, LP | 5.00% | 10,678 | 9/1/2050 | 1,965,872 |
| California HCD | Desert Meadows Hsg Partners, LP | 3.00% | (1) | 4/1/2069 | 5,954,244 |
| Riverside County RDA | Desert Meadows Hsg Partners, LP | 0.25% | (1) | 8/1/2066 | 7,698,385 |
| Union Bank of California - AHP | Desert Meadows Hsg Partners, LP | 0.00% | (3) | 1/1/2067 | 790,000 |
| AHP Funds | Yucca Valley Senior Hsg Ptrs, LP | 0.00% | (3) | 1/1/2030 | 1,180,000 |
| Bonneville Mortgage | Yucca Valley Senior Hsg Ptrs, LP | 4.21% | 3,664 | 2/1/2056 | 807,037 |
| San Bernardino County | Yucca Valley Senior Hsg Ptrs, LP | 3.00% | (1) | 12/1/2069 | 1,622,830 |
| Town of Yucca Valley | Yucca Valley Senior Hsg Ptrs, LP | 0.50% | (1) | 4/1/2068 | 2,925,000 |
| City of Downey | Downey Housing Partners, LP | 3.00% | (1) | 2/1/2068 | 4,550,000 |
| City of Downey | Downey Housing Partners, LP | 3.00% | (1) | 2/1/2068 | 450,000 |
| Housing Authority of Los Angeles County | Downey Housing Partners, LP | 3.00% | (1) | 2/1/2070 | 2,386,720 |
| JP Morgan Chase | Downey Housing Partners, LP | 5.88% | 13,201 | 9/1/2045 | 2,046,742 |
| CDC - County of LA Homeless & Hsg Program Fund | Normandie Senior Hsg Ptrs, LP | 3.00% | (1) | 6/1/2067 | 600,000 |
| CDC - County of Los Angeles | Normandie Senior Hsg Ptrs, LP | 6.75% | 4,864 | 10/1/2040 | 667,546 |
| County of Los Angeles - Home Funds | Normandie Senior Hsg Ptrs, LP | 0.00% | (1) | 3/1/2065 | 1,989,155 |
| County of Los Angeles - Industry Funds | Normandie Senior Hsg Ptrs, LP | 3.00% | (1) | 3/1/2065 | 5,428,582 |
| NCRC Infill Grant Loan | Normandie Senior Hsg Ptrs, LP | 0.00% | (1) | 1/1/2065 | 1,033,418 |
| City of Rancho Cucamonga Redev Agency | East Rancho Verde Hsg Ptrs, LP | 1.50% | (1) | 6/1/2060 | 6,500,000 |
| Cnty of San Bernardino, Dept of Comm Dev and Hsg | East Rancho Verde Hsg Ptrs, LP | 3.00% | (1) | 3/1/2065 | 1,100,000 |
| JPMorgan Chase Bank | East Rancho Verde Hsg Ptrs, LP | 5.13% | 8,717 | 10/1/2040 | 1,300,268 |
| California Community Reinvestment Corp | Fontana II Hsg Ptrs, LP | 6.75% | 8,821 | 12/1/2036 | 1,000,015 |
| City of Fontana | Fontana II Hsg Ptrs, LP | 1.00% | (1) | 2/1/2059 | 2,500,000 |

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

7. Mortgages and notes payable, net (continued)

| Lender | Secured Entity | Interest rate | Monthly principal and int or other repymt terms | Maturity | Principal balance |
|-----------------------------------|--------------------------------|----------------------|--|-----------------|--------------------------|
| Bank of the West - AHP | Fontana III Hsg Ptrs, LP | 0.00% | (3) | 3/1/2061 | \$ 350,000 |
| City of Fontana | Fontana III Hsg Ptrs, LP | 1.00% | (1) | 6/1/2060 | 7,153,254 |
| NorthMarq Capital, LLC | Fontana III Hsg Ptrs, LP | 5.79% | Variable | 4/1/2036 | 1,384,000 |
| Chase | Malvern Housing Partners, LP | 8.06% | \$ 2,780 | 10/1/2026 | 154,863 |
| City of Rancho Cucamonga RDA | Malvern Housing Partners, LP | 1.00% | (1) | 4/1/2025 | 3,801,209 |
| County of San Bernardino | Malvern Housing Partners, LP | 3.00% | (1) | 12/1/2022 | 400,000 |
| City of Hawthorne | NCRC / Hawthorne Terrace | Variable | (1) | 10/1/2059 | 250,000 |
| City of Hawthorne | NCRC / Hawthorne Terrace | 3.00% | (1) | 10/1/2059 | 1,998,855 |
| City of Hawthorne HOME Funds | NCRC / Hawthorne Terrace | 0.00% | (1) | 3/1/2021* | 207,645 |
| JPMorgan Chase Bank | NCRC / Hawthorne Terrace | 5.55% | 11,142 | 10/1/2029 | 1,673,000 |
| NCRC | Hope Through Access | 0.00% | (1) | (c) | 2,000,000 |
| County of San Bernardino | Victorville Housing Ptrs, LP | 3.00% | (1) | 9/1/2057 | 794,602 |
| US Bank | Victorville Housing Ptrs, LP | 6.66% | 11,689 | 10/1/2021* | 1,266,945 |
| Victorville Redevelopment Agency | Victorville Housing Ptrs, LP | 3.00% | (1) | 9/1/2022 | 970,733 |
| CCRC | Escondido Senior Hsg Ptrs, LP | 7.37% | 12,460 | 11/1/2041 | 1,597,751 |
| City of Escondido | Escondido Senior Hsg Ptrs, LP | 5.32% | (1) | 12/1/2075 | 3,051,230 |
| City of Escondido | Escondido Senior Hsg Ptrs, LP | 3.00% | (1) | 12/1/2075 | 1,948,770 |
| City of Escondido | Escondido Senior Hsg Ptrs, LP | 3.00% | (1) | 5/1/2065 | 500,000 |
| NCRC | Escondido Senior Hsg Ptrs, LP | 0.00% | (1) | 2/1/2065 | 650,959 |
| NCRC | Escondido Senior Hsg Ptrs, LP | 0.00% | (1) | 2/1/2065 | 400,000 |
| SCHDC of Orange (AHP-JPMorgan) | Escondido Senior Hsg Ptrs, LP | 0.00% | (1) | 4/1/2067 | 500,000 |
| HACOLA | Santa Fe Springs Hsg Ptrs, LP | 3.00% | (1) | 3/1/2034 | 740,087 |
| LACDC | Santa Fe Springs Hsg Ptrs, LP | 3.00% | (1) | 3/1/2032 | 672,554 |
| SFSCDC | Santa Fe Springs Hsg Ptrs, LP | 3.00% | (1) | 9/1/2057 | 1,592,784 |
| US Bank | Santa Fe Springs Hsg Ptrs, LP | 5.36% | 24,598 | 4/1/2034 | 2,890,678 |
| City of Oceanside | Oceanside Housing Ptrs, LP | 3.00% | (1) | 6/1/2061 | 6,244,000 |
| MuniMae TE Bond Subsidiary, LLC | Oceanside Housing Ptrs, LP | 5.75% | 23,980 | 5/1/2049 | 4,024,034 |
| State of California HCD | Oceanside Housing Ptrs, LP | 3.00% | (1) | 5/1/2064 | 4,151,008 |
| Citibank N.A. - Perm Loan | Avenida Serra Hsg Partners, LP | 5.48% | 2,314 | 9/1/2044 | 410,711 |
| Citibank N.A. - Subordinate Loan | Avenida Serra Hsg Partners, LP | 1.00% | (1) | 10/1/2070 | 187,249 |
| City of San Clemente | Avenida Serra Hsg Partners, LP | 3.36% | (1) | 12/31/2070 | 3,430,771 |
| NCRC | Avenida Serra Hsg Partners, LP | 0.00% | (1) | 3/1/2069 | 730,800 |
| California Housing Finance Agency | SCHD / Mountainside Apts | 7.25% | 44,171 | 9/1/2026 | 2,515,101 |
| California Housing Finance Agency | Mission Cove Family I Hsg, LP | 0.00% | (3) | 10/1/2072 | 5,900,000 |
| Citi Bank, N.A | Mission Cove Family I Hsg, LP | 5.54% | 4,555 | 10/1/2038 | 618,437 |
| Citibank, N.A. | Mission Cove Family I Hsg, LP | 1.00% | (3) | 4/1/2071 | 1,344,831 |

