



EXECUTIVE SUMMARY

MEETING DATE: August 28, 2026

HCR26-053

SUBJECT: Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA)
Hearing for Encanto Gateway Apartments

COUNCIL DISTRICT: 4

ORIGINATING DEPARTMENT: Real Estate

CONTACT/PHONE NUMBER: Colin Miller (619) 578-7429

REQUESTED ACTION:

Take the initial steps to issue up to \$16,500,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds plus up to \$15,000,000 of taxable bonds to facilitate Encanto Gateway, L.P.'s new construction of Encanto Gateway Apartments, a residential multifamily affordable housing development at 6601 Imperial Ave. in the Encanto Neighborhoods Community Plan Area of San Diego, which will consist of 64 units that will remain affordable for 55 years for individuals and families with income from 30 to 60 percent of San Diego's Area Median Income, including nine units for persons experiencing homelessness, and one unrestricted manager's unit.

EXECUTIVE SUMMARY OF KEY FACTORS:

- Encanto Gateway will include 31 one-bedroom units, 16 two-bedroom units, 17 three-bedroom units and one unrestricted, two-bedroom manager's unit for a total of 65 units.
- The proposed development will be on a 1.5-acre site owned by Encanto Gateway LP.
- The site is within 0.5 of a mile from the Encanto / 62nd Street Trolley Station, 0.4 of a mile from a grocery store, 0.5 of a mile from an elementary school, 0.5 of a mile from a middle school, and 1.2 miles from a high school.
- National CORE has contracted with its nonprofit affiliate, Hope Through Housing Foundation, to provide lead on-site tenant services at Encanto Gateway. County of San Diego Behavioral Health Services will be the provider of Full-Service Partnership services on behalf of San Diego County for the nine units assisted with funding from No Place Like Home (NPLH). I Am My Brother's Keeper Community Development Corporation will provide general services, including food services, life skills development, nutrition services, and employment training. Coordination and implementation of tenant services will be pursuant to the Encanto Gateway Supportive Services Plan.
- On March 13, 2026, the SDHC Board of Commissioners approved a residual receipts loan in an amount not to exceed \$1,000,000 to Encanto Gateway LP, a California limited partnership, to facilitate the new construction of Encanto Gateway (Report No. HCR26-022; Resolution No. HC-2054).
- SDHC staff have provided a preliminary award recommendation of 10 Project-Based Vouchers for Encanto Gateway
 - One for a one-bedroom unit for households with income up to 30 percent of the Area Median Income (AMI) that is not permanent supportive housing for households experiencing homelessness.
 - Nine for one-bedroom units for households experiencing homelessness or chronic homelessness with serious mental illness with income up to 30 percent of AMI, currently \$42,000 per year for a two-person household.
- The proposed development has a total development cost of \$55,113,958 (\$847,907 per unit).
- The developer is National CORE.



REPORT

DATE ISSUED: August 20, 2026

REPORT NO: HCR26-053

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of August 28, 2026

SUBJECT: Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act
(TEFRA) Hearing for Encanto Gateway Apartments

COUNCIL DISTRICT: 4

Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) hearings are scheduled to be heard by the San Diego Housing Commission (SDHC) Board of Commissioners on August 28, 2026, 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 SDHC's President & Chief Executive Officer, or designee, within seven days of the date of this notice.

REQUESTED ACTION

Take the initial steps to issue up to \$16,500,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds plus up to \$15,000,000 of taxable bonds to facilitate Encanto Gateway, L.P.'s new construction of Encanto Gateway Apartments, a residential multifamily affordable housing development at 6601 Imperial Ave. in the Encanto Neighborhoods Community Plan Area of San Diego, which will consist of 64 units that will remain affordable for 55 years for individuals and families with income from 30 to 60 percent of San Diego's Area Median Income, including nine units for persons experiencing homelessness, and one unrestricted manager's unit.

STAFF RECOMMENDATION

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

- 1) Approve the following steps to issue up to \$16,500,000 in Housing Authority of the City of San Diego (Housing Authority) tax-exempt Multifamily Housing Revenue Bonds and up to \$15,000,000 in taxable bonds to facilitate new construction of Encanto Gateway, a transit-oriented development at 6601 Imperial Ave., San Diego, 92114, in the Encanto Neighborhoods Community Plan Area of San Diego, which will consist of 64 units that will remain affordable for 55 years for individuals and families with income from 30 percent to 60 percent of San Diego's Area Median Income (AMI), including nine units of permanent supportive housing for persons experiencing homelessness, and one unrestricted manager's unit.
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$16,500,000 in tax-exempt Multifamily Housing Revenue Bonds supporting the new construction of Encanto Gateway by Encanto Gateway 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 \$16,500,000 for Encanto Gateway.
 - c. Approve the financing team of Anzel Galvan as the Bond Counsel and Ross Financial as the Financial Advisor.

- 2) Authorize SDHC's President and Chief Executive Officer (President and 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 regarding the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$16,500,000 to facilitate the new construction of Encanto Gateway.

SUMMARY

Table 1 – Development Details

Developer	National Community Renaissance of California (National CORE)
Address	6601 Imperial Ave., San Diego 92114
Council District	4
Community Plan Area	Encanto Neighborhoods Community Plan Area
Development Type	New construction affordable multifamily
Construction Type	Type VA (one building with four stories over a podium).
Stories	Five stories
Parking Type	15 surface parking spaces.
Local Amenities	<u>Mass Transit:</u> - The Encanto / 62nd Street Trolley Station (Stop ID 99108) is 0.5 of a mile from the subject site. <u>Grocery:</u> - Imperial Food Supermarket, 6503 Imperial Ave., 1.0 mile from the subject site. - Food 4 Less, 312 Euclid Ave., 1.9 miles from the site. - Food Bargain Market, 6261 Imperial Ave., 0.4 of a mile from the subject site. <u>Schools:</u> - Encanto Elementary School, 822 Imperial Ave., 0.5 of a mile from the subject site. - Encanto Middle School, 822 65th Street, 0.5 of a mile from the subject site. - Morse High School, 6905 Skyline Drive. 1.2 miles from the subject site.
Housing Type	Low-income individuals and families
Accessibility	Wheelchair accessibility in 15 percent of the units (10 units), and 10 percent of the units (7 units) will be accessible to residents with visual and/or hearing impairment.
Lot Size	One parcel totaling 1.5 acres (65,340 sq ft ÷ 43,560 = 1.5)
Units	65 units (64 units restricted / affordable).
Density	43.33 dwelling units per acre (65 units ÷ 1.5 acres = 44.33)
Unit Mix	64 affordable rental units: 31 one-bedroom units, 16 two-bedroom units, 17 three-bedroom units. One unrestricted manager's two-bedroom unit.

Gross Building Area	79,200 square feet
Net Rentable Area	47,092 square feet
Project Based Vouchers (PBV)	Nine permanent supportive housing (PSH) PBV's for households with income up to 30 percent of Area Median Income (AMI) and one Non-PSH PBV at 30 percent of AMI.
Affordable Units in Service by Council District	Council District 4 includes 3,342 affordable rental housing units currently in service, which represents 11 percent of the 29,766 affordable rental housing units in service citywide.

The Development

Encanto Gateway is a proposed 65-unit affordable, new construction, transit-oriented development, with a permanent supportive housing component, for individuals with low income. The development will be at 6601 Imperial Ave. within the Encanto Neighborhoods Community Plan Area and within 0.4 of a mile from the Encanto/62nd Street Trolley Station (Attachment 1 – Site Map). It is within the Encanto Village Incentive District and the City's Imperial Corridor Master Plan. Encanto Gateway will include 31 one-bedroom units, 16 two-bedroom units, 17 three-bedroom units and one unrestricted, two-bedroom manager's unit for a total of 65 units. The proposed single building will employ type V-A wood frame construction over four stories. The single structure will be built on grade and feature 15 surface parking spaces. This site is well-located for access to popular San Diego locations, employment centers, and regional recreation activities.

The Property

Encanto Gateway LP owns the 1.5-acre site. It is in a mixed-use neighborhood. North of the site, across Imperial Avenue, are San Diego Metropolitan Transit System (MTS) trolley tracks, with the MTS trolley stop 0.5 of a mile away. Further north are commercial and residential uses. South and west of the site are single-family homes. East of the site is an MTS trolley stop. Further east are single-family homes.

Services

National CORE has contracted with its nonprofit affiliate, Hope Through Housing Foundation, to provide lead on-site tenant services at Encanto Gateway. County of San Diego Behavioral Health Services will be the provider of Full-Service Partnership services on behalf of San Diego County for the nine units assisted with funding from No Place Like Home (NPLH). I Am My Brother's Keeper Community Development Corporation will provide general services, including food services, life skills development, nutrition services, and employment training. Coordination and implementation of tenant services will be pursuant to the Encanto Gateway Supportive Services Plan.

The Hope Through Housing Foundation will be the lead on-site services coordinator and provider. The Hope Through Housing Foundation has been providing resident services at many of National CORE's properties. Such services include but are not limited to:

- providing tenants with information about available services in the community
- assisting tenants to access services through referral and advocacy
- organizing community-building and/or other enrichment activities for tenants (such as holiday events, tenant council, etc.)
- providing adult educational, health, and skill-building classes

- Such classes will include financial literacy, computer training, homebuyer education, GED, resume building, nutrition, exercise, health information, art, food cultivation and preparation, and smoking cessation.

The Hope Through Housing Foundation has over 30 years of experience providing dedicated programs for tenant families.

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.

I Am My Brother's Keeper Community Development Corporation will serve Encanto Gateway's residents through food distribution, life skills, and employment training services. I Am My Brother's Keeper's innovative approach to addressing socioeconomic mental, physical, and spiritual impediments to wellness, is to sponsor and lead programs that train and educate community members in valuable life skills with emphasis on environmental-related occupations, such as solar installation.

Developer's Request

The developer proposes to apply for and obtain a CDLAC allocation of authority to issue tax-exempt private activity bonds, a California Tax Credit Allocation Committee (CTCAC) approval for 4 percent tax credits, and third-party financing, as described in this report.

Prevailing Wages

Due to the developer's utilization of 10 Section 8 Project-Based Vouchers (PBVs) and proposed funding from the City of San Diego and the State of California's Infill Infrastructure Grant (IIG) and Multifamily Housing Program (MHP), the project is subject to payment of the higher of state or federal prevailing wages.

Appraisal

An appraisal of the subject site with an effective date of January 2, 2026, valued the property at \$4,960,000. The developer obtained the appraisal from Kinetic Valuation Group.

Relocation

The developer plans to demolish three existing vacant buildings, consisting of a commercial storage building and two residential buildings. Relocation assistance will not be necessary.

Accessibility

CTCAC requires wheelchair accessibility in 15 percent of the units, and an additional 10 percent of the units are required to have communication features for residents with visual and/or hearing impairment. The same units can satisfy both of these accessibility requirements. The Encanto Gateway units will be accessible in accordance with the Americans with Disabilities Act and Section 504.

Project Sustainability

Encanto Gateway will be constructed in conformance with CTCAC's minimum energy efficiency standards. It will feature a designed landscape that will significantly reduce water usage, aligning with

California's ongoing water conservation efforts. All units will be equipped with water-efficient fixtures and energy-saving appliances, which will result in lower utility costs. National CORE prioritizes environmental sustainability in the construction and management of its buildings. Incorporating passive design and energy-efficient features, such as solar panels, that result in buildings that require less energy to operate and increased financial stability.

Development Team

The developer, National CORE, is an award-winning nonprofit corporation headquartered in Rancho Cucamonga, California. Established in 1992, National CORE owns more than 10,000 homes in three states, including 9,000 units in California. It is a vertically integrated company with in-house construction capability. It has completed multiple successful developments that have utilized SDHC loans. National CORE is in full compliance with its previous SDHC loans.

National CORE is partnering with I Am My Brother's Keeper Community Development Corporation, a qualified emerging developer who will serve as Administrative General Partner on Encanto Gateway. Both are 501(c)(3) private sector nonprofit community builders that prioritize long-term affordability for individuals and families. Since its inception nearly two decades ago, I Am My Brother's Keeper has provided resident and supportive services to tenant populations. This will be their first development with SDHC.

Based upon the developer's past experience and past development performance, staff has determined that the developer has the requisite capacity to successfully complete the proposed Encanto Gateway development.

Table 2 - Development Team Summary

ROLE	FIRM/CONTACT
Developer	National CORE
Owner/Borrower	Encanto Gateway LP
Managing General Partner	NCRC EG MGP LLC (100 percent managed by National CORE)
Administrative General Partner	IAMBK LLC (100 percent managed by I Am My Brother's Keeper Community Development Corporation)
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
Tenant Services Providers	Hope Through Housing Foundation, County of San Diego Behavioral Health Services, and I Am My Brother's Keeper Community Development Corporation

Property Management

National CORE's in-house property management department will manage Encanto Gateway. National CORE currently operates and manages a growing portfolio of both multifamily and senior apartment communities in four states, totaling more than \$1 billion in assets under ownership and management.

FINANCING STRUCTURE

Encanto Gateway has an estimated total development cost of \$55,113,958 (\$847,907/unit). Financing will include a combination of sources as described in Table 3. The developer's pro forma is included as Attachment 3 and summarized in Table 3 below.

Table 3 – Estimated Sources and Uses of Financing

Financing Sources	Amount	Financing Uses	Amount	Per Unit
Permanent Loan	\$5,053,726	Acquisition costs	\$5,727,063	\$88,109
County of San Diego Innovative Housing Trust Fund (IHTF) loan	5,000,000	Construction Costs Hard Cost: \$33,480,894 Contingency: \$1,674,045	33,627,876	517,352
City of San Diego EDD loan	5,500,000	Financing costs	2,760,978	42,477
SDHC loan	1,000,000	Legal	292,500	4,500
County of San Diego No Place Like Home (NPLH) loan	1,620,000	Other soft costs	2,060,365	31,698
State HCD Infill Infrastructure Grant	1,500,000	Permits and fees	1,941,146	29,864
¹ MHP loan	14,000,000	Reserves	586,204	9,019
Deferred developer's fee	1,689,320	Developer fee	6,260,751	96,319
Four percent tax credit equity	16,319,694	Soft cost contingency	162,565	2,501
Soft loan interest	670,367	Architecture and engineering	1,694,510	26,069
Developer Fee Contribution	2,760,751			
General partner Equity	100			
Total Sources	\$55,113,958	Total Uses	\$55,113,958	\$847,907

¹ "MHP" refers to the California Department of Housing and Community Development (HCD) Multifamily Housing Program (MHP)

On March 13, 2026, the SDHC Board approved a residual receipts loan in an amount not to exceed \$1,000,000 to Encanto Gateway, L.P., a California limited partnership, to facilitate the new construction of Encanto Gateway (Report No. HCR26-022; Resolution No. HC-2054).