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

7. Mortgages and notes payable, net (continued)

| Lender | Secured Entity | Interest rate | Monthly principal and int or other repymt terms | Maturity | Principal balance |
|---|--------------------------------|----------------------|--|-----------------|--------------------------|
| Citibank, N.A. (Construction Loan) | Mission Cove Family I Hsg, LP | 0.00% | (3) | 9/1/2073 | \$ 890,000 |
| City of Oceanside | Mission Cove Family I Hsg, LP | 3.00% | (1) | 10/1/2072 | 4,407,778 |
| Wells Fargo Bank (AHP Loan) | Mission Cove Family I Hsg, LP | 3.00% | (1) | 3/1/2071 | 943,470 |
| Bank of America | Mission Cove Family II Hsg, LP | 5.26% | \$ 14,255 | 5/1/2035 | 2,664,670 |
| City of Oceanside | Mission Cove Family II Hsg, LP | 3.00% | (1) | 5/1/2073 | 4,178,983 |
| City of Oceanside (AHP Loan) | Mission Cove Family II Hsg, LP | 0.00% | (1) | 3/30/2072 | 590,000 |
| City of Oceanside (Ground Lease Loan) | Mission Cove Family II Hsg, LP | 0.00% | (1) | 4/1/2072 | 5,000,000 |
| California HCD | Riverside Housing Ptrs, LP | 3.00% | (2) | 3/1/2061 | 2,930,000 |
| City of Riverside | Riverside Housing Ptrs, LP | 3.00% | (1) | 7/1/2059 | 4,496,135 |
| US Bank | Riverside Housing Ptrs, LP | 6.21% | 9,779 | 7/1/2036 | 1,191,910 |
| Agency IV - First 5 LA | Mar Vista Union Hsg Ptrs, LP | 3.00% | (1) | 6/1/2072 | 931,437 |
| AHP Funds | Mar Vista Union Hsg Ptrs, LP | 0.00% | (3) | 6/1/2070 | 300,000 |
| CDC - County of Los Angeles | Mar Vista Union Hsg Ptrs, LP | 3.00% | (1) | 3/1/2072 | 895,726 |
| City of Pasadena | Mar Vista Union Hsg Ptrs, LP | 3.00% | (1) | 4/1/2065 | 1,417,273 |
| Federal Home Funds | Mar Vista Union Hsg Ptrs, LP | 3.00% | (1) | 7/1/2067 | 1,475,397 |
| Inclusionary Housing Fund | Mar Vista Union Hsg Ptrs, LP | 3.00% | (1) | 7/1/2067 | 646,077 |
| Brookfield University Commons, LLC | UC Housing Partners, LP | 2.00% | (3) | 11/1/2059 | 1,463,164 |
| California HCD | UC Housing Partners, LP | 3.00% | (2) | 7/1/2062 | 6,382,879 |
| CSCDA | UC Housing Partners, LP | 5.60% | 23,618 | 8/1/2037 | 3,066,432 |
| AHP Funds | Mission Village Senior Hsg, LP | 0.00% | (3) | 3/1/2065 | 500,000 |
| Redevelopment Agency of the County of Riverside | Mission Village Senior Hsg, LP | 3.00% | (1) | 9/1/2064 | 10,472,118 |
| US Bank | Mission Village Senior Hsg, LP | 5.89% | 17,893 | 3/1/2040 | 2,493,972 |
| California Housing Finance Agency | SCHD / Monterey Village | 7.25% | 34,791 | 10/1/2026 | 1,981,005 |
| California Housing Finance Agency | SCHD / Northgate Village | 6.00% | 33,444 | 10/1/2034 | 3,766,070 |
| Victorville RDA | SCHD / Northgate Village | 3.00% | (1) | 12/1/2035 | 4,364,812 |
| CDC County of LA (HOME funds) | Bell Housing Ptrs, LP | 3.00% | (1) | 3/1/2033 | 1,886,091 |
| HACOLA | Bell Housing Ptrs, LP | 3.00% | (1) | 3/1/2033 | 1,000,000 |
| JPMorgan Chase Bank | Bell Housing Ptrs, LP | 6.25% | 8,441 | 1/1/2034 | 903,719 |
| JPMorgan Chase Bank - AHP | Bell Housing Ptrs, LP | 0.00% | (3) | 1/1/2034 | 240,000 |
| California Housing Finance Agency | Savi Ranch II Hsg Ptrs, LP | 3.00% | (1) | 6/1/2072 | 1,692,007 |
| Citi Bank | Savi Ranch II Hsg Ptrs, LP | 5.70% | 16,920 | 7/1/2035 | 2,857,808 |
| City of Orange | Savi Ranch II Hsg Ptrs, LP | 3.00% | (1) | 6/7/2072 | 1,504,100 |
| City of Yorba Linda | Savi Ranch II Hsg Ptrs, LP | 3.00% | (1) | 6/1/2072 | 2,000,000 |

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7. Mortgages and notes payable, net (continued)

| Lender | Secured Entity | Interest rate | Monthly principal and int or other repymt terms | Maturity | Principal balance |
|--|-------------------------------|----------------------|--|-----------------|--------------------------|
| Orange County Housing Authority | Savi Ranch II Hsg Ptrs, LP | 3.00% | (1) | 6/7/2072 | \$ 140,200 |
| Pacific Western Bank - AHP | Savi Ranch II Hsg Ptrs, LP | 0.00% | (3) | 6/7/2072 | 530,000 |
| RDA - City of Yorba Linda | Savi Ranch II Hsg Ptrs, LP | 3.00% | (1) | 6/1/2072 | 2,415,321 |
| City of San Bernardino HOME Funds | Waterman Gardens Ptrs 1, LP | 3.00% | (1) | (a) | 734,000 |
| Housing Authority of San Bernardino | Waterman Gardens Ptrs 1, LP | 2.33% | (1) | (a) | 663,000 |
| Wells Fargo Bank | Waterman Gardens Ptrs 1, LP | 3.65% | \$ 35,164 | 10/1/2057 | 8,540,833 |
| Wells Fargo Bank | Waterman Gardens Ptrs 1, LP | 0% | (1) | (a) | 762,000 |
| Citi Bank | Savi Ranch Housing Ptrs, LP | 5.40% | 17,241 | 7/1/2033 | 3,135,648 |
| Citi Bank - Subordinate Loan | Savi Ranch Housing Ptrs, LP | 1.00% | (1) | 4/1/2070 | 550,000 |
| City of Yorba Linda | Savi Ranch Housing Ptrs, LP | 3.00% | (1) | 3/1/2066 | 6,212,314 |
| NCRC | Savi Ranch Housing Ptrs, LP | 0.00% | (3) | 9/1/2071 | 680,000 |
| Bank of the West | Promenade Housing Ptrs, LP | variable | 20,284 | 5/1/2054 | 4,038,772 |
| CDC of the City of West Covina | Promenade Housing Ptrs, LP | 2.82% | (1) | 4/1/2072 | 6,056,621 |
| Executive Lodge LP - Seller Carryback | Promenade Housing Ptrs, LP | 5.00% | (1) | 12/31/2072 | 1,356,422 |
| NCRC | Promenade Housing Ptrs, LP | 3.00% | (1) | 12/31/2072 | 575,014 |
| Bolt Housing Partners - Seller Carryback | Parkside SD Apartments, LP | 3.80% | (1) | 6/30/2055 | 2,699,411 |
| Pacific Western Bank | Parkside SD Apartments, LP | 5.00% | 13,543 | 3/1/2037 | 2,638,050 |
| San Diego Housing Commission | Parkside SD Apartments, LP | 3.00% | (1) | 11/16/2056 | 1,725,528 |
| Citibank | Paseo Del Oro Apartments, LP | 5.09% | 35,042 | 4/1/2035 | 6,767,160 |
| City of San Marcos | Paseo Del Oro Apartments, LP | 3.00% | (1) | 12/1/2073 | 3,465,670 |
| County of San Diego | Paseo Del Oro Apartments, LP | 5.98% | (3) | 3/1/2073 | 1,497,051 |
| San Marcos Hsg Partners, LP – Seller Carryback | Paseo Del Oro Apartments, LP | 4.50% | (1) | 3/1/2073 | 4,801,338 |
| California Community Reinvestment Corp | Fontana IV Hsg Ptrs, LP | 6.50% | 13,896 | 9/1/2045 | 2,049,679 |
| Fontana Housing Authority | Fontana IV Hsg Ptrs, LP | 0.25% | (1) | 6/30/2065 | 6,834,539 |
| AHP Funds | Bell Gardens Hsg Partners, LP | 0.00% | (1) | 3/1/2064 | 284,000 |
| CCRC | Bell Gardens Hsg Partners, LP | 5.52% | (5) | 7/1/2038 | 1,778,081 |
| City of Bell CDC | Bell Gardens Hsg Partners, LP | 3.00% | (1) | 4/1/2060 | 3,812,203 |
| City of L.A. HOME Funds | Bell Gardens Hsg Partners, LP | 3.00% | (1) | 3/1/2063 | 2,785,367 |
| Housing Authority Co. of L.A. | Bell Gardens Hsg Partners, LP | 3.00% | (1) | 3/1/2063 | 1,500,000 |
| CA Community Reinvestment Corp | Cathedral Family Hsg Ptrs, LP | 7.25% | 3,355 | 3/1/2028 | 531,651 |
| City of Cathedral City - RDA | Cathedral Family Hsg Ptrs, LP | 2.00% | (1) | 4/1/2066 | 4,006,162 |
| County of Riverside - HOME Funds | Cathedral Family Hsg Ptrs, LP | 1.00% | (1) | 7/1/2066 | 1,250,000 |
| Federal Home Loan Bank - AHP | Cathedral Family Hsg Ptrs, LP | 0.00% | (1) | 4/1/2067 | 590,000 |