Developer Fee

\$6,260,751 – gross developer fee
- 2,760,751 – minus developer fee contribution
- 1,689,320 – minus deferred developer fee
\$1,810,680 – net cash developer's fee

The proposed developer fee complies with SDHC's developer fee guidelines.

Development Cost Key Performance Indicators

SDHC staff have identified development cost performance indicators, which were used to evaluate the proposed development. The key performance indicators listed in Table 4 are commonly used by real estate industry professionals and affordable housing developers.

Table 4 – Key Performance Indicators

Development Cost Per Unit	$\$55,113,958 \div 65 \text{ units} =$	\$847,907
Development Cost Per SQ FT (Gross)	$\$55,113,958 \div 79,200$	\$696
Development Cost Per SQ FT (Net)	$\$55,113,958 \div 47,092$	\$1,170
Housing Commission Subsidy Per Unit	$\$1,000,000 \div 65 \text{ units} =$	\$15,385
Gross Building Square Foot Hard Cost	$\$33,627,876 \div 79,200 \text{ sq. ft.} =$	\$425
Net Rentable Square Foot Hard Cost	$\$33,627,876 \div 47,092 \text{ sq. ft.} =$	\$714

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 development.

Table 5 – Comparable Development Projects

New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
Proposed Subject – Encanto Gateway	2026	65	\$55,113,958 (with prevailing wage)	\$847,907	\$15,385	\$425
Serra Mesa	2025	60	\$43,803,370 (with prevailing wage)	\$730,056	\$41,667	\$648
Palm City Transit Village Phase 1	2025	79	\$67,154,227 (with prevailing wage)	\$850,054	\$21,149	\$628
Grant at Mission Trails	2025	48	\$42,59,328 (with prevailing wage)	\$878,328	\$45,833	\$423

TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS

SDHC 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 SDHC Board. SDHC bond inducement resolutions must be obtained prior to application

submittal, and City Council TEFRA resolutions must be secured by the time of project closing. These actions do not obligate the Housing Authority to issue bonds.

The SDHC 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 September 8, 2026, for a December 9, 2026, 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 \$16,500,000 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 SDHC'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. SDHC staff will later return to both the SDHC Board 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 4.

Staff recommend assigning Anzel Galvan as Bond Counsel and Ross Financial as 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 SDHC's Bond Program Policy.

AFFORDABLE HOUSING IMPACT

Project-Based Vouchers (PBV)

SDHC has provided a preliminary award recommendation of 10 PBVs for Encanto Gateway, which consist of:

- One Non-PSH PBV one-bedroom unit for low-income households with income at or below 30 percent of AMI (currently \$42,000 per year for a two-person household) and residing in the City of San Diego. The Hope Through Housing Foundation will provide supportive services for these residents.
- Nine PSH PBV one-bedroom units for households experiencing homelessness or chronic homelessness with serious mental illness with income at or below 30 percent of AMI (currently \$42,000 per year for a two-person household) and residing in the City of San Diego. County The County of San Diego Behavioral Health Services will provide supportive services for these residents.

The recommendation for these vouchers is contingent upon additional items, including, but not limited to, 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 family contribution toward the contract rent is determined by using the applicable minimum family contribution 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 SDHC. The Housing Assistance Payment

provides a rental subsidy for residents in Encanto Gateway's 10 voucher-assisted units. The PBV units are all one-bedroom units. The Non-PSH household will be selected from SDHC's low-income PBV Wait List. The households experiencing homelessness or chronic homelessness with serious mental illness, who will be assisted by the PSH PBVs, will be identified through the Coordinated Entry System (CES).

Affordability

Encanto Gateway will be subject to an SDHC Declaration of Covenants and Restrictions, in addition to applicable tax credit agreements, which will restrict affordability of 64 units for 55 years.

The rent and occupancy restrictions required by SDHC, CTCAC and other lenders and investors will apply. The same units may be counted as the tax credit restricted units and the SDHC 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 & Monthly Estimated Rent Table

Unit Type	AMI	Units		CTCAC Gross Rents
One-bedroom (9 PBV units)	30% (\$42,000/year for a two-person household)	9		\$984
One-bedroom (1 PBV unit)	30% (\$42,000/year for a two-person household)	8		\$984
One-bedroom	50% (\$70,000/year for a two-person household)	9		\$1,640
One-bedroom	60% (84,000/year for a two-person household)	5		\$1,968
Subtotal One-Bedroom Units	--	31		--
Two-bedroom	30% (\$47,250/year for a three-person household)	6		\$1,181
Two-bedroom	50% (\$78,750/year for a three-person household)	5		\$1,968
Two-bedroom	60% (\$94,500/year for a three-person household)	5		\$2,362
Subtotal Two-Bedroom Units	--	16		--
Three-bedroom	30% (\$52,450/year for a four-person household)	6		\$1,364
Three-bedroom	50% (\$87,450/year for a four-person household)	6		\$2,273
Three-bedroom	60% (\$104,940/year for a four-person household)	5		\$2,728
Subtotal Three-Bedroom Units	--	17		--
Total Affordable Units	--	64		--
Two-bedroom Manager's unit	--		1	--
TOTAL UNITS	--		65	--

FISCAL CONSIDERATIONS

The funding sources and uses proposed to be approved by this action are included in the Housing Authority-approved Fiscal Year (FY) 2027 SDHC Budget.

Funding sources approved by this action will be as follows

Bond Issuer Fee – (\$16,500,000 [Tax-exempt] + \$15,000,000 [Taxable]) X 0.0025 = \$78,750

Total Funding Sources – up to \$78,750

Funding uses approved by this action

Administrative costs - \$78,750

Total Funding Uses - up to \$78,750

SDHC Board approval of the bond inducement resolution and City Council approval of the TEFRA resolution do not commit the Housing Authority to issue the bonds. The bonds would not constitute a debt of the City. If bonds are ultimately issued for the development, the bonds will not financially obligate the City, the Housing Authority or SDHC because security for the repayment of the bonds will be limited to specific private revenue sources of the development. Neither the faith and credit nor the taxing power of the City or the Housing Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including SDHC’s annual administrative fee, as well as SDHC Bond Council and Financial Advisor fees.

Estimated Development Schedule

The estimated development timeline is as follows.

Milestones	Estimated Dates
• CDLAC bond and CTCAC tax credit applications • CDLAC and CTCAC allocation meetings • SDHC final bond authorization • Housing Authority final bond authorization • Estimated Bond issuance and escrow/loan closing • Estimated start of construction work • Estimated completion of construction work	• September 8, 2026 • December 9, 2026 • March 2027 • April 2027 • May 2027 • May 2027 • January 2029

SDHC STRATEGIC PLAN

This item relates to Strategic Priority Area No. 3 in SDHC’s Strategic Plan for Fiscal Years 2026-2030: Create and Preserve Housing.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

On April 19, 2021, National CORE presented the proposed development as an action item to the Encanto Neighborhoods Community Plan Area. The community planning group voted to support this development, with seven in favor, two against, and two abstentions.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include National CORE as the developers, the Hope Through Housing Foundation and I Am My Brothers Keeper as service providers, the County of San Diego as a lender, SDHC as a lender, the State of California as a lender, and the Chollas Valley 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 64 new, affordable, rental homes for working San Diego families.

STATEMENT for PUBLIC DISCLOSURE

The developer's Disclosure Statement is at Attachment 5.

NONDISCRIMINATION ASSURANCE

At SDHC, we're about people. We are committed to ensuring a compassionate, person-centered approach to SDHC's programs, policies, projects and activities and to serving our community impartially, fairly and without bias. We are also committed to ensuring compliance with all applicable federal, state and local laws and protections to the extent that they affect this action relative to nondiscrimination

The developer, National CORE, is committed to equal opportunity for all and maintains a policy of nondiscrimination as both an employer and a service provider. SDHC included a requirement in the Notice of Funding Availability (NOFA) for prospective applicants to include a narrative and specific examples of activities and initiatives that support their commitment to ensuring nondiscrimination. National CORE demonstrates a commitment to advancing equal opportunity for all through project design and operational policies, throughout the proposed project timeline.

ENVIRONMENTAL REVIEW

California Environmental Quality Act

This activity is not a "project" and is therefore not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15060(c)(3). This determination is predicated on Section 15004 of the Guidelines, which provides direction to lead agencies on the appropriate timing for environmental review. This action does not constitute approval of a project. Approval will occur once the environmental review has been completed in accordance with CEQA Section 15004. This action will not foreclose review of alternatives or mitigation measures by the public as part of the CEQA process. The proposed actions are approval of preliminary steps to issue Bonds and do not constitute approval of the development activity or authorization for the issuance of Bonds. Future actions to consider and approve development entitlement approvals related to the future development of the site will require additional review under the provisions of CEQA by the lead agency.

National Environmental Policy Act

The project's SDHC loan and Project Based Vouchers require environmental review under the National Environmental Policy Act (NEPA). Authority to Use Grant Funds was received from HUD on September 1 and September 3, 2024.

Respectfully submitted,

Michelle Muniz

Michelle Muniz
Director of Underwriting
Real Estate Division

Approved by,

Lisa C. Jones

Lisa C. Jones
President and Chief Executive Officer
San Diego Housing Commission

Attachments: 1) Site Map
2) Organization Chart
3) Developer's Project Pro forma
4) Multifamily Housing Revenue Bond Program
5) Developer's Disclosure Statements
6) Resolution

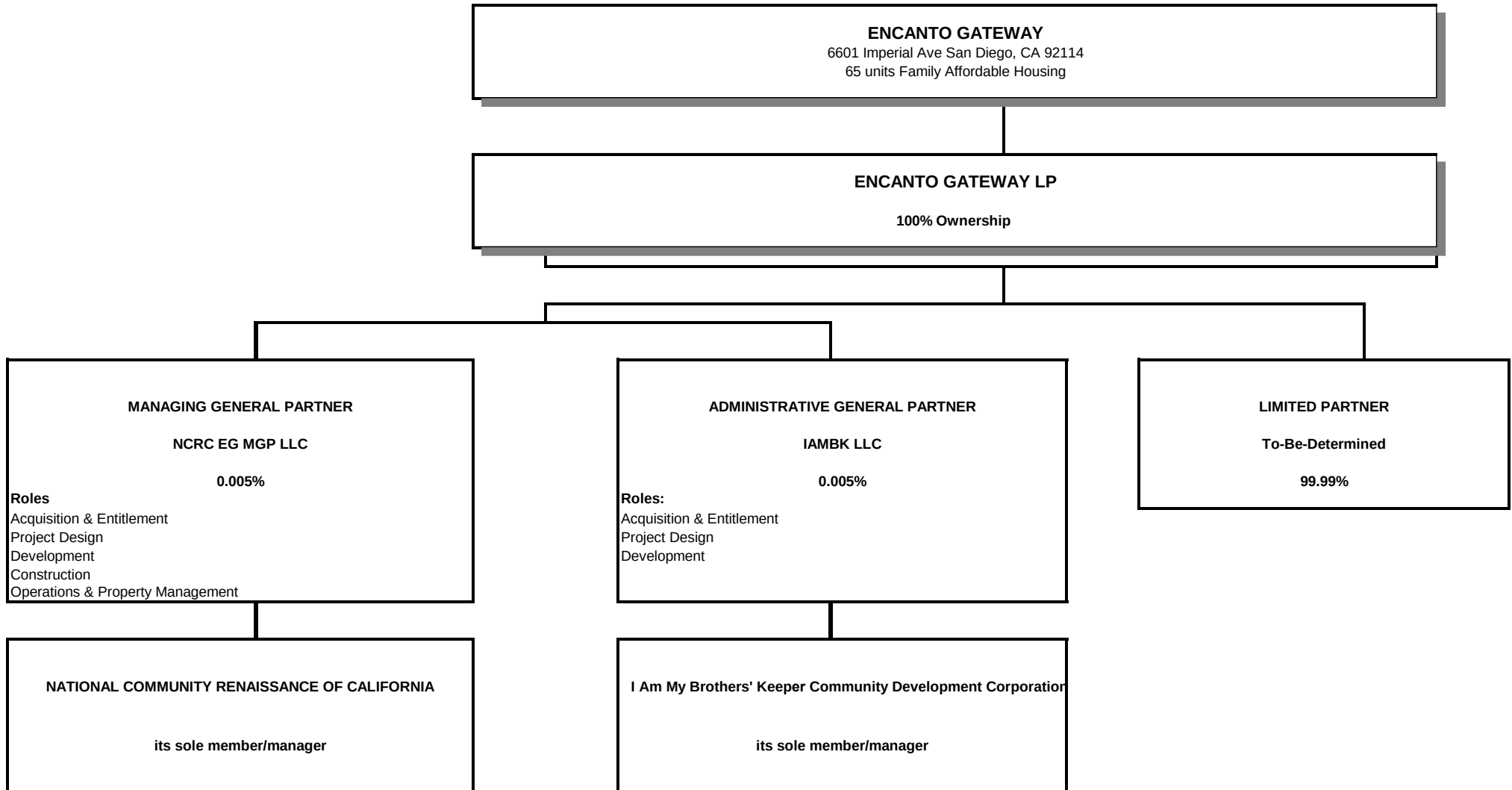
A printed copy is available for review during business hours at the information desk in the main lobby of SDHC's offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the "Governance & Legislative Affairs" section of SDHC's website at www.sdhc.org.

Attachment 1 SITE MAP



Development Organization Chart

Attachment 2



Attachment 3

Encanto Gateway
Project Address: 6601 Imperial Ave San Diego, CA 92114
Sources of Funds

Version: Template
Revised: 8/17/2026

PERMANENT	TIEBREAKER?	AMOUNT	INT. RATE	TERM (Yr)	AMORT.	DSCR	
Permanent Loan		\$ 5,050,720	5.90%	17	35	1.23	
Construction Period Income		\$ -					
Permit and Plan Check Fee Waiver	Yes	\$ -					
Impact Fee Waiver	Yes	\$ -					
Donated Land	Yes		3.00%	55			
City of San Diego	Yes	\$ 5,500,000	3.00%	55			
San Diego Housing Commission	Yes	\$ 1,000,000	4.00%	55			
County of San Diego NPLH	Yes	\$ 1,620,000	0.00%	55			
County of San Diego IHTF	Yes	\$ 5,000,000	3.00%	55			
HCD: IIG	Yes	\$ 1,500,000	0.00%	55			
MHP Loan	Yes	\$ 14,000,000	3.00%	55			
ASHC Grant	Yes		0.00%	0			
LACDA General Funds	Yes		3.00%	57			
LACDA MHHF	Yes	\$ -	3.00%	57			
EPIC Grant	Yes		0.00%	55			
HHH	Yes	\$ -	3.00%	0			
Other: SDHC IIGC	Yes		0.00%	0			
Other: REAP HIT Funds	Yes		3.00%	55			
Accrued and Deferred Soft loan Interest		\$ 670,367					
Developer Fee Contribution		\$ 2,760,737					
Required Deferred Developer Fee		\$ 1,000,000					
Additional Deferred Developer Fee		\$ 692,197					
Capital Contributions							
Private Market Rate Equity		\$ -					
General Partner		\$ 100					
Limited Partners (Tax Credit Equity)		\$ 16,319,652					
TOTAL SOURCES		\$ 55,113,773					
Surplus/(Shortfall)	No	\$ -					

Units Reserved	

Credit pricing (Federal): \$ 0.85
Credit pricing (State): \$ 0.85

CONSTRUCTION		AMOUNT	INT. RATE	TERM (Mo)	
Tax-Exempt Construction Loan		\$ 14,601,716	6.00%	28	Aggregate Basis \$ 52,148,987
Construction Loan Taxable Tail		\$ 13,577,677	6.00%	28	
Permit and Plan Check Fee Waiver	Yes	\$ -			
Impact Fee Waiver	Yes	\$ -			% of Aggregate Basis funded with Bond Proceeds 28.00%
Donated Land	Yes		3%		
City of San Diego	Yes	\$ 5,500,000	3%		
San Diego Housing Commission	Yes	\$ 950,000	4%		
County of San Diego NPLH	Yes	\$ 1,458,000	0%		
County of San Diego IHTF	Yes	\$ 4,500,000	3%		
HCD: IIG	Yes	\$ 1,350,000	0%		
MHP Loan	Yes	\$ -	0%		
EPIC Grant	Yes	\$ -	0%		
HHH	Yes	\$ -	3%		
Other: SDHC IIGC	Yes	\$ -	0%		
Other: REAP HIT Funds	Yes	\$ -	3%		
Accrued and Deferred Soft loan Interest		\$ 670,367			
Developer Fee Contribution		\$ 2,760,737			
Required Deferred Developer Fee		\$ 1,000,000			
Additional Deferred Developer Fee		\$ 692,197			
Costs Deferred Until Completion		\$ 1,525,118			
Capital Contributions					
General Partner		\$ 100			
Limited Partners (Tax Credit Equity)		\$ 6,527,861			
TOTAL SOURCES		\$ 55,113,773			
Surplus/(Shortfall)		\$ -			

Summary of Costs Deferred Until Conversion

Furnishings Reserve	\$ -
Transition Reserve	\$ 308,818
3-Month Operating Reserve	\$ 277,398
Permanent Financing Costs	\$ 35,000
Capitalized Developer Fee	\$ 903,902

LIHTC EQUITY PAY-IN SCHEDULE

Closing	10.0%	\$ 1,631,965
25% Construction Complete	0.0%	\$ -
50% Construction Complete	20.0%	\$ 3,263,930
60% Construction Complete	0.0%	\$ -
70% Construction Complete	0.0%	\$ -
Completion	10.0%	\$ 1,631,965
Conversion	59.4%	\$ 9,691,791
8609	0.6%	\$ 100,000
TOTAL		\$ 16,319,652

DEVELOPER FEE PAY-IN SCHEDULE

Closing	30.0%	\$ 542,341	Mar-27
25% Construction Complete	0.0%	\$ -	Sep-27
50% Construction Complete	10.0%	\$ 180,780	Feb-28
60% Construction Complete	0.0%	\$ -	Apr-28
70% Construction Complete	0.0%	\$ -	Jun-28
Completion	10.0%	\$ 180,780	Jan-29
Conversion	44.5%	\$ 803,902	Jul-29
8609	5.5%	\$ 100,000	Nov-29
TOTAL		\$ 1,807,803	
Deferred Fee		\$ 1,692,197	
TOTAL		\$ 3,500,000	

Encanto Gateway Project Address: 6601 Imperial Ave San Diego, CA 92114 Uses of Funds										Version: Revised:	Template 8/17/2026
	TOTAL	Cost/D.U.	Residential Cost	Commercial Cost	Non-Dep	Residential	Commercial	Expense	Amortize	TAX CREDIT ELIGIBLE	
										Const/Rehab	Acq.
ACQUISITION											
Land Cost or Value	\$ 4,150,000	\$ 63,846	\$ 4,150,000	\$ -	\$ 4,150,000						
Acq/Predev Loan Interest	\$ 50,000	\$ 769	\$ 50,000	\$ -		\$ 50,000	\$ -			\$ 50,000	
Land Lease Rent Prepayment	\$ -	\$ -	\$ -	\$ -	\$ -						
Existing Improvements Value	\$ -	\$ -	\$ -	\$ -							\$ -
Demolition	\$ 332,667	\$ 5,118	\$ 332,667	\$ -		\$ 332,667	\$ -				\$ -
Environmental Remediation	\$ -	\$ -	\$ -	\$ -				5800000		\$ -	
Off-Site Improvements (eligible)	\$ 1,194,396	\$ 18,375	\$ 1,194,396	\$ -		\$ 1,194,396	\$ -			\$ 1,194,396	
	\$ -	\$ -	\$ -	\$ -	\$ -					\$ -	
CONSTRUCTION											
Site Work	\$ 4,941,071	\$ 76,016	\$ 4,941,071	\$ -		\$ 4,941,071	\$ -			\$ 4,941,071	
Structures	\$ 22,408,151	\$ 344,741	\$ 22,408,151	\$ -		\$ 22,408,151	\$ -			\$ 21,707,533	
Personal Property	\$ -	\$ -	\$ -	\$ -						\$ -	
General Requirements	\$ 2,310,103	\$ 35,540	\$ 2,310,103	\$ -		\$ 2,310,103	\$ -			\$ 2,310,103	
Contractor Overhead	\$ 866,289	\$ 13,328	\$ 866,289	\$ -		\$ 866,289	\$ -			\$ 866,289	
Contractor Profit	\$ 866,289	\$ 13,328	\$ 866,289	\$ -		\$ 866,289	\$ -			\$ 866,289	
Prevailing Wages	\$ -	\$ -	\$ -	\$ -						\$ -	
Payment and Performance Bond	\$ 329,190	\$ 5,064	\$ 329,190	\$ -		\$ 329,190	\$ -			\$ 329,190	
General Liability Insurance	\$ 232,738	\$ 3,581	\$ 232,738	\$ -		\$ 232,738	\$ -			\$ 232,738	
Hard Cost Contingency	\$ 1,674,045	\$ 25,755	\$ 1,674,045	\$ -		\$ 1,674,045	\$ -			\$ 1,674,045	
ARCHITECTURAL FEES											
Design	\$ 1,319,510	\$ 20,300	\$ 1,319,510	\$ -		\$ 1,319,510	\$ -			\$ 1,319,510	
Supervision	\$ -	\$ -	\$ -	\$ -						\$ -	
Engineering	\$ 375,000	\$ 5,769	\$ 375,000	\$ -		\$ 375,000	\$ -			\$ 375,000	
CONSTRUCTION INTEREST & FEES											
Construction Loan Interest	\$ 1,951,751	\$ 30,027	\$ 1,951,751	\$ -		\$ 1,408,966	\$ -		\$ 542,785	\$ 1,408,966	
Origination Fee	\$ 225,436	\$ 3,468	\$ 225,436	\$ -		\$ 162,742	\$ -		\$ 62,694	\$ 162,742	
Lender Expenses	\$ 35,000	\$ 538	\$ 35,000	\$ -		\$ 35,000	\$ -			\$ 35,000	
Bond Premium	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -			\$ -	
HHH Construction Period Interest	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -			\$ -	
Taxes	\$ 155,621	\$ 2,394	\$ 155,621	\$ -		\$ 155,621	\$ -			\$ 155,621	
Insurance	\$ 332,482	\$ 5,115	\$ 332,482	\$ -		\$ 332,482	\$ -			\$ 332,482	
PERMANENT FINANCING											
Loan Origination Fee	\$ 50,508	\$ 777	\$ 50,508	\$ -					\$ 50,508		
Credit Enhancement/Application Fee	\$ 10,000	\$ 154	\$ 10,000	\$ -					\$ 10,000		
Taxes	\$ -	\$ -	\$ -	\$ -					\$ -		
Insurance	\$ -	\$ -	\$ -	\$ -					\$ -		
TITLE, RECORDING, & ESCROW											
Acquisition	\$ 6,702	\$ 103	\$ 6,702	\$ -	\$ 6,702						\$ -
Construction	\$ 100,000	\$ 1,538	\$ 100,000	\$ -		\$ 100,000	\$ -			\$ 100,000	
Permanent	\$ 25,000	\$ 385	\$ 25,000	\$ -					\$ 25,000		
LEGAL FEES											
Acquisition	\$ 7,500	\$ 115	\$ 7,500	\$ -	\$ 7,500	\$ -					\$ -
Construction Closing	\$ 100,000	\$ 1,538	\$ 100,000	\$ -		\$ 100,000	\$ -			\$ 100,000	
Lender Legal	\$ 90,000	\$ 1,385	\$ 90,000	\$ -					\$ 90,000	\$ 90,000	
Permanent Closing	\$ 10,000	\$ 154	\$ 10,000	\$ -					\$ 10,000		
Organization of Partnership	\$ 25,000	\$ 385	\$ 25,000	\$ -					\$ 25,000		
Syndication	\$ 60,000	\$ 923	\$ 60,000	\$ -	\$ 60,000						
RESERVES											
Furnishings Reserve	\$ -	\$ -	\$ -	\$ -	\$ -						
Lease Up Reserve	\$ -	\$ -	\$ -	\$ -	\$ -						
Transition Reserve	\$ 308,818	\$ 4,751	\$ 308,818	\$ -	\$ 308,818						
3-Month Operating Reserve	\$ 277,398	\$ 4,268	\$ 277,398	\$ -	\$ 277,398						
OTHER PROJECT COSTS											
Appraisal	\$ 20,000	\$ 308	\$ 20,000	\$ -		\$ 20,000	\$ -		\$ 2,500	\$ 20,000	\$ -
TCAC Application Fee	\$ 2,500	\$ 38	\$ 2,500	\$ -				\$ 2,500			
TCAC Allocation Fee (9%)	\$ -	\$ -	\$ -	\$ -					\$ -		
TCAC Reservation Fee (4%)	\$ 19,200	\$ 295	\$ 19,200	\$ -					\$ 19,200		
TCAC Monitoring Fee	\$ 45,500	\$ 700	\$ 45,500	\$ -					\$ 45,500		
TCAC Performance Deposit	\$ 76,799	\$ 1,182	\$ 76,799	\$ -					\$ 76,799		
TCAC Performance Deposit	\$ -	\$ -	\$ -	\$ -					\$ -		
CDLAC Application Fee	\$ 1,500	\$ 23	\$ 1,500	\$ -					\$ 1,500		
CDLAC Performance Deposit	\$ 73,009	\$ 1,123	\$ 73,009	\$ -					\$ 73,009		
CDLAC State Filing Fee	\$ 6,133	\$ 94	\$ 6,133	\$ -					\$ 6,133		
CDIAC Fee	\$ 2,191	\$ 34	\$ 2,191	\$ -					\$ 2,191		
Underwriter Fee	\$ 73,009	\$ 1,123	\$ 73,009	\$ -					\$ 73,009		
Bond Origination Fee	\$ 36,505	\$ 562	\$ 36,505	\$ -					\$ 36,505		
Application Fee	\$ 2,500	\$ 38	\$ 2,500	\$ -					\$ 2,500		
Trustee Acceptance Fee	\$ 2,750	\$ 42	\$ 2,750	\$ -					\$ 2,750		
County Counsel	\$ 2,500	\$ 38	\$ 2,500	\$ -					\$ 2,500		
Bond Counsel	\$ 70,000	\$ 1,077	\$ 70,000	\$ -					\$ 70,000		
Trustee Ledal Fees	\$ 3,500	\$ 54	\$ 3,500	\$ -					\$ 3,500		
TEFRA Public Notice Fee	\$ 2,500	\$ 38	\$ 2,500	\$ -					\$ 2,500		
Bond Issuance Contingency	\$ -	\$ -	\$ -	\$ -					\$ -		
Environmental Audit	\$ 50,000	\$ 769	\$ 50,000	\$ -		\$ 50,000	\$ -			\$ 50,000	
Local Development Impact Fees	\$ 1,560,146	\$ 24,002	\$ 1,560,146	\$ -		\$ 1,560,146	\$ -			\$ 1,560,146	
Permit Processing Fees	\$ 381,000	\$ 5,862	\$ 381,000	\$ -		\$ 381,000	\$ -			\$ 381,000	
Leasing Expense	\$ 25,000	\$ 385	\$ 25,000	\$ -				\$ 25,000			
Leasing Fee	\$ -	\$ -	\$ -	\$ -					\$ -		
Marketing	\$ 50,000	\$ 769	\$ 50,000	\$ -				\$ 50,000			
Furnishings (Common Area)	\$ 150,000	\$ 2,308	\$ 150,000	\$ -		\$ 150,000	\$ -			\$ 150,000	
Furnishings (Homeless Units)	\$ 45,000	\$ 692	\$ 45,000	\$ -		\$ 45,000	\$ -			\$ 45,000	
Market Study	\$ 15,000	\$ 231	\$ 15,000	\$ -		\$ 15,000	\$ -				
Audit/Cost Certification	\$ 35,000	\$ 538	\$ 35,000	\$ -				\$ 35,000			
Soft Cost Contingency	\$ 162,562	\$ 2,501	\$ 162,562	\$ -		\$ 162,562	\$ -			\$ 162,562	
Temporary Relocation	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -			\$ -	
Permanent Relocation	\$ -	\$ -	\$ -	\$ -	\$ -					\$ -	
3rd Party Construction Manager	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -			\$ -	
Green Consultant and LEED Certification	\$ 65,000	\$ 1,000	\$ 65,000	\$ -		\$ 65,000	\$ -			\$ 65,000	
Soils and Survey	\$ 75,000	\$ 1,154	\$ 75,000	\$ -		\$ 75,000	\$ -			\$ 75,000	
Deputy Inspections	\$ 108,200	\$ 1,665	\$ 108,200	\$ -		\$ 108,200	\$ -			\$ 108,200	
Security	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -			\$ -	
Prevailing Wage Consultant	\$ 100,000	\$ 1,538	\$ 100,000	\$ -		\$ 100,000	\$ -			\$ 100,000	
Utility Fees	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -			\$ -	
Accrued and Deferred Soft Loan Interest	\$ 670,367	\$ 10,313	\$ 670,367	\$ -		\$ 670,367	\$ -			\$ 670,367	
Other: SDHC Loan Costs	\$ 100,000	\$ 1,538	\$ 100,000	\$ -		\$ 100,000	\$ -			\$ 100,000	
Other:	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -			\$ -	
Other:	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -			\$ -	
DEVELOPER COSTS											
Consultant/Processing Agent	\$ -	\$ -	\$ -	\$ -	\$ -					\$ -	
Project Administration	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -			\$ -	
Broker Fees Paid to a Related Party	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -			\$ -	
Const. Oversight by Developer	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -			\$ -	
4% Developer Fee	\$ 6,260,737	\$ 96,319	\$ 6,260,737	\$ -		\$ 6,260,737	\$ -			\$ 6,260,737	\$ -
9% Developer Fee	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -			\$ -	\$ -
TOTAL PROJECT COST	\$ 55,113,773	\$ 847,904	\$ 55,113,773	\$ -	\$ 4,810,418	\$ 48,957,272	\$ -	\$ 6,330,096	\$ 815,987	\$ 47,998,987	\$ -
TCAC PROJECT COSTS (less syndication costs)	\$ 54,993,773	\$ 846,058	\$ 54,993,773	\$ -							