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7. Mortgages and notes payable, net (continued)

| Lender | Secured Entity | Interest rate | Monthly principal and int or other repymt terms | Maturity | Principal balance |
|---|----------------------------------|----------------------|--|-----------------|--------------------------|
| NCRC | Cathedral Family Hsg Ptrs, LP | 0.00% | (1) | 1/1/2065 | \$ 638,471 |
| JPMorgan Chase Bank | NCRC / Rancho Verde Apts | 2.75% | \$ 21,696 | 4/1/2025 | 1,062,432 |
| JPMorgan Chase Bank | NCRC / Rancho Verde Apts | 5.16% | 11,206 | 4/1/2025 | 1,891,993 |
| County of San Bernardino | Renaissance Village Hsg Ptrs, LP | 3.06% | (1) | 9/1/2034 | 273,303 |
| Greystone | Renaissance Village Hsg Ptrs, LP | 5.60% | 25,972 | 1/1/2035 | 4,284,385 |
| NCRC | Renaissance Village Hsg Ptrs, LP | 3.06% | (1) | 3/1/2030 | 650,812 |
| NCRC | Renaissance Village Hsg Ptrs, LP | 3.06% | (1) | 7/1/2069 | 400,000 |
| City of Montclair RDA | Montclair Family Hsg Ptrs, LP | 3.00% | (1) | 5/1/2061 | 1,943,765 |
| County of San Bernardino (HOME) | Montclair Family Hsg Ptrs, LP | 5.00% | (1) | 5/1/2061 | 1,500,000 |
| US Bank | Montclair Family Hsg Ptrs, LP | 7.73% | 9,802 | 11/1/2037 | 1,123,511 |
| AHP Funds | EMI Housing Partners, LP | 0.00% | (1) | 3/1/2044 | 158,357 |
| City of Montclair | EMI Housing Partners, LP | 4.00% | (1) | 4/1/2069 | 682,119 |
| Wells Fargo Bank | EMI Housing Partners, LP | 0.00% | (1) | 10/1/2055 | 2,869,900 |
| California HCD | Santee Apts, LP | 3.00% | (2) | 12/1/2058 | 3,270,535 |
| Community Development Commission | Santee Apts, LP | 3.00% | (1) | 3/1/2055 | 3,016,248 |
| County of San Diego | Santee Apts, LP | 3.00% | (1) | 12/1/2055 | 240,000 |
| JPMorgan Chase Bank | Santee Apts, LP | 5.95% | 12,278 | 5/1/2028 | 1,535,229 |
| City of Montclair Redevelopment Agency | Montclair Senior Hsg Ptrs, LP | 3.00% | (1) | 7/1/2063 | 1,528,280 |
| San Antonio Gateway Housing Corp - Seller Carryback | Montclair Senior Hsg Ptrs, LP | 0.00% | (3) | 3/1/2066 | 10,604,000 |
| California Housing Finance Agency | SCHD / Sycamore Springs Apts | 7.25% | 30,186 | 9/1/2026 | 1,718,815 |
| AHP Funds | Palmdale Senior Hsg Ptrs, LP | 0.00% | (3) | 1/1/2066 | 600,000 |
| Citi Bank | Palmdale Senior Hsg Ptrs, LP | 5.65% | 14,476 | 12/1/2026 | 2,389,326 |
| City of Palmdale HOME | Palmdale Senior Hsg Ptrs, LP | 3.00% | (1) | 6/1/2059 | 750,000 |
| Cmty Redevelopment Agency of the City of Palmdale | Palmdale Senior Hsg Ptrs, LP | 3.00% | (1) | 6/1/2059 | 1,000,000 |
| Autumn Ridge Apts, LP | SVSM Apartments, LP | 0% | (1) | 3/31/2073 | 6,609,821 |
| Citibank, N.A. | SVSM Apartments, LP | 5.09% | 85,499 | 10/1/2050 | 16,587,687 |
| San Marcos Redevelopment Agency | SVSM Apartments, LP | 3.00% | (1) | 12/31/2073 | 5,467,067 |
| California HCD | Eagle Rock Hsg Partners, LP | 3.00% | (2) | 6/1/2066 | 1,708,526 |
| City of Los Angeles (HOME) | Eagle Rock Hsg Partners, LP | 4.45% | (1) | 12/1/2063 | 2,325,360 |
| NHDC Tres Lomas, LP | Eagle Rock Hsg Partners, LP | 4.45% | (1) | 12/1/2069 | 692,428 |
| US Bank (EastWest Bank) | Eagle Rock Hsg Partners, LP | 8.00% | 4,243 | 6/1/2039 | 486,905 |
| San Diego Housing Commission | Ken Tal Senior Partners, LP | 5.00% | 1,691 | 12/1/2034 | 225,641 |
| San Diego RDA | Ken Tal Senior Partners, LP | 3.00% | (1) | 10/30/2059 | 5,216,424 |

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7. Mortgages and notes payable, net (continued)

| Lender | Secured Entity | Interest rate | Monthly principal and int or other repymt terms | Maturity | Principal balance |
|---|--------------------------------|----------------------|--|-----------------|--------------------------|
| CCRC (Wells Fargo bond trustee) | Citrus Grove Hsg Ptrs, LP | 6.25% | \$ 5,110 | 6/1/2041 | \$ 707,830 |
| Rialto Housing Authority | Citrus Grove Hsg Ptrs, LP | 0.00% | (1) | 5/1/2065 | 333,037 |
| Rialto Housing Authority | Citrus Grove Hsg Ptrs, LP | 0.00% | (1) | 5/1/2065 | 6,800,703 |
| Rialto Housing Authority | Citrus Grove Hsg Ptrs, LP | 0.00% | (1) | 5/1/2065 | 1,492,973 |
| Calif Community Reinvestment Corp | Mills Family Housing, LP | 7.50% | 5,943 | 9/1/2041 | 749,383 |
| City of Montclair | Mills Family Housing, LP | 3.00% | (1) | 8/1/2064 | 4,283,084 |
| County of San Bernardino | Mills Family Housing, LP | 3.00% | (1) | 7/1/2066 | 2,000,000 |
| NCRC | Vista Dunes Housing Ptrs, LP | 4.88% | (1) | 9/1/2062 | 5,200,000 |
| NCRC | Vista Dunes Housing Ptrs, LP | 1.00% | (1) | 12/1/2062 | 2,101,689 |
| US Bank National Bank | Vista Dunes Housing Ptrs, LP | 6.90% | 7,788 | 11/1/2038 | 955,471 |
| City of Yorba Linda RDA | Yorba Linda Housing Ptrs, LP | 3.00% | (1) | 5/1/2061 | 12,726,406 |
| JPMorgan Chase Bank | Yorba Linda Housing Ptrs, LP | 6.07% | 29,280 | 12/1/2031 | 3,965,269 |
| JPMorgan Chase Bank | Yorba Linda Housing Ptrs, LP | 0.00% | (1) | 11/1/2039 | 750,000 |
| California Community Reinvestment Corp. | Rancho Workforce Housing, LP | 6.04% | 51,996 | 10/1/2040 | 8,016,506 |
| City of Rancho Cucamonga Redevelopment Agency | Rancho Workforce Housing, LP | 2.39% | (1) | 9/1/2063 | 25,868,857 |
| AHP Funds | Fontana Hsg Ptrs, LP | 0.00% | (3) | 9/1/2033 | 500,000 |
| CCRC | Fontana Hsg Ptrs, LP | variable | 9,158 | 9/1/2033 | 1,007,277 |
| City of Fontana | Fontana Hsg Ptrs, LP | 3.00% | (1) | 6/30/2059 | 1,002,187 |
| FHLB Affordable Housing Program | Villa Serena Apartments, LP | 0.00% | (3) | 5/1/2030 | 337,680 |
| JPMorgan Chase Bank | Villa Serena Apartments, LP | 5.80% | 13,761 | 5/1/2030 | 1,193,310 |
| San Marcos RDA | Villa Serena Apartments, LP | 3.00% | (1) | 2/1/2027 | 5,717,212 |
| Community Dev. Commission of National City | Vista del Sol Apartments, LP | 3.00% | (1) | 12/31/2073 | 7,234,762 |
| Copper Hills Apartments LP | Vista del Sol Apartments, LP | 5.00% | (1) | 12/31/2074 | 2,500,000 |
| Pacific Western Bank | Vista del Sol Apartments, LP | 4.00% | 39,815 | 2/1/2054 | 8,765,021 |
| California HCD | Vista Terraza Hsg Partners, LP | 3.00% | (2) | 5/1/2062 | 7,000,302 |
| US Bank | Vista Terraza Hsg Partners, LP | 5.81% | 25,343 | 5/1/2037 | 3,276,372 |
| WPH | Vista Terraza Hsg Partners, LP | 4.70% | (1) | 4/1/2060 | 4,673,244 |
| City of San Bernardino | Val 9 Housing Partners, LP | 3.00% | (1) | 9/1/2071 | 500,000 |
| County of San Bernardino | Val 9 Housing Partners, LP | 3.00% | (1) | 3/1/2070 | 1,500,000 |
| Housing Authority of San Bernardino | Val 9 Housing Partners, LP | 3.00% | (1) | 8/1/2070 | 810,000 |
| PNC Bank | Val 9 Housing Partners, LP | 3.47% | 41,791 | 11/1/2046 | 10,096,292 |
| Wells Fargo Bank | Val 9 Housing Partners, LP | 3.00% | (1) | 12/1/2071 | 750,000 |
| California HCD | Courson Senior Partners, LP | 3.00% | (1) | 6/1/2062 | 2,341,584 |

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7. Mortgages and notes payable, net (continued)