Encanto Gateway	Version:	Template
Project Address: 6601 Imperial Ave San Diego, CA 92114	Revised:	8/17/2026
Unit Mix & Rental Income		

Average Affordability For Qualified Units (% AMI):		Actual 43.2813%	Income Averaging 39.5313%
Rent Calculation Inputs			
HUD Very-Low 4-Person Income Limit		\$	87,450
HUD 4-Person Median Income		\$	130,900
Federal Financing			No
UTILITY ALLOWANCE			
UNIT TYPE	NUMBER		
0 BR	0		0
1 BR	31		119
2 BR	17		163
3 BR	17		208
4 BR	0		0

TAX-CREDIT ELIGIBLE - TIER 1:			30% AMI		Percentage of Targeted Units:				0.00%
UNIT TYPE	NUMBER	PER UNIT SQ. FT.	REGULATIONS LIMITING RENT	AMI %	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT	
0 BR	0	385	TCAC	30%	\$ 918	\$ 918	\$ -	\$ -	
1 BR	0	550	TCAC	30%	\$ 984	\$ 865	\$ -	\$ -	
2 BR	0	770	TCAC	30%	\$ 1,181	\$ 1,018	\$ -	\$ -	
3 BR	0	1040	TCAC	30%	\$ 1,364	\$ 1,156	\$ -	\$ -	
4 BR	0	1200	TCAC	30%	\$ 1,521	\$ 1,521	\$ -	\$ -	
TOTAL	0					\$	\$ -	\$ -	

TAX-CREDIT ELIGIBLE - TIER 1:		30% AMI		Percentage of Targeted Units:				45.31%
UNIT TYPE	NUMBER	PER UNIT SQ. FT.	REGULATIONS LIMITING RENT	AMI %	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
0 BR	0	350	TCAC	30%	\$ 918	\$ 918	\$ -	\$ -
1 BR	9	550	TCAC	30%	\$ 984	\$ 865	\$ 7,785	\$ 93,420
1 BR	8	550	TCAC	30%	\$ 984	\$ 865	\$ 6,920	\$ 83,040
2 BR	6	770	TCAC	30%	\$ 1,181	\$ 1,018	\$ 6,108	\$ 73,296
3 BR	6	1040	TCAC	30%	\$ 1,364	\$ 1,156	\$ 6,936	\$ 83,232
4 BR	0	1200	TCAC	30%	\$ 1,521	\$ 1,521	\$ -	\$ -
TOTAL		29				\$	\$ 27,749	\$ 332,988

TAX-CREDIT ELIGIBLE - TIER 1:			40% AMI		Percentage of Targeted Units:				0.00%
UNIT TYPE	NUMBER	PER UNIT SQ. FT.	REGULATIONS LIMITING RENT	AMI %	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT	
0 BR	0	350	TCAC	40%	\$ 1,225	\$ 1,225	\$ -	\$ -	
1 BR	0	550	TCAC	40%	\$ 1,311	\$ 1,192	\$ -	\$ -	
2 BR	0	770	TCAC	40%	\$ 1,575	\$ 1,412	\$ -	\$ -	
3 BR	0	1040	TCAC	40%	\$ 1,819	\$ 1,611	\$ -	\$ -	
4 BR	0	0	TCAC	40%	\$ 2,029	\$ 2,029	\$ -	\$ -	
TOTAL	0					\$	\$ -	\$ -	

TAX-CREDIT ELIGIBLE - TIER 1:			50% AMI		Percentage of Targeted Units:				31.25%
UNIT TYPE	NUMBER	PER UNIT SQ. FT.	REGULATIONS LIMITING RENT	AMI %	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT	
0 BR	0	350	TCAC	50%	\$ 1,531	\$ 1,531	- \$	- \$	
1 BR	9	550	TCAC	50%	\$ 1,639	\$ 1,520	\$ 13,680	\$ 164,160	
2 BR	5	770	TCAC	50%	\$ 1,968	\$ 1,805	\$ 9,025	\$ 108,300	
3 BR	6	1040	TCAC	50%	\$ 2,273	\$ 2,065	\$ 12,390	\$ 148,680	
4 BR	0	0	TCAC	50%	\$ 2,536	\$ 2,536	- \$	- \$	
TOTAL		20				\$	\$ 35,095	\$ 421,140	

TAX-CREDIT ELIGIBLE - TIER 1:		60% AMI			Percentage of Targeted Units:				23.44%
UNIT TYPE	NUMBER	PER UNIT SQ. FT.	REGULATIONS LIMITING RENT	AMI %	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT	
0 BR	0	350	TCAC	60%	\$ 1,837	\$ 1,837	\$ -	\$ -	
1 BR	5	550	TCAC	60%	\$ 1,967	\$ 1,848	\$ 9,240	\$ 110,880	
2 BR	5	770	TCAC	60%	\$ 2,362	\$ 2,199	\$ 10,995	\$ 131,940	
3 BR	5	1040	TCAC	60%	\$ 2,728	\$ 2,520	\$ 12,600	\$ 151,200	
4 BR	0	1200	TCAC	60%	\$ 3,043	\$ 3,043	\$ -	\$ -	
TOTAL	15					\$	\$ 32,835	\$ 394,020	

TAX-CREDIT ELIGIBLE - TIER 1:			70% AMI		Percentage of Targeted Units:				0.00%
UNIT TYPE	NUMBER	PER UNIT SQ. FT.	REGULATIONS LIMITING RENT	AMI %	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT	
0 BR	0	350	TCAC	70%	\$ 2,143	\$ 2,143	\$ -	\$ -	
1 BR	0	550	TCAC	70%	\$ 2,296	\$ 2,177	\$ -	\$ -	
2 BR	0	770	TCAC	70%	\$ 2,756	\$ 2,593	\$ -	\$ -	
3 BR	0	1040	TCAC	70%	\$ 3,183	\$ 2,975	\$ -	\$ -	
4 BR	0	0	TCAC	70%	\$ 3,550	\$ 3,550	\$ -	\$ -	
TOTAL	0					\$ -	\$ -	\$ -	

TAX-CREDIT ELIGIBLE - TIER 1:			80% AMI		Percentage of Targeted Units:				0.00%
UNIT TYPE	NUMBER	PER UNIT SQ. FT.	REGULATIONS LIMITING RENT	AMI %	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT	
0 BR	0	350	TCAC	80%	\$ 2,450	\$ 2,450	\$ -	\$ -	
1 BR	0	550	TCAC	80%	\$ 2,625	\$ 2,506	\$ -	\$ -	
2 BR	0	770	TCAC	80%	\$ 3,150	\$ 2,987	\$ -	\$ -	
3 BR	0	1040	TCAC	80%	\$ 3,638	\$ 3,430	\$ -	\$ -	
4 BR	0	0	TCAC	80%	\$ 4,058	\$ 4,058	\$ -	\$ -	
TOTAL	0					\$ -	\$ -	\$ -	

TAX-CREDIT ELIGIBLE - TIER 1:			110% AMI		Percentage of Targeted Units:				0.00%	
UNIT TYPE	NUMBER	PER UNIT SQ. FT.	REGULATIONS LIMITING RENT	AMI %	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT		
0 BR	0	350	TCAC	110%	\$ 3,368	\$ 3,368	\$ -	\$ -		
1 BR	0	550	TCAC	110%	\$ 3,609	\$ 3,490	\$ -	\$ -		
2 BR	0	770	TCAC	110%	\$ 4,331	\$ 4,168	\$ -	\$ -		
3 BR	0	1040	TCAC	110%	\$ 5,002	\$ 4,794	\$ -	\$ -		
4 BR	0	0	TCAC	110%	\$ 5,579	\$ 5,579	\$ -	\$ -		
TOTAL	0					\$ -	\$ -	\$ -		

MARKET RATE UNITS								
UNIT TYPE	NUMBER	PER UNIT SQ. FT.			PER-UNIT MONTHLY RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT	
0 BR	0	350			\$ -	\$ -	\$ -	\$ -
1 BR	0	550			\$ -	\$ -	\$ -	\$ -
2 BR	0	770			\$ -	\$ -	\$ -	\$ -
3 BR	0	1040			\$ -	\$ -	\$ -	\$ -
4 BR	0	0			\$ -	\$ -	\$ -	\$ -
TOTAL	0				\$	\$ -	\$ -	\$ -

MANAGER'S UNITS								
UNIT TYPE	NUMBER	PER UNIT SQ. FT.			PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
0 BR	0	350			\$ -	\$ -	\$ -	\$ -
1 BR	0	550			\$ -	\$ -	\$ -	\$ -
2 BR	1	765			\$ -	\$ -	\$ -	\$ -
3 BR	0	1040			\$ -	\$ -	\$ -	\$ -
4 BR	0	5			\$ -	\$ -	\$ -	\$ -
TOTAL	1				\$	\$ -	\$ -	\$ -

RENTAL SUBSIDY INCOME		TYPE	Federal					
UNIT TYPE	NUMBER	PER-UNIT MONTHLY NET RENT	PER-UNIT MONTHLY SUBSIDY RENT	PER-UNIT MONTHLY PREMIUM	VOUCHER PAYMENT STANDARD SOURCE	TOTAL MONTHLY SUBSIDY	TOTAL ANNUAL SUBSIDY	
0 BR	0	\$ 918	\$ -	\$ -		\$ -	\$ -	\$ -
1 BR	9	\$ 865	\$ 1,677	\$ 812	SDHC	\$ 7,308	\$ 87,696	
1 BR	1	\$ 865	\$ 1,677	\$ 812	SDHC	\$ 812	\$ 9,744	
2 BR	0	\$ 1,018	\$ -	\$ -		\$ -	\$ -	\$ -
3 BR	0	\$ 1,156	\$ -	\$ -		\$ -	\$ -	\$ -
4 BR	0	\$ 1,521	\$ -	\$ -		\$ -	\$ -	\$ -
TOTAL	10					\$ 8,120	\$ 97,440	

TOTAL RENTAL INCOME (BASE RENT + SUBSIDY)	TOTAL UNITS	TOTAL MONTHLY (Net)	TOTAL ANNUAL (Net)
	65	\$ 103,799	\$ 1,245,588

MISCELLANEOUS INCOME	PER-UNIT MONTHLY	TOTAL MONTHLY	TOTAL ANNUAL
Laundry/Vending	\$ 5	\$ 320	\$ 3,840
Financial	\$ -	\$ -	\$ -

Encanto Gateway	Version:	Template
Project Address: 6601 Imperial Ave San Diego, CA 92114	Revised:	8/17/2026
Base Year Income and Expense		

INCOME		
Scheduled Gross Income (Non-SN)		\$ 1,148,148
Scheduled Gross Income (SN)		\$ -
Operating Subsidy Premium		\$ 97,440
Scheduled Gross Income (Market Rate)		\$ -
Miscellaneous Income		\$ 3,840
Vacancy Loss (NON-SN)	5.00%	\$ (57,407)
Vacancy Loss (SN)	5.00%	\$ -
Vacancy Loss (Operating Subsidy)	5.00%	\$ (4,872)
Vacancy Loss (Market Rate)	0.00%	\$ -
Vacancy Loss (Miscellaneous Income)	5.00%	\$ (192)
EFFECTIVE GROSS INCOME		\$ 1,186,957

EXPENSES - RESIDENTIAL		Per Unit	
Administrative			
Advertising		\$	-
Legal	\$ 45	\$	2,925
Accounting/Audit	\$ 313	\$	10,000
Security	\$ 462	\$	30,000
Misc. Admin/Telephone	\$ 500	\$	32,500
Total Administrative			\$ 75,425
Utilities			
Electricity	\$ 500	\$	32,500
Gas	\$ -	\$	-
Cable & Internet	\$ -	\$	-
Water/Sewer	\$ 1,100	\$	63,000
Total Utilities			\$ 95,500
Payroll/Payroll Taxes			
On-Site Manager/Maintenance Payroll	\$ 1,846	\$	120,000
Payroll Taxes/Benefits	\$ 700	\$	45,500
Total Payroll/Payroll Taxes			\$ 165,500
	0		
Insurance	\$ 900		\$ 58,500
Real Estate Taxes/Assessments	\$ 15		\$ 1,000
Maintenance			
Painting	\$ 92	\$	6,000
Repairs	\$ 200	\$	13,000
Trash Removal	\$ 200	\$	13,000
Exterminating	\$ 75	\$	4,875
Grounds	\$ 308	\$	20,000
Elevator	\$ 138	\$	9,000
Misc. Expenses	\$ 100	\$	6,500
Total Maintenance			\$ 72,375
Replacement Reserve	\$ 500		\$ 54,600
Management Fee	825 per unit		\$ 53,625
Other			
Resident Services Coordinator	\$ 1,538	\$	100,000
Operating Reserve		\$	-
Other: SDHC Monitoring Fee	\$ 158	\$	10,238
Other: City Monitoring Fee	\$ 38	\$	2,500
Annual Issuer Fee	\$ 154	\$	10,000
Total Other			\$ 122,738
TOTAL EXPENSES - RESIDENTIAL			
	PUPY		Total
Including Reserves	\$ 10,758		\$ 699,263
Without reserves and services	\$ 8,030		\$ 521,925
Without taxes, reserves, and services	\$ 8,014		\$ 520,925
UMR REQUIRED DEBT SERVICE			\$ 58,800
NET AVAILABLE INCOME FOR PERMANENT LOAN			\$ 420,074

Encanto Gateway Project Address: 6601 Imperial Ave San Diego, CA 92114 Cashflow														Version: Revised:	Template 8/17/2026	
ASSUMPTIONS																
Rent Increases:	2.5%															
Expense Increases:	3.5%															
Real Estate Expense Increases:	2.0%															
		Year 1 2028	Year 2 2029	Year 3 2030	Year 4 2031	Year 5 2032	Year 6 2033	Year 7 2034	Year 8 2035	Year 9 2036	Year 10 2037	Year 11 2038	Year 12 2039	Year 13 2040	Year 14 2041	Year 15 2042
Scheduled Gross Income (Non-SN)		1,148,148	1,176,852	1,206,273	1,236,430	1,267,341	1,299,024	1,331,500	1,364,787	1,398,907	1,433,880	1,469,727	1,506,470	1,544,131	1,582,735	1,622,303
Scheduled Gross Income (SN)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Subsidy Premium		97,440	99,876	102,373	104,932	107,556	110,244	113,001	115,826	118,721	121,689	124,731	127,850	131,046	134,322	137,680
Scheduled Gross Income (Market Rate)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income		3,840	3,936	4,034	4,135	4,239	4,345	4,453	4,565	4,679	4,796	4,916	5,038	5,164	5,293	5,426
Vacancy Loss (NON-SN)	5.00%	(57,407)	(58,843)	(60,314)	(61,821)	(63,367)	(64,951)	(66,575)	(68,239)	(69,945)	(71,694)	(73,486)	(75,323)	(77,207)	(79,137)	(81,115)
Vacancy Loss (SN)	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss (Operating Subsidy)	5.00%	(4,872)	(4,994)	(5,119)	(5,247)	(5,378)	(5,512)	(5,650)	(5,791)	(5,936)	(6,084)	(6,237)	(6,392)	(6,552)	(6,716)	(6,884)
Vacancy Loss (Market Rate)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss (Miscellaneous Income)	5.00%	(192)	(197)	(202)	(207)	(212)	(217)	(223)	(228)	(234)	(240)	(246)	(252)	(258)	(265)	(271)
GROSS EFFECTIVE INCOME		1,186,957	1,216,631	1,247,046	1,278,222	1,310,178	1,342,932	1,376,506	1,410,918	1,446,191	1,482,346	1,519,405	1,557,390	1,596,325	1,636,233	1,677,139
OPERATING EXPENSES																
Management Fee		53,625	55,502	57,444	59,455	61,536	63,690	65,919	68,226	70,614	73,085	75,643	78,291	81,031	83,867	86,802
Real Estate Taxes	2.0%	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195	1,219	1,243	1,268	1,294	1,319
Annual Issuer Fee		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
Other City Monitoring Fee		12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738
Resident Services	3.0%	100,000	103,000	106,000	109,273	112,551	115,927	119,405	122,987	126,677	130,477	134,392	138,423	142,576	146,853	151,259
Other Operating Expenses		467,300	483,656	500,583	518,104	536,237	555,006	574,431	594,536	615,345	636,882	659,173	682,244	706,122	730,837	756,416
NET OPERATING INCOME		542,294	550,716	559,150	567,592	576,034	584,468	592,887	601,283	609,646	617,969	626,241	634,451	642,589	650,644	658,604
REPLACEMENT RESERVE - \$500 PUPA		54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600
NET INCOME AVAILABLE FOR DEBT SERVICE		487,694	496,116	504,550	512,992	521,434	529,868	538,287	546,683	555,046	563,369	571,641	579,851	587,989	596,044	604,004
Permanent Loan Debt Service		341,524	341,524	341,524	341,524	341,524	341,524	341,524	341,524	341,524	341,524	341,524	341,524	341,524	341,524	341,524
SDHC Fixed 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
UMR Required Debt Service	###	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800
TOTAL DEBT SERVICE		410,324	410,324	410,324	410,324	410,324	410,324	410,324	410,324	410,324	410,324	410,324	410,324	410,324	410,324	410,324
NET CASH FLOW		77,370	85,792	94,227	102,669	111,110	119,544	127,963	136,359	144,723	153,045	161,317	169,527	177,666	185,721	193,681
DEBT SERVICE COVERAGE RATIO		1.19	1.21	1.23	1.25	1.27	1.29	1.31	1.33	1.35	1.37	1.39	1.41	1.43	1.45	1.47
Resident Services (below the line)		\$ -	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Asset Management Fee - LP	3.0%	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344
Asset Management Fee - GP	3.0%	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563
Asset Management Fee - GP (Accrued)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Reserve Payment	\$ 277,398	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Balance		1,692,197	1,627,327	1,554,410	1,473,444	1,384,434	1,287,393	1,182,340	1,069,302	948,316	819,428	682,692	538,175	385,950	226,106	58,742
Deferred Developer Fee Payment		64,870	72,917	80,966	89,009	97,041	105,053	113,038	120,986	128,888	136,736	144,518	152,224	159,844	167,364	58,742
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cashflow Available for Distribution		-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	116,031
Residual Receipts Payments	50.0%	-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	58,015
City of San Diego	21.0%	-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	24,321
San Diego Housing Commission	3.8%	-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	4,422
County of San Diego NPLH	6.2%	-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	7,163
County of San Diego IHTF	19.1%	-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	22,110
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cashflow to Partnership	50.0%	-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	58,015

Encanto Gateway Project Address: 6601 Imperial Ave San Diego, CA 92114 Cashflow		Encanto Gateway Project Address: 6601 Imperial Ave San Diego, CA 92114 Cashflow													Version: Revised:	Template 8/17/2026
ASSUMPTIONS																
Rent Increases:	2.5%															
Expense Increases:	3.5%															
Real Estate Expense Increases:	2.0%															
		Year 16 2043	Year 17 2044	Year 18 2045	Year 19 2046	Year 20 2047	Year 21 2048	Year 22 2049	Year 23 2050	Year 24 2051	Year 25 2052	Year 26 2053	Year 27 2054	Year 28 2055	Year 29 2056	Year 30 2057
Scheduled Gross Income (Non-SN)		1,662,861	1,704,432	1,747,043	1,790,719	1,835,487	1,881,374	1,928,409	1,976,619	2,026,034	2,076,685	2,128,602	2,181,817	2,236,363	2,292,272	2,349,579
Scheduled Gross Income (SN)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Subsidy Premium		141,122	144,650	148,266	151,973	155,772	159,667	163,658	167,750	171,944	176,242	180,648	185,165	189,794	194,538	199,402
Scheduled Gross Income (Market Rate)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income		5,561	5,701	5,843	5,989	6,139	6,292	6,450	6,611	6,776	6,946	7,119	7,297	7,480	7,667	7,858
Vacancy Loss (NON-SN)	5.00%	(83,143)	(85,222)	(87,352)	(89,536)	(91,774)	(94,069)	(96,420)	(98,831)	(101,302)	(103,834)	(106,430)	(109,091)	(111,818)	(114,614)	(117,479)
Vacancy Loss (SN)	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss (Operating Subsidy)	5.00%	(7,056)	(7,233)	(7,413)	(7,599)	(7,789)	(7,983)	(8,183)	(8,387)	(8,597)	(8,812)	(9,032)	(9,258)	(9,490)	(9,727)	(9,970)
Vacancy Loss (Market Rate)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss (Miscellaneous Income)	5.00%	(278)	(285)	(292)	(299)	(307)	(315)	(322)	(331)	(339)	(347)	(356)	(365)	(374)	(383)	(393)
GROSS EFFECTIVE INCOME		1,719,067	1,762,044	1,806,095	1,851,247	1,897,528	1,944,967	1,993,591	2,043,431	2,094,516	2,146,879	2,200,551	2,255,565	2,311,954	2,369,753	2,428,997
OPERATING EXPENSES																
Management Fee		89,841	92,985	96,239	99,608	103,094	106,702	110,437	114,302	118,303	122,443	126,729	131,165	135,755	140,507	145,424
Real Estate Taxes	2.0%	1,346	1,373	1,400	1,428	1,457	1,486	1,516	1,546	1,577	1,608	1,641	1,673	1,707	1,741	1,776
Annual Issuer Fee		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
Other City Monitoring Fee		12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738
Resident Services	3.0%	155,797	160,471	165,285	170,243	175,351	180,611	186,029	191,610	197,359	203,279	209,378	215,659	222,129	228,793	235,657
Other Operating Expenses		782,891	810,292	838,652	868,005	898,385	929,828	962,372	996,055	1,030,917	1,066,999	1,104,344	1,142,996	1,183,001	1,224,406	1,267,261
NET OPERATING INCOME		666,456	674,186	681,781	689,226	696,504	703,601	710,499	717,179	723,623	729,811	735,722	741,334	746,624	751,569	756,142
REPLACEMENT RESERVE - \$500 PUPA		54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600
NET INCOME AVAILABLE FOR DEBT SERVICE		611,856	619,586	627,181	634,626	641,904	649,001	655,899	662,579	669,023	675,211	681,122	686,734	692,024	696,969	701,542
Permanent Loan Debt Service		341,524	341,524	-	-	-	-	-	-	-	-	-	-	-	-	-
SDHC Fixed 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
UMR Required Debt Service		58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800
TOTAL DEBT SERVICE		410,324	410,324	68,800	68,800	68,800	68,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800
NET CASH FLOW		201,532	209,263	558,381	565,826	573,104	580,201	597,099	603,779	610,223	616,411	622,322	627,934	633,224	638,169	642,742
DEBT SERVICE COVERAGE RATIO		1.49	1.51	9.12	9.22	9.33	9.43	11.15	11.27	11.38	11.48	11.58	11.68	11.77	11.85	11.93
Resident Services (below the line)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asset Management Fee - LP	3.0%	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	17,674
Asset Management Fee - GP	3.0%	7,790	8,024	8,264	8,512	8,768	9,031	9,301	9,581	9,868	10,164	10,469	10,783	11,106	11,440	11,783
Asset Management Fee - GP (Accrued)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Reserve Payment	\$ 277,398	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Payment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cashflow Available for Distribution		182,058	189,204	537,720	544,545	551,186	557,625	573,845	579,828	585,553	591,001	596,150	600,977	605,458	609,569	613,285
Residual Receipts Payments	50.0%	91,029	94,602	268,860	272,273	275,593	278,812	286,923	289,914	292,777	295,501	298,075	300,488	302,729	304,785	306,642
City of San Diego	21.0%	38,160	39,658	112,708	114,139	115,531	116,880	120,280	121,534	122,734	123,876	124,955	125,967	126,906	127,768	128,547
San Diego Housing Commission	3.8%	6,938	7,211	20,492	20,752	21,006	21,251	21,869	22,097	22,315	22,523	22,719	22,903	23,074	23,231	23,372
County of San Diego NPLH	6.2%	11,240	11,681	33,198	33,619	34,029	34,427	35,428	35,797	36,151	36,487	36,805	37,103	37,380	37,633	37,863
County of San Diego IHTF	19.1%	34,691	36,053	102,462	103,762	105,028	106,255	109,345	110,485	111,576	112,615	113,596	114,515	115,369	116,153	116,861
Cashflow to Partnership	50.0%	91,029	94,602	268,860	272,273	275,593	278,812	286,923	289,914	292,777	295,501	298,075	300,488	302,729	304,785	306,642

Encanto Gateway Project Address: 6601 Imperial Ave San Diego, CA 92114 Cashflow															
ASSUMPTIONS Rent Increases: 2.5% Expense Increases: 3.5% Real Estate Expense Increases: 2.0%															
	Year 31	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
	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072
Scheduled Gross Income (Non-SN)	2,408,318	2,468,526	2,530,239	2,593,495	2,658,332	2,724,791	2,792,911	2,862,733	2,934,302	3,007,659	3,082,851	3,159,922	3,238,920	3,319,893	3,402,890
Scheduled Gross Income (SN)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Subsidy Premium	204,387	208,497	214,734	220,102	225,605	231,245	237,026	242,952	249,026	255,251	261,633	268,173	274,878	281,750	288,793
Scheduled Gross Income (Market Rate)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	8,055	8,256	8,462	8,674	8,891	9,113	9,341	9,574	9,814	10,059	10,311	10,568	10,833	11,103	11,381
Vacancy Loss (NON-SN)	(120,416)	(123,426)	(126,512)	(129,675)	(132,917)	(136,240)	(139,646)	(143,137)	(146,715)	(150,383)	(154,143)	(157,996)	(161,946)	(165,995)	(170,145)
Vacancy Loss (SN)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss (Operating Subsidy)	(10,219)	(10,475)	(10,737)	(11,005)	(11,280)	(11,562)	(11,851)	(12,148)	(12,451)	(12,763)	(13,082)	(13,409)	(13,744)	(14,087)	(14,440)
Vacancy Loss (Market Rate)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss (Miscellaneous Income)	(403)	(413)	(423)	(434)	(445)	(456)	(467)	(479)	(491)	(503)	(516)	(528)	(542)	(555)	(569)
GROSS EFFECTIVE INCOME	2,489,722	2,551,965	2,615,764	2,681,158	2,748,187	2,816,892	2,887,314	2,959,497	3,033,484	3,109,321	3,187,054	3,266,731	3,348,399	3,432,109	3,517,912
OPERATING EXPENSES															
Management Fee	150,514	155,782	161,235	166,878	172,719	178,764	185,021	191,496	198,199	205,136	212,315	219,746	227,437	235,398	243,637
Real Estate Taxes	1,811	1,848	1,885	1,922	1,961	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390
Annual Issuer Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other: City Monitoring Fee	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738
Resident Services	242,726	250,008	257,508	265,234	273,191	281,386	289,828	298,523	307,478	316,703	326,204	335,990	346,070	356,452	367,145
Other Operating Expenses	1,311,615	1,357,521	1,405,034	1,454,211	1,505,108	1,557,787	1,612,309	1,668,740	1,727,146	1,787,596	1,850,162	1,914,918	1,981,940	2,051,308	2,123,104
NET OPERATING INCOME	770,318	774,068	777,364	780,176	782,472	784,217	785,379	785,919	785,801	784,985	783,428	781,087	777,917	773,871	768,899
REPLACEMENT RESERVE - \$500 PUPA	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600
NET INCOME AVAILABLE FOR DEBT SERVICE	715,718	719,468	722,764	725,576	727,872	729,617	730,779	731,319	731,201	730,385	728,828	726,487	723,317	719,271	714,299
Permanent Loan Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SDHC Fixed Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UMR Required Debt Service	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800
TOTAL DEBT SERVICE	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800
NET CASH FLOW	656,918	660,668	663,964	666,776	669,072	670,817	671,979	672,519	672,401	671,585	670,028	667,687	664,517	660,471	655,499
DEBT SERVICE COVERAGE RATIO	12.17	12.24	12.29	12.34	12.38	12.41	12.43	12.44	12.44	12.42	12.40	12.36	12.30	12.23	12.15
Resident Services (below the line)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asset Management Fee - LP	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
Asset Management Fee - GP	12,136	12,500	12,875	13,262	13,660	14,069	14,491	14,926	15,374	15,835	16,310	16,799	17,303	17,823	18,357
Asset Management Fee - GP (Accrued)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Reserve Payment	\$ 277,398	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cashflow Available for Distribution	626,577	629,417	631,776	633,622	634,923	635,644	635,750	635,204	633,966	631,997	629,252	625,688	621,259	615,914	609,605
Residual Receipts Payments	313,288	314,709	315,888	316,811	317,461	317,822	317,875	317,602	316,983	315,998	314,626	312,844	310,629	307,957	304,803
City of San Diego	131,333	131,928	132,423	132,809	133,082	133,233	133,256	133,141	132,882	132,469	131,894	131,147	130,218	129,098	127,776
San Diego Housing Commission	23,879	23,987	24,077	24,147	24,197	24,224	24,228	24,207	24,160	24,085	23,981	23,845	23,676	23,472	23,232
County of San Diego NPLH	38,683	38,859	39,004	39,118	39,199	39,243	39,250	39,216	39,140	39,018	38,849	38,629	38,355	38,025	37,636
County of San Diego IHTF	119,393	119,935	120,384	120,736	120,984	121,121	121,141	121,037	120,802	120,426	119,903	119,224	118,380	117,362	116,160
Cashflow to Partnership	313,288	314,709	315,888	316,811	317,461	317,822	317,875	317,602	316,983	315,998	314,626	312,844	310,629	307,957	304,803