| Lender | Secured Entity | Interest rate | Monthly principal and int or other repymt terms | Maturity | Principal balance |
|---|-----------------------------------|----------------------|--|-----------------|--------------------------|
| City of Palmdale RDA | Courson Senior Partners, LP | 3.00% | (1) | 12/1/2060 | \$ 2,850,000 |
| FHLB-AHP California Community Reinvestment Corporation (CCRC) | Courson Senior Partners, LP | 0.00% | (3) | 1/1/2039 | 350,000 |
| CitiBank, N.A. | Courson Senior Partners, LP | 6.25% | \$ 6,773 | 4/1/2039 | 889,978 |
| City of San Marcos | Westlake Housing Partners, LP | 5.87% | 3,930 | 6/1/2030 | 652,031 |
| NCRC - AHP | Westlake Housing Partners, LP | 3.00% | (1) | 12/31/2071 | 13,330,252 |
| Berkadia | Westlake Housing Partners, LP | 0.00% | (1) | 4/1/2069 | 480,000 |
| City of San Marcos | Richmar Housing Partners, LP | 5.12% | 5,764 | 9/1/2049 | 1,041,310 |
| City of San Marcos | Richmar Housing Partners, LP | 3.00% | 963 | 1/1/2068 | 385,288 |
| City of San Marcos | Richmar Housing Partners, LP | 3.00% | (1) | 10/1/2071 | 3,397,973 |
| Century Housing Corporation | Day Creek Senior Hsg Partners, LP | 0.00% | (3) | 12/31/2073 | 1,390,000 |
| City of Rancho Cucamonga | Day Creek Senior Hsg Partners, LP | 2.91% | (4) | 12/31/2073 | 4,896,303 |
| JPMorgan Chase Bank - Construction loan | Day Creek Senior Hsg Partners, LP | variable | (4) | 6/14/2021* | 14,456,448 |
| Century Housing Corporation | Day Creek Senior Hsg Ptrs 2, LP | 0.00% | (3) | 2074 | 490,000 |
| City of Rancho Cucamonga | Day Creek Senior Hsg Ptrs 2, LP | 3.00% | (4) | 12/31/2073 | 2,194,807 |
| City of Rancho Cucamonga - Seller Carryback | Day Creek Senior Hsg Ptrs 2, LP | 2.91% | (4) | 12/31/2073 | 2,803,697 |
| JPMorgan Chase Bank - Construction loan | Day Creek Senior Hsg Ptrs 2, LP | variable | (4) | 6/14/2021* | 7,500,366 |
| Bank of America | NCRC Encanto, LP | 5.73% | 21,399 | 8/1/2036 | 3,825,823 |
| Bank of America - AHP | NCRC Encanto, LP | 0.00% | (3) | 8/30/2073 | 650,000 |
| City of San Diego | NCRC Encanto, LP | 4.00% | (1) | 12/6/2074 | 6,250,000 |
| San Diego Housing Commission | NCRC Encanto, LP | 4.00% | (1) | 6/30/2074 | 1,060,000 |
| City of Victorville RDA | SGNTR VC, LLC | 3.00% | (1) | 12/1/2061 | 1,394,841 |
| City of San Diego | NCRC SYSV, LP | 3.00% | (1) | (b) | 4,500,000 |
| Pacific Western Bank | NCRC SYSV, LP | 4.25% | (4) | 7/1/2038 | 9,243,364 |
| Pacific Western Bank | NCRC SYSV, LP | 0.00% | (3) | 12/1/2073 | 1,000,000 |
| San Diego Housing Commission | NCRC SYSV, LP | 3.00% | (1) | 12/31/2075 | 722,000 |
| Century Housing Corporation | LINC-CORE Hsg Ptrs-Glendale, LP | 5.68% | 12,402 | 6/11/2037 | 2,246,244 |
| City National Bank | LINC-CORE Hsg Ptrs-Glendale, LP | 0.00% | (3) | 3/12/2073 | 650,000 |
| City of Glendale | LINC-CORE Hsg Ptrs-Glendale, LP | 3% | (3) | (d) | 7,485,944 |
| Housing Authority - City of Glendale | LINC-CORE Hsg Ptrs-Glendale, LP | 3.0% | (3) | (d) | 1,814,056 |
| City of Ontario | Virginia Holt Housing, LP | variable | (4) | 5/1/2021* | 14,848,352 |
| Ontario Housing Authority | Virginia Holt Housing, LP | 2.89% | (1) | 4/1/2074 | 2,420,000 |

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7. Mortgages and notes payable, net (continued)

| Lender | Secured Entity | Interest rate | Monthly principal and int or other repymt terms | Maturity | Principal balance |
|--|--------------------------------------|----------------------|--|-----------------|--------------------------|
| Ontario Housing Authority | Virginia Holt Housing, LP | 3.00% | (1) | 4/1/2074 | \$ 2,000,000 |
| Bank of America | Waterman Gardens Ptrs 2, LP | 3.00% | (4) | 6/1/2022 | 26,912,642 |
| City of San Bernardino | Waterman Gardens Ptrs 2, LP | 3.00% | (4) | 9/30/2074 | 600,000 |
| City of San Bernardino - HOME loan | Waterman Gardens Ptrs 2, LP | 3.00% | (1) | 9/30/2074 | 830,000 |
| County of San Bernardino | Waterman Gardens Ptrs 2, LP | 3.00% | (1) | (a) | 2,610,000 |
| Dignity Health | Waterman Gardens Ptrs 2, LP | 2.00% | \$ 2,000 | 11/1/2028 | 1,200,000 |
| HACSB Land Loan | Waterman Gardens Ptrs 2, LP | 2.21% | (1) | 12/31/2073 | 970,000 |
| Housing Authority of San Bernardino | Waterman Gardens Ptrs 2, LP | 3.00% | (1) | (a) | 3,412,000 |
| Bank of America | LINC-CORE Fairview Metro, LP | variable | Variable | 3/17/2023 | 2,431,375 |
| LACDA (measure H) | LINC-CORE Fairview Metro, LP | 3.00% | 6,162 | 12/17/2076 | 2,464,900 |
| LACDA (MHHP) | LINC-CORE Fairview Metro, LP | 3.00% | 4,670 | 12/17/2076 | 1,868,171 |
| LACDA (Prop A) | LINC-CORE Fairview Metro, LP | 0.00% | (1) | 12/17/2076 | 461,233 |
| LACDA Measure H | LINC-CORE Fairview Metro, LP | 3.00% | (1) | 12/1/2076 | 2,644,383 |
| Century Housing Corporation | NCRC Mountain View LLC (Lake Forest) | variable | (4) | 5/1/2021* | 10,530,000 |
| Citizens Business Bank | La Sierra 34, LP | variable | (4) | 4/16/2024 | 159,756 |
| Bank of America | Linc-CORE San Pedro Lofts, L.P. | variable | (4) | 1/1/2024 | 773,094 |
| LINC Community Development Corp | Linc-CORE San Pedro Lofts, L.P. | 3.00% | (4) | 1/1/2024 | 592,123 |
| NCRC | Linc-CORE San Pedro Lofts, L.P. | 3.00% | (4) | 1/1/2024 | 592,123 |
| Chase San Marcos RDA | Villa Serena Apartments, LP | 0.00% | (3) | (a) | 437,523 |
| San Marcos RDA | West Mission Partners, LLC | 3.00% | (1) | 5/1/2031 | 1,320,000 |
| Subtotal | | | | | \$ 789,711,508 |
| Less: intercompany notes eliminated upon consolidation | | | | | (63,858,871) |
| Consolidated subtotal | | | | | 725,852,637 |
| Less: unamortized debt issuance costs | | | | | (7,870,265) |
| Mortgages and notes payable, net | | | | | <u>\$ 717,982,372</u> |

(a) Maturity Date will be 55 years from completion of construction.

(b) Maturity Date will be 55 years from the Certificate of Occupancy.

(c) Maturity Date will be 55 years from the later of commencement date or conversion date.

(d) Maturity Date will be 55 years from the date of conversion.

(1) Payment is based on residual receipts.

(2) Payment in the amount of .42% per annum.

(3) Full payment at maturity.

(4) Interest only monthly, principal payment at maturity.

(5) From \$10,000 to \$55,000 until maturity.

* See Note 20 subsequent events.

Debt issuance costs are being amortized to interest expense over the term of the loan. For the year ended December 31, 2020, the effective interest rate was 3.12%. During 2020, amortization expense for debt issuance costs was \$591,791.

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7. Mortgages and notes payable, net (continued)

The aggregate maturities of the mortgages over each of the next five years and thereafter are as follows:

| | |
|------------|-----------------------|
| 2021 | \$ 47,144,928 |
| 2022 | 47,012,211 |
| 2023 | 9,119,157 |
| 2024 | 7,004,486 |
| 2025 | 11,159,787 |
| Thereafter | <u>604,412,068</u> |
| Total | <u>\$ 725,852,637</u> |

8. Net assets with donor restrictions

Note Payable La Quinta Redevelopment Agency

For the year ended June 30, 2008, NCRC acquired a partially constructed project from the La Quinta Redevelopment Agency (the "Agency") for \$24,000,000 pursuant to the Amended and Restated Affordability Housing Agreement dated October 31, 2007. NCRC gave the Agency a note in the same amount of \$24,000,000. The \$24,000,000 represented the amount that the Agency had spent on construction as of the date of the sale of the partially completed project to NCRC. The note does not bear interest and is automatically forgiven five years after the date that Vista Dunes Housing Partners, L.P. (an entity in which NCRC holds a general partner interest through an affiliate) executes its permanent loan (which occurred on February 1, 2009), as long as NCRC does not violate any of the agreement covenants. On October 31, 2007, NCRC sold the project to Vista Dunes Housing Partners, L.P. for \$5,200,000. The sales price of \$5,200,000 was determined by an appraisal commissioned by NCRC. NCRC believes the fair value of the project's assets sold to Vista Dunes Housing Partners, L.P. is \$5,200,000. Therefore, NCRC believes that the fair value of the project assets acquired from the Agency, and the note payable to the Agency, is \$5,200,000. The fair value of the \$24,000,000 note at face value was set at \$5,200,000.

On February 10, 2015 the loan was re-conveyed and will be amortized over the remaining compliance period of the Vista Dunes project. Consequently, the entire \$5,200,000 was classified as net assets with donor restrictions on the accompanying consolidated statement of financial position. Release of restriction on this grant commenced in February 2015 and will continue over a 46-year period on a straight-line basis. For the year ended December 31, 2020, \$113,043 of net assets with donor restrictions was released, recognized as income and is included in other rental income on the accompanying consolidated statement of activities. Amortization in subsequent years will be approximately \$113,043 per year. As of December 31, 2020, NCRC has a balance of net assets with donor restrictions of \$4,531,162 attributable to the loan forgiveness.

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8. Net assets with donor restrictions (continued)

Note Payable La Quinta Redevelopment Agency (continued)

There were additional advances from the Agency totaling \$1,910,067. The entire amount was forgiven in a prior year and is classified as net assets with donor restrictions on the consolidated statement of financial position. Release of restriction on this grant commenced in February 2015 and will continue over a 46-year period on the straight-line basis. For the year ended December 31, 2020, \$38,213 of net assets with donor restrictions was released, recognized as income and is included in other rental income on the accompanying consolidated statement of activities. Amortization in subsequent years will be approximately \$38,213 per year. As of December 31, 2020, NCRC has a balance of net assets with donor restrictions of \$1,601,751 attributable to the forgiveness of advances.

Extended affordability agreement

In 2008, NCRC received a \$42,500,000 donation under the terms of an Extended Affordability Agreement with the Rancho Cucamonga Redevelopment Agency, in which NCRC agreed to add certain units to the existing below market units currently specified at four affordable housing properties named in the agreement and to keep all the below market units at each property at the agreed upon below market rate for a minimum of 99 years. The agreement to keep the properties as regulated affordable housing for a minimum of 99 years is a restriction on NCRC. The restriction is removed as progress is made in satisfying the 99-year term of the rent affordability restriction in the agreement. Consequently, the entire \$42,500,000 was classified as net assets with donor restrictions on the consolidated statement of financial position. Amortization of this grant commenced in December 2007 over the 99-year term on a straight-line basis. For the year ended December 31, 2020, \$429,292 of net assets with donor restrictions were added to net assets without donor restrictions. Amortization in subsequent years will be approximately \$429,300 per year. As of December 31, 2020, NCRC has a balance of net assets with donor restrictions of \$36,929,373 attributable to the extended affordability agreement.

Pledge Agreement grant

On July 24, 1994, NCRC executed a Pledge Agreement (the "Pledge Agreement") with the Redevelopment Agency of the City of Rancho Cucamonga (the "Redevelopment Agency"). The purpose of the agreement is to enable the Redevelopment Agency to provide NCRC funds on an annual basis over a period of thirty years to assist NCRC in acquiring qualifying apartment projects from the Redevelopment Agency's set-aside funds. As a result of this agreement NCRC acquired three qualifying projects. NCRC executed a Regulatory Agreement and Declaration of Restrictive Covenants for each of the three projects which impose tenant income and rent restrictions.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

8. Net assets with donor restrictions (continued)

Pledge Agreement grant (continued)

Over time, the Pledge Agreement was amended to satisfy certain requirements of the Redevelopment Agency. The Redevelopment Agency successor agency is the City of Rancho Cucamonga, and continued funding of the Pledge Agreement grant is included in the Rancho Cucamonga Redevelopment Agency's Enforceable Obligation Payment Schedule.

For the year ended December 31, 2020, the Redevelopment Agency funded \$339,200 under the Pledge Agreement, which is included in net assets with donor restrictions on the accompanying consolidated statement of activities. The funding is accounted for as grant income with donor restrictions. As expenditures from the replacement reserves are made, net assets with donor restrictions are released in the same amount. For the year ended December 31, 2020, \$324,019 of net assets with donor restrictions were added to net assets without donor restrictions. As of December 31, 2020, NCRC has a balance of net assets with donor restrictions of \$3,365,863 attributable to the Pledge Agreement grant.

9. Retirement plan

NCRC maintains a Voluntary 401(k) Retirement Plan that covers substantially all full-time employees of NCRC. Contributions are matched as follows: 200% match for 1% deferral, up to statutory limits; 100% match for 2%, 3%, and 4% deferrals, up to statutory limits; 100% vested in matching contribution, up to statutory limits; and annual discretionary contributions. Discretionary contributions are determined by management and are allocated to all eligible employees based upon compensation. For the year ended December 31, 2020, \$603,594 was contributed by NCRC to the retirement plan and is included in payroll expense on the accompanying consolidated statement of activities and changes in net assets. As of December 31, 2020, accrued retirement plan payables totaled \$618,341 and is included in accrued expenses on the accompanying consolidated statement of financial position.

10. Housing assistance payments and contracts

HUD has contracted pursuant to Section 8 of the Housing Act of 1937 to make housing assistance payments to four affiliates controlled by NCRC on behalf of qualified tenants. The agreements have various expiration dates, with contract terms of generally 5-20 years. For the year ended December 31, 2020, the affiliates received \$973,657 under these agreements, which is included in rental income on the accompanying consolidated statement of activities.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

11. Related party transactions

In the ordinary course of business, NCRC has significant related party transactions with its wholly-owned subsidiaries and affiliates. It provides funding in connection with the development and management of projects. In certain cases, NCRC pays operating expenses on behalf of affiliates. Such amounts are unsecured, non-interest bearing and payable upon demand.

NCRC earns construction contractor's fees, supervisory management and asset management fees, construction supervisory management fees, social services fees and property management fees in connection with services rendered to consolidated affiliated entities. Such amounts are generally payable from available cash flows. All intercompany amounts are eliminated upon consolidation.

Advances due from affiliates

The amounts loaned by NCRC to affiliates primarily represent development loans and other entity expenses that do not eliminate upon consolidation. These loans are unsecured, due on demand and some bear interest. As of December 31, 2020, such amounts due are \$862,312.

From time-to-time, NCRC advances funds to NCRDC to cover operating deficits. The advances are unsecured and due on demand. As of December 31, 2020, such advances totaled \$4,565,692, which is included in advances due from affiliates on the accompanying consolidated statement of financial position. NCRDC's management has provided to the management of NCRC their plans, as well as their underlying estimates and assumptions, to repay the advances. Management of NCRC has reviewed the plans, estimates and assumptions and accordingly has determined that no allowance for doubtful accounts is required as of December 31, 2020.

General and administrative expense allocation

NCRC allocates 7% of its general and administrative expenses to NCRDC. The allocation is based on a combination of total organization head count and total properties managed by each organization.

12. Gain on sale of rental property

On October 10, 2020, Spring Valley Housing Partners, LP sold its apartment project for a total purchase price of \$6,300,000 to NCRC Interim Spring Valley, LLC, an entity wholly-owned by NCRC. Since the parties involved in the transaction are affiliates under common control of NCRC, GAAP requires that the transaction be recorded based on the seller's carrying value of the assets and liabilities at the time of surrender. The buyer acquired the building and certain assets and liabilities, which resulted in an excess common control of \$3,099,174 that is included in net assets and eliminated upon consolidation on the accompanying consolidated financial statements.

On July 23, 2020, NCRC sold its wholly-owned apartment project Cathedral Palms for a total purchase price of \$14,800,000 to CP Senior Apartments, LP. The buyer is a Housing Affiliate. The buyer acquired the building and certain assets and liabilities. NCRC recognized gain upon sale of \$12,470,142 and provided loans to the project totaling \$14,612,125 as of December 31, 2020, all of which is eliminated upon consolidation on the accompanying consolidated financial statements.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

13. Sale of State LIHTCs

In June 2020, one of the Housing Affiliates, LINC-CORE San Pedro Lofts, LP (“San Pedro”), received a preliminary reservation of California state low income housing tax credits (“State LIHTCs”) in the amount of \$13,306,136. On December 22, 2020, NCRC entered into a purchase and transfer agreement with an unrelated party (the “Buyer”) to sell the Buyer the State LIHTCs for a projected amount of \$11,842,461, or \$0.89 per \$1.00 of State LIHTCs. All funds received in connection with the State LIHTCs sale are immediately loaned to San Pedro. NCRC and the co-general partner in San Pedro are 50%/50% co-guarantors on the State LIHTCs agreement, and therefore, split the sale proceeds and corresponding notes payable for San Pedro. As of December 31, 2020, NCRC’s 50% share of net loan receivable from San Pedro was \$592,123, which is included in notes and interest receivable on the accompanying consolidated statement of financial position and eliminated upon consolidation. As of December 31, 2020, NCRC’s 50% share of income earned on the sale of State LIHTCs was \$592,123, which is included in other income on the accompanying consolidated statement of activities and changes in net assets.

14. Guarantees

In its role as general partner of the various Housing Affiliates, NCRC is liable for recourse liabilities. In connection with their general partnership interests and in accordance with the partnership agreements, certain guarantees have been made to the affiliate partnerships.

Development deficit guaranty

NCRC, or its affiliates, are obligated to pay any development deficits or, at the option of the investor limited partner, to purchase the interest of the investor limited partner if the project is not completed or if permanent financing has not been obtained. This obligation terminates at achievement of break-even operations, as defined. As of December 31, 2020, no amounts were due under these guarantees.

Operating deficit guaranty

NCRC, or its affiliates, are obligated to make non-interest bearing loans to cover operating shortfalls and are repayable through available cash flow. The guaranty is generally for a period of three to five years, commencing with the break-even date, as defined. As of December 31, 2020, no amounts were due under these guarantees.

Recapture guaranty

The Housing Affiliates’ projects are operated in a manner necessary to qualify for federal low-income housing tax credits under IRC Section 42 (the “Tax Credits”). In order to qualify for these credits, the projects must comply with various federal and state requirements. Because the Tax Credits are subject to compliance with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized, and failure to meet all such requirements or to correct noncompliance within a specified time period may result in recapture of Tax Credits previously allocated. A recapture would require credit deficit payments to the limited partners for any recaptured credits plus any associated penalties, interest or additional taxes due, commencing with the break-even date, as defined. As of December 31, 2020, no amounts were due under these guarantees.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

15. Surplus cash and residual receipts

Some of the properties owned by or affiliated with NCRC and its subsidiaries are subject to regulatory agreements with HUD or state and local regulatory agencies, which restrict the use of the property and limit the use of project cash. Under the regulatory agreements, the partners of the affiliate partnerships are precluded from receiving any distributions of operating cash except to the extent of a portion of annual surplus cash, as defined.

16. Commitments and contingencies

Grant and property use restrictions

Many of the properties owned and operated by NCRC were developed using monies provided by grants and restrictive, low-interest rate loans. The terms of these loans restrict the use of the property and generally require it be rented to low-income qualified tenants for the period of the grant or related loan term. NCRC also receives grants with restrictions other than property use. Failure to comply with the terms of the grant or the loans would result in a requirement to repay a portion or all of the proceeds received.

Litigation

NCRC is subject to lawsuits and claims which arise out of the normal course of its activities. In the opinion of management, based upon the opinions of legal counsel, the disposition of any and all such actions, of which it is aware, will not have a material effect on the financial position of NCRC.