Encanto Gateway Project Address: 6601 Imperial Ave San Diego, CA 92114 Cashflow											
ASSUMPTIONS											
Rent Increases:	2.5%										
Expense Increases:	3.5%										
Real Estate Expense Increases:	2.0%										
		Year 46 2073	Year 47 2074	Year 48 2075	Year 49 2076	Year 50 2077	Year 51 2078	Year 52 2079	Year 53 2080	Year 54 2081	Year 55 2082
Scheduled Gross Income (Non-SN)		3,487,963	3,575,162	3,664,541	3,756,154	3,850,058	3,946,310	4,044,967	4,146,091	4,249,744	4,355,987
Scheduled Gross Income (SN)		-	-	-	-	-	-	-	-	-	-
Operating Subsidy Premium		296,013	303,414	310,999	318,774	326,743	334,912	343,285	351,867	360,663	369,680
Scheduled Gross Income (Market Rate)		-	-	-	-	-	-	-	-	-	-
Miscellaneous Income		11,666	11,957	12,256	12,563	12,877	13,198	13,528	13,867	14,213	14,569
Vacancy Loss (NON-SN)	5.00%	(174,398)	(178,758)	(183,227)	(187,808)	(192,503)	(197,315)	(202,248)	(207,305)	(212,487)	(217,799)
Vacancy Loss (SN)	5.00%	-	-	-	-	-	-	-	-	-	-
Vacancy Loss (Operating Subsidy)	5.00%	(14,801)	(15,171)	(15,550)	(15,939)	(16,337)	(16,746)	(17,164)	(17,593)	(18,033)	(18,484)
Vacancy Loss (Market Rate)	0.00%	-	-	-	-	-	-	-	-	-	-
Vacancy Loss (Miscellaneous Income)	5.00%	(583)	(598)	(613)	(628)	(644)	(660)	(676)	(693)	(711)	(728)
GROSS EFFECTIVE INCOME		3,605,859	3,696,006	3,788,406	3,883,116	3,980,194	4,079,699	4,181,691	4,286,234	4,393,389	4,503,224
OPERATING EXPENSES											
Management Fee		252,164	260,990	270,124	279,579	289,364	299,492	309,974	320,823	332,052	343,674
Real Estate Taxes	2.0%	2,438	2,487	2,536	2,587	2,639	2,692	2,745	2,800	2,856	2,913
Annual Issuer Fee		-	-	-	-	-	-	-	-	-	-
Other City Monitoring Fee		12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738	12,738
Resident Services	3.0%	378,160	389,504	401,190	413,225	425,622	438,391	451,542	465,089	479,041	493,412
Other Operating Expenses		2,197,412	2,274,322	2,353,923	2,436,310	2,521,581	2,609,836	2,701,181	2,795,722	2,893,572	2,994,847
NET OPERATING INCOME		762,948	755,966	747,895	738,678	728,251	716,551	703,512	689,062	673,130	655,640
REPLACEMENT RESERVE - \$500 PUPA		54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600
NET INCOME AVAILABLE FOR DEBT SERVICE		708,348	701,366	693,295	684,078	673,651	661,951	648,912	634,462	618,530	601,040
PERMANENT LOAN DEBT SERVICE											
Permanent Loan Debt Service		-	-	-	-	-	-	-	-	-	-
SDHC Fixed Payment		-	-	-	-	-	-	-	-	-	-
UMR Required Debt Service		58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800
TOTAL DEBT SERVICE		58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800
NET CASH FLOW											
NET DEBT SERVICE COVERAGE RATIO		649,548 12.05	642,566 11.93	634,495 11.79	625,278 11.63	614,851 11.46	603,151 11.26	590,112 11.04	575,662 10.79	559,730 10.52	542,240 10.22
Resident Services (below the line)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asset Management Fee - LP	3.0%	28,362	29,213	30,089	30,992	31,922	32,879	33,866	34,882	35,928	37,006
Asset Management Fee - GP	3.0%	18,908	19,475	20,059	20,661	21,281	21,920	22,577	23,254	23,952	24,671
Asset Management Fee - GP (Accrued)		-	-	-	-	-	-	-	-	-	-
Operating Reserve Payment	\$ 277,398	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Balance		-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Payment		-	-	-	-	-	-	-	-	-	-
Cashflow Available for Distribution		602,278	593,878	584,347	573,624	561,648	548,352	533,669	517,526	499,850	480,563
Residual Receipts Payments	50.0%	301,139	296,939	292,173	286,812	280,824	274,176	266,834	258,763	249,925	240,282
City of San Diego	21.0%	126,240	124,479	122,481	120,234	117,723	114,937	111,859	108,475	104,770	100,728
San Diego Housing Commission	3.8%	22,953	22,633	22,269	21,861	21,404	20,898	20,338	19,723	19,049	18,314
County of San Diego NPLH	6.2%	37,183	36,665	36,076	35,414	34,675	33,854	32,948	31,951	30,860	29,669
County of San Diego IHTF	19.1%	114,763	113,163	111,347	109,303	107,021	104,488	101,690	98,614	95,246	91,571
		-	-	-	-	-	-	-	-	-	-
Cashflow to Partnership	50.0%	301,139	296,939	292,173	286,812	280,824	274,176	266,834	258,763	249,925	240,282

Encanto Gateway	Version:	Template
Project Address: 6601 Imperial Ave San Diego, CA 92114	Revised:	8/17/2026
Tax Credit Calculation		

FEDERAL TAX CREDITS			
	ACQ.	CONST./ REHAB	TOTAL
TOTAL ELIGIBLE COSTS	\$ -	\$ 47,998,987	\$ 47,998,987
Less:			
Business Energy Tax Credits (Res. Portion)	\$ -	\$ -	\$ -
Non-Eligible (Federal/Grant Financing)	\$ -	\$ -	\$ -
ELIGIBLE BASIS	\$ -	\$ 47,998,987	\$ 47,998,987
THRESHOLD BASIS LIMIT			\$ 92,114,229
REQUESTED ELIGIBLE BASIS	\$ -	\$ 47,998,987	\$ 47,998,987
LESS: VOLUNTARY REDUCTION	\$ -		\$ -
TOTAL REQUESTED UNADJUSTED ELIGIBLE BASIS	\$ -	\$ 47,998,987	\$ 47,998,987
QCT, DDA or OTHER HIGH COST ADJUSTMENT	100%	100%	
ADJUSTED ELIGIBLE BASIS	\$ -	\$ 47,998,987	\$ 47,998,987
APPLICABLE FRACTION	100%	100%	
QUALIFIED CREDIT BASIS	\$ -	\$ 47,998,987	\$ 47,998,987
CREDIT RATE	4.00%	4.00%	
MAXIMUM ANNUAL CREDIT AMOUNT	\$ -	\$ 1,919,959	\$ 1,919,959
MAXIMUM TOTAL CREDIT AMOUNT	\$ -	\$ 19,199,590	\$ 19,199,590
FEDERAL TAX CREDIT EQUITY			\$ 16,319,652

STATE TAX CREDITS (if applicable)			
Total Development Cost			\$ 55,113,773
Non-Tax Credit Sources			\$ 38,794,121
Federal Tax Credit Equity			\$ 16,319,652
Non-State Tax Credit Sources			\$ 55,113,773
Remaining Need			\$ 1
State Tax Credits needed			\$ 1
Credit Rate	13%	30%	
MAXIMUM TOTAL CREDIT AMOUNT	\$ -	\$ -	\$ -
STATE TAX CREDIT EQUITY	\$ -	\$ -	\$ -

<i>Surplus/(Shortfall)</i>	\$ -
----------------------------	------

Applicable Fraction Calculations	
All Units	65
Market Rate Units	0
Square Footage of All Units Excluding Managers	47,050
Square Footage of Low-Income Units	47,050
Unit ratio	100%
Square footage ratio	100%

Encanto Gateway	Version:	Template
Project Address: 6601 Imperial Ave San Diego, CA 92114	Revised:	8/17/2026
Tax Credit Calculation		

TCAC TIEBREAKER		
TOTAL TIEBREAKER		63.022%
TIEBREAKER 1		56.663%
Capitalized Soft Financing (excluding donated land and fee waivers)	\$	28,620,000
Capitalized Value of Rent Differentials	\$	366,870
Donated Land	\$	-
Fee Waivers	\$	-
Excess Purchase Price Over Appraised Value	\$	-
Ineligible Offsites	\$	-
Total Leveraged Soft Financing	\$	28,986,870
Mixed-Use Ratio		0.0%
Tax Credit Units		65
Size Factor		1.08
Leveraged Soft Financing less commercial proration	\$	28,986,870
Leveraged Soft Financing times Size Factor	\$	31,160,886
Numerator	\$	31,160,886
Denominator	\$	54,993,773
TIEBREAKER 2		6.360%
Requested Unadjusted Eligible Basis	\$	47,998,987
Denominator	\$	54,993,773
TIEBREAKER 3		0%
Large Family New Construction in High Opportunity Areas		0%

Tranche B Unit Mix				
Unit Type	# of Units	SRO/SN or Other	Rent Limit: 30% AMI (SRO/SN) 40% AMI (all others)	Public Subsidy Contract Rent
0 BR	0	SRO/SN	\$ 1,225	\$ -
1 BR	9	SRO/SN	\$ 1,312	\$ 1,677
2 BR	0	SRO/SN	\$ 1,575	\$ -
3 BR	0	SRO/SN	\$ 1,819	\$ -
4 BR	0	SRO/SN	\$ 2,029	
4 BR	0	SRO/SN	\$ 2,029	
4 BR	0	SRO/SN	\$ 2,029	

Tranche B Calculation	
Available for Debt Service	\$ 32,564
Loan Term	15
Interest Rate	4.0%
Tranch B Public Funds	\$366,870

ATTACHMENT 4

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.

**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**
2. Address and Zip Code: **9692 Haven Ave. Suite 100 Rancho Cucamonga, CA 91730**
3. Telephone Number: **909-483-2444**
4. Name of Principal Contact for CONTRACTOR: **Chris Killian/Sr. Vice President - Construction**
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:
- ☐ A corporation (Attach Articles of Incorporation)
- ☒ A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status).
- ☐ A partnership known as: _____
(Name)
- Check one
() General Partnership (Attach statement of General Partnership)
() Limited Partnership (Attach Certificate of Limited Partnership)
- ☐ A business association or a joint venture known as: _____
(Attach joint venture or business association agreement)
- A Federal, State or local government or instrumentality thereof.

___Other (explain)

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

March 20, 1992 (name change on February 15, 2007)

8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below: **a. - e. NA**

- a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
- b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
- c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
- d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

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

(Attach extra sheet if necessary)

**Please see list of board members and officers (with contact information)
Attached list provided.**

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

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

Name, Address and
Zip Code

Position Title (if any) and
extent of interest

N/A

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:

See list of NCRC executive leadership team contact information attached.

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.

**Hope Through Housing Foundation
9692 Haven Ave. Suite 100
Rancho Cucamonga, CA 91730**

Affiliated nonprofit organization, shared board of directors.

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

Audited Financials are included.

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:

N/A

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, tax-exempt bonds, and other public and private sources of funds to finance the construction of Encanto Gateway. NCRC will provide predevelopment funding to finance development expenditures prior to closing construction financing. Please see attached financial statements that detail cash available: the most recent audited consolidated balance sheet shows \$2,136,424,394 of total cash and cash equivalents from NCRC and its affiliates.

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

Amount: \$ _____

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

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

Amount: \$ _____

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

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
--------------------	---------------------	---------------------------

\$

\$

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

Wells Fargo Bank
4141 Inland Empire Blvd, #350
Ontario, CA 91764
Contact: Ivy Wong (909)481-6534

Citizens Business Bank
310 N. Harbor Blvd.
Fullerton, CA 92832
Contact: Peter Agarwal (714)773-0600

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 X No

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

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

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

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

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 de! 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:

National Community Renaissance of California
9692 Haven Ave. Suite 100
Rancho Cucamonga, CA 91730
Same entity as developer

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

NA

- 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 X 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: \$ **350 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.

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

Please see included Project List

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

Please see included NCRC General Contractor List

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

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

NCRC is a full-service construction contractor that provides redevelopment/pre-construction services, pro forma 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 ("COMMISSION"), Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of the COMMISSION, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the

CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor?