Other

As general partners in the Housing Affiliates, NCRC may be subject to other liabilities, should the affected Housing Affiliates' assets become insufficient to meet their obligations. In the opinion of management, future revenues and the value of the underlying assets of each of these Housing Affiliates will be sufficient to meet ongoing and future obligations.

17. Lease commitments

NCRC leases its corporate office space under a non-cancelable lease expiring June 11, 2022, with three one-year options to extend. Rental expense totaled \$379,739 for the year ended December 31, 2020.

Future minimum lease payments under the operating lease, excluding extension options, are as follows:

| | |
|--------------------------|-------------------|
| Year ending December 31, | |
| 2021 | \$ 324,384 |
| 2022 | 150,688 |
| Total | <u>\$ 475,072</u> |

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

18. Paycheck Protection Program Loan

In response to the COVID-19 outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act that, among other economic stimulus measures, established the U.S. Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”) to provide loans to small businesses for qualified payroll expenses. On May 6, 2020, NCRC received a PPP loan directly from Citizens Business Bank in the amount of \$3,800,000. The loan was forgivable upon submission of a forgiveness application and approval from SBA. The PPP loan was fully forgiven and NCRC has recognized grant income in the amount of \$3,800,000 for the year ended December 31, 2020. See Note 20.

19. Vulnerability – impact of COVID-19

The severity of the impact of COVID-19 on NCRC and its subsidiaries’ and affiliates’ operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on NCRC’s tenants, all of which are uncertain and cannot be predicted. NCRC’s future results could be adversely impacted by delays in rent collections. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows. Due to the uncertainty, management is reviewing cash waterfalls of its subsidiaries and affiliates and may elect to defer certain distributions. When management determines it is prudent to restart distributions, any distributions that are deferred will be paid on a cumulative basis not to exceed the amount that was deferred.

20. Subsequent events

Subsequent events have been evaluated through August 17, 2021, which is the date the financial statements were available to be issued. The following is a summary of significant transactions through August 17, 2021:

On June 14, 2021, the PPP loan forgiveness in full was approved by SBA. See Note 18.

On August 9, 2021, NCRC received an A+ credit rating from Standard & Poor’s (S&P) Global Ratings.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

20. Subsequent events (continued)

As reported in Note 7, the following loans were to mature during 2021:

| Lender | Secured Entity | Principal | Original Maturity Date | Extended Maturity or Other |
|-----------------------|---|------------------|-----------------------------------|---|
| City of Hawthorne | NCRC Hawthorne Terrace | \$ 207,645 | 3/1/2021 | AHP loan forgiven |
| Century Housing Corp. | Rialto Housing Partners, LP | 2,255,000 | 4/24/2021 | Extended to 4/24/2022 |
| City of Ontario | Virginia-Holt Housing, LP | 14,848,352 | 5/1/2021 | Extended to 11/1/2021 when it is expected to convert to permanent loan |
| Century Housing Corp. | NCRC Mountain View, LLC | 10,530,000 | 5/1/2021 | Extended to 5/1/2022 |
| JPMorgan Chase Bank | Day Creek Senior Housing Partners, LP | 14,456,448 | 6/14/2021 | Extended to 12/14/2021; expected to convert to permanent loan by 8/31/2021 |
| JPMorgan Chase Bank | Day Creek Senior Housing Partners 2, LP | 7,500,366 | 6/14/2021 | Extended to 12/14/2021; expected to convert to permanent loan by 8/31/2021 |
| Citizens Bank | NCRC | 2,000,000 | 7/15/2021 | Extended 90 days; longer extension expected after lender receives these audited financial statements. |
| US Bank | Victorville Housing Partners, LP | 1,266,945 | 10/1/2021 | Extension or refinance with lender in progress |

SUPPLEMENTARY INFORMATION

CONSOLIDATING SCHEDULES

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2020

| | National Community Renaissance of California | Hope Through Housing | Wholly-Owned | Eliminating Entries | National CORE of California | Housing Affiliates | Eliminating Entries | Total |
|---|---|-------------------------|-----------------------|------------------------|-----------------------------------|-----------------------|-------------------------|-------------------------|
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 5,393,441 | \$ 1,964,142 | \$ 15,255,645 | \$ - | \$ 22,613,228 | \$ 22,214,116 | \$ - | \$ 44,827,344 |
| Reserve for security deposits held in trust | - | - | 1,671,511 | - | 1,671,511 | 2,730,208 | - | 4,401,719 |
| Restricted cash | 3,686,794 | - | 15,024,006 | - | 18,710,800 | 27,353,589 | - | 46,064,389 |
| Accounts receivable, net | 637,025 | 27,744 | 1,153,042 | - | 1,817,811 | 1,574,746 | - | 3,392,557 |
| Prepaid expense | 400,431 | - | 287,366 | - | 687,797 | 7,778,720 | - | 8,466,517 |
| Advance due from affiliates, net | 35,628,135 | 679,299 | 3,906,116 | (19,341,294) | 20,872,256 | 3,833 | (15,448,085) | 5,428,004 |
| Notes and interest receivable | 12,357,127 | - | 53,188,728 | (2,000,000) | 63,545,855 | 467,164 | (63,053,335) | 959,684 |
| Project development costs receivable | 953,550 | - | - | - | 953,550 | - | - | 953,550 |
| Developer fee receivable | 17,200,125 | - | - | (1,118,139) | 16,081,986 | - | (14,665,532) | 1,416,454 |
| Investments | 8,982,110 | - | - | (2,237,505) | 6,744,605 | - | - | 6,744,605 |
| Property, equipment and improvements, net | 3,312,381 | 397,357 | 156,331,326 | - | 160,041,064 | 899,262,831 | (58,433,627) | 1,000,870,268 |
| Deferred costs, net | - | - | 1,594,330 | - | 1,594,330 | 1,387,175 | - | 2,981,505 |
| Total assets | \$ 88,551,119 | \$ 3,068,542 | \$ 248,412,070 | \$ (24,696,938) | \$ 315,334,793 | \$ 962,772,382 | \$ (151,600,579) | \$ 1,126,506,596 |
| LIABILITIES AND NET ASSETS | | | | | | | | |
| Accounts payable | \$ 1,364,304 | \$ 193,920 | \$ 1,133,936 | \$ - | \$ 2,692,160 | \$ 22,836,074 | \$ - | \$ 25,528,234 |
| Security deposits | 18,652 | - | 1,702,418 | - | 1,721,070 | 2,599,717 | - | 4,320,787 |
| Accrued expenses | 2,479,635 | 151,184 | 369,214 | - | 3,000,033 | 778,858 | - | 3,778,891 |
| Deferred revenue | - | 379,000 | 197,440 | - | 576,440 | 345,650 | (379,000) | 543,090 |
| Accrued interest | - | - | 23,859,100 | - | 23,859,100 | 80,682,301 | (865,368) | 103,676,033 |
| Mortgages and notes payable, net | 6,160,000 | - | 134,695,323 | (3,000,000) | 137,855,323 | 640,985,920 | (60,858,871) | 717,982,372 |
| Due to affiliates | 2,479,026 | 5,634 | 18,335,660 | (18,341,294) | 2,479,026 | 8,048,649 | (7,286,024) | 3,241,651 |
| Developer fee payable | - | - | 1,118,139 | (1,118,139) | - | 11,346,258 | (9,561,971) | 1,784,287 |
| Total liabilities | 12,501,617 | 729,738 | 181,411,230 | (22,459,433) | 172,183,152 | 767,623,427 | (78,951,234) | 860,855,345 |
| Net assets | | | | | | | | |
| Net assets without donor restrictions, controlling | 44,098,201 | 1,834,008 | 52,523,998 | (2,237,505) | 96,218,702 | 16,493,349 | (96,067,668) | 16,644,383 |
| Net assets without donor restrictions, non-controlling | - | - | - | - | - | 178,655,606 | 23,418,323 | 202,073,929 |
| Total net assets without donor restrictions | 44,098,201 | 1,834,008 | 52,523,998 | (2,237,505) | 96,218,702 | 195,148,955 | (72,649,345) | 218,718,312 |
| Net assets with donor restrictions | 31,951,301 | 504,796 | 14,476,842 | - | 46,932,939 | - | - | 46,932,939 |
| Total net assets | 76,049,502 | 2,338,804 | 67,000,840 | (2,237,505) | 143,151,641 | 195,148,955 | (72,649,345) | 265,651,251 |
| Total liabilities and net assets | \$ 88,551,119 | \$ 3,068,542 | \$ 248,412,070 | \$ (24,696,938) | \$ 315,334,793 | \$ 962,772,382 | \$ (151,600,579) | \$ 1,126,506,596 |

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - SUPPLEMENTAL SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2020

| | National Community Renaissance of California | Hope Through Housing | Wholly-Owned | Eliminating Entries | National CORE of California | Housing Affiliates | Net Assets with Donor Restrictions | Eliminating Entries | Total |
|---|---|-------------------------|---------------|------------------------|-----------------------------------|-----------------------|--|------------------------|-----------------|
| REVENUE AND OTHER INCOME: | | | | | | | | | |
| Rental revenue, net of vacancy | \$ 300,132 | \$ - | \$ 32,751,168 | \$ - | \$ 33,051,300 | \$ 42,594,387 | \$ - | \$ - | \$ 75,645,887 |
| Other rental revenue | 194,688 | - | 758,349 | - | 953,037 | 1,851,981 | - | - | 2,805,018 |
| Social service fee income | - | 1,426,085 | - | (428,049) | 998,036 | - | - | (691,310) | 306,726 |
| Consulting, development and partnership fees | 20,879,379 | - | - | (3,798,866) | 17,080,513 | 5,240 | - | (16,035,683) | 1,050,070 |
| Management fees | 5,491,017 | - | - | (2,260,789) | 3,230,228 | - | - | (2,667,021) | 563,207 |
| Grants and contributions, including release of net assets with donor restrictions | 2,533,489 | 2,850,154 | (151,349) | - | 5,232,294 | 72,857 | (196,836) | - | 5,108,315 |
| Interest income | 562,828 | - | 453,469 | (32,575) | 983,722 | 30,388 | - | (433,477) | 580,633 |
| Forgiveness by lender | - | - | 1,000,000 | - | 1,000,000 | - | - | - | 1,000,000 |
| PPP loan forgiveness | 3,809,000 | - | - | - | 3,809,000 | - | - | - | 3,809,000 |
| Gain on sale | - | - | 12,470,142 | - | 12,470,142 | - | - | (12,470,142) | - |
| Other income | 602,123 | 242,595 | - | - | 844,718 | - | - | - | 844,718 |
| Total revenue and other income | 34,363,656 | 4,518,634 | 47,281,779 | (6,520,279) | 79,643,790 | 44,555,053 | (196,836) | (632,297,633) | 91,704,374 |
| PROGRAM EXPENSES | | | | | | | | | |
| Contracted program services • Hope Through Housing | - | - | - | - | - | - | - | - | - |
| Rent • Hope Through Housing | - | 869,681 | - | - | 869,681 | - | - | - | 869,681 |
| Payroll | - | 236,030 | - | - | 236,030 | - | - | - | 236,030 |
| Utilities | - | 1,377,628 | 4,687,619 | (28,500) | 6,036,747 | 6,727,560 | - | (67,602) | 12,696,705 |
| Repairs and maintenance | - | 7,734 | 3,861,717 | - | 3,869,451 | 5,688,019 | - | - | 9,557,470 |
| Legal and other professional services | - | 838 | 6,662,463 | - | 6,663,301 | 7,490,337 | - | - | 14,153,638 |
| Taxes and insurance | - | 86,702 | - | - | 86,702 | - | - | - | 86,702 |
| Interest expense | - | 5,652 | 2,173,386 | - | 2,179,238 | 2,141,206 | - | - | 4,320,444 |
| Depreciation and amortization expense | - | - | 5,066,426 | (32,575) | 5,033,851 | 17,981,472 | - | (903,413) | 22,109,910 |
| Other program expenses | - | 18,833 | 6,330,981 | - | 6,349,814 | 25,138,453 | - | - | 31,488,267 |
| Total program expenses | - | 3,716,811 | 28,782,792 | (61,075) | 32,438,528 | 65,546,309 | - | (973,015) | 97,011,822 |
| MANAGEMENT AND GENERAL EXPENSES | | | | | | | | | |
| General and administrative | 2,595,181 | 249,818 | 1,275,794 | - | 4,120,793 | 2,424,946 | - | - | 6,545,739 |
| Rent | - | - | - | - | - | - | - | - | - |
| Payroll | 14,634,729 | 148,881 | - | - | 14,783,610 | - | - | - | 14,783,610 |
| Utilities | 68,372 | - | - | - | 68,372 | - | - | - | 68,372 |
| Repairs and maintenance | 424,213 | - | - | - | 424,213 | - | - | - | 424,213 |
| Property management fees | 17,146 | - | 2,869,728 | (2,821,602) | 65,272 | 4,918,317 | - | (4,359,746) | 623,843 |
| Legal and other professional services | 1,138,483 | 43,926 | 291,277 | - | 1,473,686 | 540,908 | - | - | 2,014,594 |
| Taxes and insurance | 194,374 | - | - | - | 194,374 | - | - | - | 194,374 |
| Interest expense | 185,399 | - | - | - | 185,399 | - | - | - | 185,399 |
| Depreciation and amortization expense | 320,168 | - | - | - | 320,168 | - | - | - | 320,168 |
| Casualty losses | - | - | 748,117 | - | 748,117 | - | - | - | 748,117 |
| Other expenses | 308,927 | - | 38,744 | - | 347,671 | - | - | 471,956 | 819,607 |
| Total management and general expenses | 19,886,992 | 442,625 | 5,223,660 | (2,821,602) | 22,731,675 | 7,884,171 | - | (3,887,810) | 26,728,036 |
| FUNDRAISING EXPENSES | | | | | | | | | |
| Payroll | - | 119,794 | - | - | 119,794 | - | - | - | 119,794 |
| Fundraising events | 681 | 51,897 | - | - | 52,578 | - | - | - | 52,578 |
| Total fundraising expenses | 681 | 171,691 | - | - | 172,372 | - | - | - | 172,372 |
| Total expenses | 19,887,673 | 4,331,127 | 34,006,452 | (2,882,677) | 55,342,575 | 73,430,480 | - | (4,860,825) | 123,912,230 |
| Changes in net assets | \$ 14,475,983 | \$ 187,507 | \$ 13,275,327 | \$ (3,637,602) | \$ 24,301,215 | \$ (28,875,427) | \$ (196,836) | \$ (27,436,808) | \$ (32,207,860) |
| Net assets | | | | | | | | | |
| Controlling interest | | | | | | | | | |
| Without donor restrictions, beginning of year | \$ 30,073,578 | \$ 1,586,808 | \$ 42,691,042 | \$ (2,237,505) | \$ 72,114,323 | \$ 17,846,531 | \$ - | \$ (68,726,806) | \$ 21,234,048 |
| Distributions (partnerships) | - | - | (179,967) | 179,967 | - | (95,946) | - | 95,946 | - |
| Return of capital (non-profit entities) | - | - | (3,457,635) | 3,457,635 | - | - | - | - | - |
| Changes in net assets without donor restrictions | 14,024,223 | 247,200 | 13,470,558 | (3,637,602) | 24,104,379 | (1,237,236) | - | (27,436,808) | (4,589,665) |
| Without donor restrictions, end of year | \$ 44,098,201 | \$ 1,834,008 | \$ 52,323,998 | \$ (2,237,505) | \$ 96,218,702 | \$ 16,493,349 | \$ - | \$ (96,067,668) | \$ 16,644,383 |
| With donor restrictions, beginning of year | \$ 32,403,661 | \$ 445,103 | \$ 14,281,611 | \$ - | \$ 47,129,775 | \$ - | \$ - | \$ - | \$ 47,129,775 |
| Increase in net assets with donor restrictions | - | 763,319 | 339,200 | - | 1,102,519 | - | - | - | 1,102,519 |
| Release of net assets with donor restrictions | (451,760) | (703,626) | (143,969) | - | (1,299,355) | - | - | - | (1,299,355) |
| With donor restrictions, end of year | \$ 31,951,301 | \$ 504,796 | \$ 14,476,842 | \$ - | \$ 46,932,839 | \$ - | \$ - | \$ - | \$ 46,932,839 |
| Non-controlling interest | | | | | | | | | |
| Without donor restrictions, beginning of year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 169,119,124 | \$ - | \$ 10,347,279 | \$ 179,466,403 |
| Contributions | - | - | - | - | - | 34,445,652 | - | 13,071,044 | 47,516,696 |
| Distributions | - | - | - | - | - | (283,625) | - | - | (283,625) |
| Changes in net assets without donor restrictions | - | - | - | - | - | (27,618,191) | - | - | (27,618,191) |
| Decommodation of affiliate | - | - | - | - | - | 3,062,646 | - | - | 3,062,646 |
| Syndication costs | - | - | - | - | - | (70,000) | - | - | (70,000) |
| Without donor restrictions, end of year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 178,655,606 | \$ - | \$ 23,418,323 | \$ 202,073,929 |

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF INCOME (EBITDA) (Non-GAAP) - SUPPLEMENTAL SCHEDULE *
FOR THE YEAR ENDED DECEMBER 31, 2020