___ Yes X No

If yes, explain.

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

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 X No

If yes, explain:

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

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

See Certificates included.

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

Check coverage(s) carried:

- ☒ Comprehensive Form
- ☒ Premises - Operations
- ☐ Explosion and Collapse Hazard
- ☐ Underground Hazard
- ☒ Products/Completed Operations Hazard
- ☒ Contractual Insurance
- ☐ Broad Form Property Damage

- ☐ Independent Contractors
- ☐ Personal Injury

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

Check coverage(s) carried:

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

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

\$1M limit, see included 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)]

\$5M limit, see included certificate

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

Umbrella Liability Policy, see included 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 COMMISSION setting forth the provisions of this nondiscrimination clause.

Affirmed

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

Affirmed

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

Affirmed

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

Government Entity
Making Complaint

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. If so, please explain the circumstances in detail. If none, please so state:

None

32. Please list all licenses obtained by the CONTRACTOR through the State of California and/or the United States of America which are required and/or will be utilized by the CONTRACTOR and/or are convenient to the performance of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT, or RENDITION OF SERVICES. State the name of the governmental agency granting the license,

type of license, date of grant, and the status of the license, together with a statement as to whether the License has ever been revoked:

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

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

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 COMMISSION.

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 COMMISSION, 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
April 2025	Project: Rose Creek Village SDHC City of San Diego	Current Current	\$2,000,000 \$4,000,000
September 2023	Project: Encanto Gateway City of San Diego	Current	\$4,150,000
November 2023	Project: Iris at San Ysidro SDHC City of San Diego	Current Current	\$2,300,000 \$5,000,000
April 2022	Project: Nestor Senior Village SDHC	Current	\$3,330,000

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 X No

If yes, explain:

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

___Yes X No

If yes, explain:

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

Name: Leilani Hines

Address: 300 N. Coast Hwy Oceanside, CA 92054

Phone: 760-435-3377

Project Name and Description: Greenbrier Village - PSH

Name: **Candi Roberts**

Address: **1 Civic Center Dr. San Marcos, CA 92067**

Phone: **760-744-1050 x3178**

Project Name and Description: **Villa Serena Phase I & II - Family**

Name: **Sherry Brooks**

Address: **8989 Rio San Diego Dr #100 San Diego, CA 92108**

Phone: **619-235-2200**

Project Name and Description: **Encanto Village – Family/PSH & San Ysidro Senior Village – Senior/100% PSH**

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

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. Give 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.

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 13th day of August, 2026, at Rancho Cucamonga, California.

CONTRACTOR

By: 
Signature

Chief Financial Officer
Title

CERTIFICATION

The CONTRACTOR, National Community Renaissance of California, 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: 
Kevin Lim

Title: Chief Financial Officer

Dated: August 13, 2026

By: _____

Title: _____

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

See attached Notary certificate 

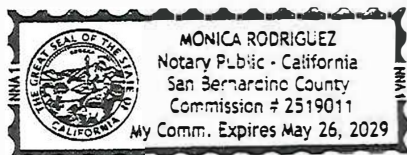
CALIFORNIA JURAT

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 13 day of August, 2026
by Kevin Lim proved to me on the
basis of satisfactory evidence to be the person(s) who appeared before me.



(Seal)



Signature of Notary Public

My Commission Expires: 5/26/2029

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: _____



Leadership



Michael M. Ruane

PRESIDENT

Michael M. Ruane, National CORE's President, leads the development of program and business strategies for the organization and is responsible for overseeing all operating departments. Previously, Mr. Ruane served in a variety of leadership positions in Orange County, including Chief of Strategy and Public Affairs of CalOptima, Executive Director of the Children and Families Commission, Assistant County Chief Executive Officer and Director of the Environmental Management Agency. Mr. Ruane is a graduate of the University of California, Irvine, and earned a master's degree from the UCLA Graduate School of Architecture and Urban Planning. Mr. Ruane is the Immediate Past Chair of the Orange County/Inland Empire District Council of the Urban Land Institute and is the Jury Chair for the 2016 HUD Innovation in Affordable Housing national design and planning competition.



Robert Diaz

EXECUTIVE VICE PRESIDENT & GENERAL COUNSEL

Robert Diaz is National CORE's Executive Vice President and General Counsel. Robert drives organizational growth and works to develop National CORE's infrastructure to maximize our team's effectiveness and efficiency in pursuit of our mission.

Robert joined National CORE in 2017 as its General Counsel and previously served as Chief Administrative Officer before assuming his current responsibilities. Prior to joining National CORE, Robert served in various capacities as an attorney 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 significant experience in large-scale regulatory remediation efforts in the financial industry.

Robert graduated from the University of Chicago Law School and received his B.S. degree in Business Administration from Chapman University. 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.



Doretta "Dorrie" Bryan

SENIOR VICE PRESIDENT OF OPERATIONS

Dorrie Bryan began her career with National CORE in 1995 as the Executive Assistant to our Founder and CEO. After graduating from the University of California Riverside Human Resources Certificate Program in 1999, Dorrie was promoted to Vice President of Human Resources and Operations. In her current role, she is responsible for planning, developing, implementing, administering, and budgeting for all areas of employment, compensation, benefits, training, employee relations, legal compliance, affirmative action, and health and safety programs, for National CORE's 400+ employees. Other professional affiliations include Professionals in Human Resources Association and the Society of Human Resources Management.



Leadership



Alyssa Cotter

VICE PRESIDENT, HOPE THROUGH HOUSING FOUNDATION

Alyssa Cotter is a fundraising professional with more than 15 years of experience in nonprofit, higher education and local government settings. As Vice President for the Hope through Housing Foundation, she oversees the day-to-day operations and strategic focus of the Foundation. In her five years with Hope through Housing, Alyssa has been instrumental in building strategic partnerships and strong financial support from the community through numerous initiatives, including the creation of the Women of Hope affinity group, the launch of the Building Bright Futures Scholarship program for high-school graduates and adult learners as well as successfully raising more than \$5 million to support resident programs in California, Texas and Florida. Previously, she coordinated individual giving, corporate/private foundation relations and large-scale special events. Before joining Hope through Housing, Alyssa served as director of development at the Inland Empire United Way and as director of constituent and scholarship programs for the UCR Alumni Association.

Alyssa earned her bachelor's degree in business management and master's degree in public administration from California State University, San Bernardino. Alyssa serves as incoming chair of the Board of Directors for the Association of Fundraising Professionals, Inland Empire Chapter.



Michael Finn

CHIEF FINANCIAL OFFICER

Michael Finn is National CORE's Chief Financial Officer. As CFO, Michael is responsible for the overall financial strategy and fiscal practices of the organization. He oversees corporate, real estate development, construction, and property management accounting, strategic financial planning and analysis, IT, risk management and vendor relations. Has the overall responsibility to steward the organizations \$1.2B in real estate assets and works closely with the Board of Directors Audit and Finance committees.

Before joining National CORE, he served as CFO for a major healthcare technology company and brings more than 25 years of management experience in finance and accounting. He has significant experience in the technology, healthcare, real estate, construction, manufacturing, and entertainment fields. He received his bachelor's degree in economics from UCLA.



Lesley Hampton

SENIOR VICE PRESIDENT OF DEVELOPMENT

Lesley Hampton is the Senior Vice President of Project Development for National CORE, where she is responsible for managing an extensive pipeline of potential projects through the development process, overseeing a large team of project managers, cultivating relationships with a variety of external stakeholders, and performing comprehensive financial analysis to create complex deal structures. She embraces the mission of transforming communities and lives through the development of quality affordable housing. With more than 18 years of experience in affordable housing and finance, she has been responsible for the development and construction of more than 2,000 units and securing more than \$500 million in financing. Her entitlement and development expertise include acquisition/rehab, mixed-use, and new construction projects. Lesley received a bachelor's degree from the University of California San Diego and a M.B.A degree from the University of California Irvine.





Leadership



Chris Killian

SENIOR VICE PRESIDENT OF CONSTRUCTION

Chris Killian, Senior Vice President of Construction, began his career at National CORE in 2004 as an onsite Construction Superintendent and has held various positions within the organization, including Construction Manager and Vice President of Estimating. During his tenure with National CORE, he has been responsible for the construction and renovation of more than 1,240 apartment units, valued at approximately 215 million dollars. Prior to joining National CORE, Chris spent five years with the Fontana Unified School District, where as a Project Manager he was involved in the construction of four new schools with a total value of 103 million dollars. He also was responsible for the coordination of infrastructure and installation of numerous modular facilities during his time with the school district. Chris has a BS from the University of Redlands, and has taken course work in construction and supervision from Riverside Community College. He is a licensed General Contractor(B) in the State of California.



Barry Oglesby

VICE PRESIDENT OF FINANCE AND ACQUISITIONS

Barry Oglesby, in his role as Vice President of Finance and Acquisitions at National CORE, has an extensive background in real estate investments and corporate finance. He started his career in 2005, focusing on REIT acquisitions. A key aspect of his early career was his involvement in the Lehman Brothers bankruptcy as a consultant, where he conducted in-depth analyses of Lehman Brothers' significant real estate investments leading up to their collapse. This experience afforded him a deep understanding of financial restructuring and real estate investments.

While at KPMG, Barry acquired significant corporate finance and audit expertise, which furthered his proficiency in these essential finance areas. At AIMCO, a leading multifamily REIT, Barry Oglesby played a key role in executing several property redevelopments within their portfolio, thereby enhancing his experience in adding value to real estate. In his current position at National CORE, he leads the effort in the acquisition of existing multifamily properties and is also actively involved in capital fundraising initiatives. These roles demonstrate his ability to help lead National CORE's expansion of its portfolio through financial acumen and property acquisitions. Barry Oglesby holds a bachelor's degree in economics from Auburn University and a master's degree in finance from the University of Illinois. These qualifications, combined with his professional experience in corporate finance and real estate, contribute to his role at National CORE.



Leadership



Courtney Richard

SENIOR VICE PRESIDENT OF PROPERTY MANAGEMENT

Courtney Richard, Senior Vice President of Property Management, has been a member of the National CORE team since 2012 and has worked in property management since 2009. In her role, she oversees the operations and management of National CORE's 100+ affordable housing communities and a team of more than 300. She is responsible for setting strategic goals for National CORE's largest division to meet the growing needs of National CORE's expanding portfolio and new business lines.

In 2012, Courtney was instrumental in bringing relocation services in-house. Under her leadership, the team has launched a lucrative business line for National CORE, offering third-party services. Her unique approach to relocation minimizes resident hardship and provides consistent communication with residents while complying with mandated regulations.

Courtney has been recognized for her accomplishments by the Southern California Association on Nonprofit Housing (SCANPH) and Affordable Housing Finance. She holds multiple certifications, including RAD Project-Based Voucher, Rental Assistance Certification and Tax Credit Specialist. She graduated from Cal State San Bernardino with a Bachelor of Science in Business Administration.



Jill Van Balen

SENIOR VICE PRESIDENT OF MARKETING AND COMMUNICATIONS

Jill Van Balen began her career with National CORE and Hope through Housing in 2001 as the Executive Assistant for the Founder and CEO. Since then, Jill has held several positions within the organization, including Marketing and Fund Development Manager, Manager of Corporate Affairs and Grant Writer. In her current capacity, she is responsible for all corporate and business group branding, marketing and public relations to promote, enhance and grow the brands of National CORE and Hope through Housing.

Active in her community, Jill is the Past President of the Board of Directors for the Association of Fundraising Professionals Inland Empire Chapter, she also serves on the Board of Directors for the Purple Hearts and on the Board of Directors' Fundraising Committee for OPARC. She received her Bachelor of Arts Degree in Communications/Marketing from Virginia Polytechnic Institute and State University in Blacksburg, Virginia.



Leadership



Alexa Washburn

CHIEF DEVELOPMENT OFFICER

Alexa Washburn is Chief Development Officer for National CORE. As an affordable housing developer and public agency program manager, Alexa has managed, prepared and implemented a variety of community development projects over her 20 year career. Her projects have been recognized with 12 awards from the American Planning Association and Southern California Association of Governments. She applies her creative land planning, design solutions, and in-depth understanding of progressive policy and implementation strategies to effectively enhance the feasibility, livability, and sustainability of National CORE's communities. Alexa is responsible for acquisitions, forward and advanced planning, environmental, entitlements, and community outreach. She also established National CORE's consulting practice, providing consulting services to public and private sector clients.

Alexa is an advanced professional in LEED Neighborhood Development (LEED AP ND), and has earned a certificate from UCLA in Affordable Housing Development, bachelor's degrees in urban planning, geography and environmental studies, and a Master's degree in public policy & administration.



Marissiko Wheaton-Greer, Ph.D.

DIRECTOR OF DIVERSITY, EQUITY AND INCLUSION

Dr. Marissiko Wheaton-Greer brings more than 15 years of experience as an educator, scholar and practitioner in the field of higher education to her role as the Director of Diversity, Equity and Inclusion at National CORE. With a strong commitment to empowering marginalized communities, she has dedicated her personal life and professional career to community-building and awareness initiatives. At National CORE, Marissiko promotes diversity, equity and inclusion throughout the organization and in the way we approach our partners and the communities we serve. This includes supporting National CORE's various affinity groups, facilitating professional development and community engagement opportunities and forging robust relationships with minority-owned businesses.

Marissiko specializes in equity-oriented leadership and views diversity, equity and inclusion as achievements realized through fostering genuine relationships and commitment across all levels of an organization. Coming from a diverse, multi-generational, single-parent household, her personal and professional journey resonates closely with the values of National CORE. With a Bachelor of Arts in social ecology from the University of California, a Master of Arts in higher education/student personnel administration from New York University, and a Ph.D. in urban education policy from the University of Southern California, Marissiko's academic background reflects a deep dedication to promoting inclusive practices.

Ashley Wright

SENIOR VICE PRESIDENT OF DEVELOPMENT

In his role as Senior Vice President, Ashley Wright oversees all development activities for the organization. He has more than 25 years of experience in real estate finance and housing development. His knowledge includes entitlement, project management, development and construction of multifamily rental housing, for sale housing and commercial. He is proficient with numerous market-rate and affordable housing financing sources such as low-income housing tax credits, various state and federal programs, tax-exempt bonds, private equity and conventional financing. Ashley graduated from the California State Polytechnic University, Pomona, with a focus in finance, real estate and law.