| | National Community Renaissance of California | Hope Through Housing | Wholly-Owned | Eliminating Entries | National CORE of California | Housing Affiliates | Net Assets with Donor Restrictions | Eliminating Entries | Total |
|---|---|-------------------------|---------------|------------------------|-----------------------------------|-----------------------|--|------------------------|---------------|
| REVENUE AND OTHER INCOME | | | | | | | | | |
| Rental revenue, net of vacancy | \$ 300,132 | \$ - | \$ 32,251,168 | \$ - | \$ 33,051,300 | \$ 42,594,587 | \$ - | \$ - | \$ 75,645,887 |
| Other rental revenue | 194,688 | - | 758,349 | - | 953,037 | 1,851,981 | - | - | 2,805,018 |
| Social service fee income | - | - | - | (428,049) | 998,036 | - | - | (691,310) | 306,726 |
| Consulting, development and partnership fees | 20,879,379 | 1,426,085 | - | (3,798,866) | 17,080,513 | 5,240 | - | (16,035,683) | 1,050,070 |
| Management fees | 5,491,017 | - | - | (2,260,789) | 3,230,228 | - | - | (2,667,021) | 563,207 |
| Grants and contributions, including release of net assets with donor restrictions | 2,533,489 | 2,850,154 | (151,349) | - | 5,232,294 | 72,857 | (196,836) | - | 5,108,315 |
| Other income | 602,123 | 242,395 | - | - | 844,518 | - | - | - | 844,518 |
| Total operating revenue and other income | 30,000,828 | 4,518,634 | 33,358,168 | (6,487,704) | 61,389,926 | 44,524,665 | (196,836) | (19,394,014) | 86,323,741 |
| PROGRAM EXPENSES | | | | | | | | | |
| Contracted program services - Hope Through Housing | - | 869,681 | - | - | 869,681 | - | - | - | 869,681 |
| Rent - Hope Through Housing | - | 236,030 | - | - | 236,030 | - | - | - | 236,030 |
| Payroll | - | 1,377,628 | 4,687,619 | (28,500) | 6,036,747 | 6,727,560 | - | (67,602) | 12,696,705 |
| Utilities | - | 7,734 | 3,861,717 | - | 3,869,451 | 5,688,019 | - | - | 9,557,470 |
| Repairs and maintenance | - | 838 | 6,662,463 | - | 6,663,301 | 7,490,337 | - | - | 14,153,638 |
| Legal and other professional services | - | 86,702 | - | - | 86,702 | - | - | - | 86,702 |
| Taxes and insurance | - | 5,502 | 2,137,648 | - | 2,143,150 | 2,088,894 | - | - | 4,232,044 |
| Other program expenses | - | 1,113,713 | - | - | 1,113,713 | 379,262 | - | - | 1,492,975 |
| Total program expenses | - | 3,697,828 | 17,349,447 | (28,500) | 21,018,775 | 22,374,072 | - | (67,602) | 43,325,245 |
| MANAGEMENT AND GENERAL EXPENSES | | | | | | | | | |
| General and administrative | 2,595,181 | 249,818 | 1,275,794 | - | 4,120,793 | 2,424,946 | - | - | 6,545,739 |
| Rent | - | - | - | - | - | - | - | - | - |
| Payroll | 14,634,729 | 148,881 | - | - | 14,783,610 | - | - | - | 14,783,610 |
| Utilities | 68,372 | - | - | - | 68,372 | - | - | - | 68,372 |
| Repairs and maintenance | 424,213 | - | - | - | 424,213 | - | - | - | 424,213 |
| Property management fees | 17,146 | - | 2,869,728 | - | 65,272 | 4,918,317 | - | (4,359,746) | 623,843 |
| Legal and other professional services | 1,138,483 | 43,926 | 291,277 | (2,821,602) | 1,473,686 | 540,908 | - | - | 2,014,594 |
| Taxes and insurance | 193,824 | - | - | - | 193,824 | - | - | - | 193,824 |
| Other expenses | 308,927 | - | 38,744 | - | 347,671 | - | - | 471,936 | 819,607 |
| Total management and general expenses | 19,380,875 | 442,625 | 4,475,543 | (2,821,602) | 21,477,441 | 7,884,171 | - | (3,887,810) | 25,473,802 |
| FUNDRAISING EXPENSES | | | | | | | | | |
| Payroll | - | 119,794 | - | - | 119,794 | - | - | - | 119,794 |
| Fundraising events | 681 | 51,897 | - | - | 52,578 | - | - | - | 52,578 |
| Total fundraising expenses | 681 | 171,691 | - | - | 172,372 | - | - | - | 172,372 |
| Total operating expenses | 19,381,556 | 4,312,144 | 21,824,990 | (2,850,102) | 42,668,588 | 30,258,243 | - | (3,955,412) | 68,971,419 |
| OPERATING INCOME (EBITDA) | 10,619,272 | 206,490 | 11,533,178 | (3,637,602) | 18,721,338 | 14,266,422 | (196,836) | (15,438,602) | 17,352,322 |
| DEPRECIATION AND AMORTIZATION | | | | | | | | | |
| Depreciation expense | (320,168) | (18,833) | (6,281,443) | - | (6,620,444) | (24,877,465) | - | - | (31,497,909) |
| Amortization expense | - | - | (49,538) | - | (49,538) | (260,988) | - | - | (310,526) |
| Depreciation and amortization expense | (320,168) | (18,833) | (6,330,981) | - | (6,669,982) | (25,138,453) | - | - | (31,808,435) |
| OTHER INCOME AND (LOSS) | | | | | | | | | |
| Forgiveness by lender | - | - | 1,000,000 | - | 1,000,000 | - | - | - | 1,000,000 |
| PPP loan forgiveness | 3,800,000 | - | - | - | 3,800,000 | - | - | - | 3,800,000 |
| Gain on sale | - | - | 12,470,142 | - | 12,470,142 | - | - | (12,470,142) | - |
| Casualty losses | - | - | (748,117) | - | (748,117) | - | - | - | (748,117) |
| Other income and (loss), net | 3,800,000 | - | 12,722,025 | - | 16,522,025 | - | - | (12,470,142) | 4,051,883 |
| INCOME (LOSS) BEFORE INTEREST AND TAXES | 14,099,104 | 187,657 | 17,924,222 | (3,637,602) | 28,573,381 | (10,872,031) | (196,836) | (27,908,744) | (10,404,230) |
| INTEREST | | | | | | | | | |
| Interest expense | (185,399) | - | (5,066,426) | 32,575 | (5,219,250) | (17,981,472) | - | 905,413 | (22,295,309) |
| Interest income | 562,828 | - | 453,469 | (32,575) | 983,722 | 30,388 | - | (433,477) | 580,633 |
| Interest, net | 377,429 | - | (4,612,957) | - | (4,235,528) | (17,951,084) | - | 471,936 | (21,714,676) |
| TAXES | | | | | | | | | |
| Franchise tax fees | (550) | (150) | (35,938) | - | (36,638) | (52,312) | - | - | (88,950) |
| CHANGES IN NET ASSETS | 14,475,983 | 187,507 | 13,275,327 | (3,637,602) | 24,301,215 | (28,875,427) | (196,836) | (27,436,808) | (32,207,856) |

* This schedule is intended to present earnings before interest, taxes, depreciation and amortization (EBITDA), which is a basis of presentation other than accounting principles generally accepted in the United States of America (non-GAAP).

SUPPLEMENTARY INFORMATION REQUIRED BY THE UNIFORM GUIDANCE

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2020

| Federal Grantor/Pass-through Grantor/Program Title | Catalog of Federal Domestic Assistance Number | Agreement Number | Total Federal Expenditures |
|---|---|---------------------|-------------------------------|
| U.S. Department of Housing and Urban Development, passed through from Long Beach Affordable Housing Coalition, Inc. City of Hawthorne County of Riverside | | | |
| HOME Investment Partnerships Program | 14.239 | N/A | \$ 875,959 |
| | | | <hr/> |
| Total expenditures of federal awards | | | <u>\$ 875,959</u> |

see report of independent auditors and accompanying notes to
Schedule of Expenditures of Federal Awards

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2020

1. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the expenditures of National Community Renaissance of California (the "Organization") under programs of the federal government for the year ended December 31, 2020. The information in the Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

For purposes of the Schedule, federal awards include all sub awards to the Organization by nonfederal organizations pursuant to federal grants, contracts and similar agreements.

2. Summary of significant accounting policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122 *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowed. Catalogue of Federal Domestic Assistance numbers ("CFDA No.") are provided when available. The Organization elected not to use the 10% de minimis indirect cost rate.

3. Outstanding federal loans

The following represents the amount of outstanding loans identified by CFDA No. All loans are provided by U.S. Department of Housing and Urban Development and are included in the Schedule.

| CFDA No. | Program title | Loans received in 2020 | Prior year loans with continuing compliance requirements | Total outstanding loans December 31, 2020 |
|-------------|---|------------------------------|--|--|
| 14.239 | HOME Investment Partnerships Program | \$ 0 | \$ 863,691 | \$ 863,691 |

| No. HOME units | Project | Pass-through entity | CFDA Number | Outstanding balance as of 12/31/2020 |
|----------------------|--|--|-------------|--|
| 11 | Clark | Long Beach Affordable Housing Coalition, Inc. | 14.239 | \$ 550,000 |
| 13 | Hawthorne | City of Hawthorne | 14.239 | 207,645 |
| 11 | Corona del Rey | County of Riverside | 14.239 | 106,046 |
| 35 | Total of HOME Investments Partnership Program | | | <u>\$ 863,691</u> |



CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of
National Community Renaissance of California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of National Community Renaissance of California, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated August 17, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered National Community Renaissance of California's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of National Community Renaissance of California's internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Novogradec & Company LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
August 17, 2021



CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
National Community Renaissance of California

Report on Compliance for Each Major Federal Program

We have audited National Community Renaissance of California's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of National Community Renaissance of California's major federal programs for the year ended December 31, 2020. National Community Renaissance of California's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of National Community Renaissance of California's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about National Community Renaissance of California's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of National Community Renaissance of California's compliance.

Opinion on Each Major Federal Program

In our opinion, National Community Renaissance of California complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Other Matters

Report on Internal Control over Compliance

Management of National Community Renaissance of California is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered National Community Renaissance of California's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of National Community Renaissance of California's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Novogradac & Company LLP

Walnut Creek, California
August 17, 2021

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I - Summary of Auditors' Results

Financial Statements

| | | | |
|--|-------------|----------------------------|--|
| Type of auditors' report issued: | Unqualified | | |
| Internal control over financial reporting: | | | |
| Material weakness(es) identified? | _____ Yes | <u> x </u> No | |
| Significant deficiency(ies) identified not considered to be material weaknesses? | _____ Yes | <u> x </u> None reported | |
| Noncompliance material to financial statements noted? | _____ Yes | <u> x </u> No | |

Federal Awards

| | | | |
|--|-------------|----------------------------|--|
| Internal Control over major programs: | | | |
| Material weakness(es) identified? | _____ Yes | <u> x </u> No | |
| Significant deficiency(ies) identified not considered to be material weaknesses? | _____ Yes | <u> x </u> None reported | |
| Type of auditor's report issued on compliance for major programs: | Unqualified | | |
| Audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | _____ Yes | <u> x </u> No | |

Identification of major programs:

| | |
|-----------------------|---|
| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
| 14.239 | HOME Investment Partnerships Program |

| | |
|--|----------------------|
| Dollar threshold used to distinguish between Type A and Type B programs: | <u> \$750,000 </u> |
|--|----------------------|

| | | |
|--|------------------|----------------------|
| Auditee qualified as low-risk auditee? | <u> x </u> Yes | <u> </u> No |
|--|------------------|----------------------|

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND RECOMMENDATIONS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

Section II - Financial Statement Findings

There were no findings noted.

Section III - Federal Award Findings and Questioned Costs

There were no findings noted.

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

There were no prior year audit findings.