Leadership

DEVELOPMENT LEADERSHIP TEAM



Tony Mize

VICE PRESIDENT OF ACQUISITIONS, TEXAS

Tony Mize is Vice President of Acquisitions and Forward Planning for National CORE. His career in the real estate industry has focused on the development of affordable multifamily and single-family housing, including workforce, senior, special needs and supportive housing. Tony was an integral part of the company's early years, serving as Director of Business Development, Acquisitions & Structured Transactions from 1993-99. Prior to rejoining National CORE in 2015, Tony launched and ran his own firms, developing, constructing and operating multiple affordable communities. Tony served from 2008-18 as a Board Member and Treasurer of the Fair Housing Council of Riverside County. He serves as a Board Member of the Civil Rights Institute of Inland Southern California. Tony also served many years as Treasurer and Executive Committee member of the Inland Empire Economic Partnership and as chair of its Small Business Development Center Advisory Board. He has a long involvement promoting economic development and job creation.



John Seymour

VICE PRESIDENT OF ACQUISITIONS AND FORWARD PLANNING, SAN DIEGO

John Seymour has 35 years of development and community-based experience and has been with National CORE 25 years. Responsible for acquisitions, forward planning, environmental, financing, entitlements and outreach, he has assisted in the production of more than 4,000 units including five mixed-use projects at a total development cost of over \$1.4 billion. Prior to National CORE, he worked for John Seymour and Associates, the Building Industry Association and as Policy Advisor to the Chair of San Diego County Board of Supervisors. He graduated from SDSU with a Bachelor of Science in Public Administration and Economics.



Ariana Brendle

VICE PRESIDENT OF ACQUISITIONS, FLORIDA

Ariana Brendle plays a crucial role in bringing the National CORE mission to Florida, with a focus on affordable housing as a vital step toward reducing intergenerational poverty and promoting economic mobility. Ariana has demonstrated her deep expertise in tax credits and tax-exempt bond transactions in California, Florida and Texas. She volunteers for the Miami Rescue Mission and Broward Outreach Centers, organizations that provide essential support to those in need. She also serves as Housing Committee Co-Chair for Healthy Little Havana, which advocates for initiatives that enhance the social determinants of health in Miami's Little Havana neighborhood. She holds a bachelor's degree in international business and a master's degree in business administration and finance from the University of Baltimore.



Leadership



Oscar Paul

DEVELOPMENT MANAGER, FLORIDA

Oscar Paul oversees all aspects of development, from land and asset acquisition to debt conversion and stabilization to property rehabilitation. Oscar has played a key role in developing more than 1,500 units of affordable housing across Florida and Texas. In 2017, he received the President's Medal for Volunteer Service. He also is a recipient of the Congressional Gold Medal, the highest honor granted by the United States Congress to American civilians, for completing over 2,500 voluntary public service hours in a single year. Oscar holds a Bachelor of Science in public administration, urban/regional planning & development, as well as a graduate certificate in emergency management and homeland security, both from Florida State University.



Michael de la Torre

SENIOR VICE PRESIDENT, LOS ANGELES REGION

Michael de la Torre guides day-to-day operations and overall strategy, direction and management of the acquisitions process for National CORE's Los Angeles Region. His team's responsibilities extend from project identification and feasibility to securing financing from public and private lenders. The acquisitions team also coordinates development approvals, supervises consultants and serves as a liaison with funding partners and community stakeholders. Michael oversees government relationships, new product development, due diligence and risk management for early stages of affordable housing developments. Before joining CORE, Michael worked in the Low-Income Housing Tax Credit (LIHTC) industry. He served as a rental housing specialist and risk assessor for the State of Arizona Department of Housing and managed the development process for a California LIHTC developer. Michael earned a Bachelor of Arts degree from California State University, Fullerton.

PUBLIC AFFAIRS



Lorraine Kindred

VICE PRESIDENT, PUBLIC AFFAIRS

Lorraine Kindred joined National CORE in 2019 as Vice President of Public Affairs. A graduate of UCLA with a degree in Political Science-Public Law, she has over 25 years of leadership and real estate experience. Lorraine oversees government relations in the state and federal arena as well as communications and community outreach working toward building and maintaining a strong reputation in the nonprofit affordable housing industry. Formerly the Chair of the Upland of Commerce and President of the Pomona Valley Chapter of Executive Women International, she currently serves on the Board of Directors of the Upland YMCA and the Baldy View Chapter of the Building Industry Association.

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA

Roster of Officers and Directors

January 12, 2026

Officers:

Jeffrey Burum	Chief Executive Officer
Michael Ruane	President
Kevin Lim	Chief Financial Officer
Robert Diaz	General Counsel, Secretary, Executive Vice-President
Doretta Bryan	Senior Vice-President of Operations, Assistant Secretary
Devin Wright	Assistant Secretary

Directors (All Directors are Voting Directors):

Jeffrey Burum, Chair
Armando Bucelo
Gavin Clingham
Raymond Crebs
Richard Dawson
Laura Kurtz Kuhns
Stephen G. Larson
Venus Lujan
Nora Mendez
Jovita Schofield

REO Schedule
NCRC-California
12/31/2025

Property Code	Community	Address	City	State	Zip Code	County	Acquisition Date	Tenancy Type	LIHTC	LIHTC Units	Market Units	Total Units	Physical Occupancy
p0000266	456 West	456 9th Street	San Pedro	CA	90731	Los Angeles, CA	12/20/2023	Family	Y	91	0	91	89%
p0000100	Alta Vista	5051 E. 3rd Street	Los Angeles	CA	90022	Los Angeles, CA	10/17/13	Family	Y	59	0	60	97%
p0000101	Arbor Villas	4661 Plumosa Drive	Yorba Linda	CA	92886	Orange, CA	10/30/14	Family	N	0	0	67	99%
p0000103	Cape Cod Senior Villas	1710 Maxson Street	Oceanside	CA	92054	San Diego, CA	01/10/07	Senior	Y	35	0	36	99%
p0000031	Miraflores	1445 S. Anaheim Boulevard	Anaheim	CA	925805	Orange, CA	11/14/24	Family	Y	85	0	86	97%
p0000060	Greenbrier	563 Greenbrier Drive	Oceanside	CA	92054	San Diego, CA	06/24/24	Family	Y	59	0	60	95%
p0000084	Santa Fe Senior Village	414 N. Santa Fe Avenue	Vista	CA	92083	San Diego, CA	11/01/24	Senior	Y	53	0	54	96%
p0000042	Casa Luna	5533 Huntington Drive N.	Los Angeles	CA	90032	Los Angeles, CA	11/18/20	Transitional Housing	N	0	49	49	83%
p0000482	Cathedral Palms	31750 Landau Boulevard	Cathedral City	CA	92234	Riverside, CA	04/11/96	Senior	N	0	0	231	95%
p0000106	Clark Manor	13032 Columbia Way	Downey	CA	90242	Los Angeles, CA	07/01/03	Family	N	0	0	41	95%
p0000111	Cobblestone Village	360 E. Washington Avenue	Escondido	CA	92025	San Diego, CA	05/01/18	Family	Y	43	0	44	100%
p0000107	Corona de Oro	680 W. Second Street	Corona	CA	92882	Riverside, CA	03/10/00	Family	Y	71	0	72	99%
p0000109	Corona del Rey	1148 D Street	Corona	CA	92882	Riverside, CA	01/29/10	Family	N	0	0	160	99%
p0000186	Crestview Terrace	575 E Baseline Street	San Bernardino	CA	92410	San Bernardino, CA	09/01/21	Family	Y	147	37	184	89%
p0000102	Crossings	177 W. South Street	Rialto	CA	92376	Riverside, CA	07/14/99	Family	Y	99	0	100	95%
p0000179	Day Creek Villas I	12250 Firehouse Court, Units 1 & 2	Rancho Cucamonga	CA	91739	San Bernardino, CA	09/30/20	Senior	Y	75	0	91	100%
p0000180	Day Creek Villas II	12250 Firehouse Court, Unit 3	Rancho Cucamonga	CA	91739	San Bernardino, CA	09/30/20	Senior	Y	49	0	49	100%
p0000112	Desert Meadows	44071 Clinton Street	Indio	CA	92201	Riverside, CA	08/18/11	Family	Y	79	0	80	99%
p0000114	Downey View	8314 2nd Street	Downey	CA	90241	Los Angeles, CA	09/04/15	Family	Y	49	0	50	94%
p0000113	Dumosa Senior Village	57110 Twentynine Palms Highway	Yucca Valley	CA	92284	San Bernardino, CA	06/07/11	Senior	Y	74	0	75	96%
p0000116	East Rancho Verde	8837 Grove Avenue	Rancho Cucamonga	CA	91730	San Bernardino, CA	03/11/08	Family	Y	39	0	40	98%
p0000115	Encanto Court	1345 W. 105th Street	Los Angeles	CA	90044	Los Angeles, CA	10/25/10	Senior	Y	61	0	62	95%
p0000181	Encanto Village	6315 Imperial Avenue	San Diego	CA	92114	San Diego, CA	07/11/05	Family	Y	65	0	66	99%
p0000251	Fairview Heights	923 E. Redondo Blvd.	Inglewood	CA	90302	Los Angeles, CA	12/19/19	Family	Y	100	0	100	95%
p0000117	Fountains at Sierra	16946 Ceres Avenue	Fontana	CA	92335	San Bernardino, CA	06/11/02	Senior	Y	92	0	93	100%
p0000118	Gardens at Sierra	16838 Ceres Avenue	Fontana	CA	92335	San Bernardino, CA	03/11/04	Senior	Y	92	0	93	99%
p0000120	Hawthorne Terrace	13006 Kornblum Avenue	Hawthorne	CA	90250	Los Angeles, CA	11/12/04	Family	N	0	0	100	94%
p0000119	Heritage Pointe	8590 Malven Avenue	Rancho Cucamonga	CA	91730	San Bernardino, CA	12/14/01	Senior	Y	48	0	49	96%
p0000388	Hermosa Village	1515 S. Calle del Mar	Anaheim	CA	92802	Orange, CA	12/28/16	Family	Y	295	0	297	99%
p0000385	Hermosa Village II	1528 South Jeffrey	Anaheim	CA	92802	Orange, CA	10/01/03	Family	Y	117	0	112	99%
p0000386	Hermosa Village III	1612 Calle del Sol	Anaheim	CA	92802	Orange, CA	10/31/05	Family	Y	75	0	76	98%
p0000387	Hermosa Village IV	1607 Calle del Mar	Anaheim	CA	92802	Orange, CA	10/31/07	Family	Y	36	0	36	98%

p0000047	Huntington Villas	5350 Huntington Drive	Los Angeles	CA	90032	Los Angeles, CA	12/21/20	Transitional Housing	N	0	52	52	98%
p0000122	Impressions at Valley Center	15500 Midtown Drive	Victorville	CA	92394	San Bernardino, CA	09/11/02	Family	Y	99	0	100	98%
p0000123	Juniper Senior Village	215 E. Washington Avenue	Escondido	CA	92025	San Diego, CA	06/30/06	Senior	Y	60	0	61	97%
p0000125	La Mision Village	3220 Mission Avenue	Oceanside	CA	92058	San Diego, CA	12/17/04	Family	Y	79	0	80	100%
p0000015	Las Dahlias	4655 East 3rd Street	Los Angeles	CA	90022	Los Angeles, CA	8/15/2024	Family		77	0	78	88%
p0000127	Las Palmas Village	107 Avenida Serra	San Clemente	CA	92672	Orange, CA	03/14/14	Family	Y	18	0	19	100%
p0000273	Legacy Square	301 E. Santa Ana Blvd	Santa Ana	CA	92701	Orange, CA	06/14/23	Family	Y	92	0	93	99%
p0000124	Little Lake Village	10902 Fulton Wells Avenue	Santa Fe Springs	CA	90670	Los Angeles, CA	03/31/04	Senior	Y	144	0	144	97%
p0000133	Marv's Place	131-135 N. Mar Vista Avenue	Pasadena	CA	91106	Los Angeles, CA	03/19/15	Family	Y	19	0	20	95%
p0000134	Melrose Villas	1820 Melrose Drive	San Marcos	CA	92078	San Diego, CA	04/15/04	Family	Y	113	0	114	98%
p0000270	Metro View	164 West Bonnie View Drive	Rialto	CA	92376	San Bernardino, CA	1/12/2024	Family	Y	55	0	55	98%
p0000130	Mission Cove I	3239 Conch Way	Oceanside	CA	92054	San Diego, CA	03/10/16	Family	Y	89	0	90	98%
p0000131	Mission Cove II	3251 Anchor Way	Oceanside	CA	92054	San Diego, CA	04/01/17	Family	Y	59	0	60	99%
p0000132	Mission Pointe at Riverside	2750 Topaz Drive	Riverside	CA	92507	Riverside, CA	07/21/06	Family	Y	63	0	64	97%
p0000135	Mission Village Senior	8989 Mission Boulevard	Riverside	CA	92509	Riverside, CA	09/23/08	Senior	Y	101	0	102	95%
p0000136	Monterey Village	10244 Arrow Route	Rancho Cucamonga	CA	91730	San Bernardino, CA	12/07/07	Family	N	0	90	224	97%
p0000129	Mountainside	9181 Foothill Boulevard	Rancho Cucamonga	CA	91730	San Bernardino, CA	12/07/07	Family	N	0	160	384	98%
p0000064	Mountainview	24551 Raymond Way	Lake Forest	CA	62360	Orange, CA	12/17/21	Family	Y	70	0	71	98%
p0000264	Nestor Senior Village	1120 Nestor Way	San Diego	CA	92154	San Diego, CA	12/21/2023	Senior	Y	74	0	74	93%
p0000137	Northgate Village	17251 Dante Street	Victorville	CA	92394	San Bernardino, CA	12/16/05	Family	N	0	0	140	99%
p0000139	Oakcrest Heights	22733 Oakcrest Circle	Yorba Linda	CA	92887	Orange, CA	10/18/18	Family	Y	54	0	54	97%
p0000141	Oakcrest Terrace	22744 East Park Drive	Yorba Linda	CA	92887	Orange, CA	04/07/15	Family	Y	68	0	69	100%
p0000138	Oaks on Florence	4224 Florence Avenue	Bell	CA	90201	Los Angeles, CA	03/30/04	Senior	Y	62	0	63	97%
p0000140	Olive Meadow	610 East Olive Street	San Bernardino	CA	92410	San Bernardino, CA	03/21/16	Family	Y	61	0	62	99%
p0000146	Park View Terrace	6728 Clara Street	Bell Gardens	CA	90201	Los Angeles, CA	04/14/05	Senior	Y	71	0	72	96%
p0000143	Parkside Apartments	4035 Park Haven Court	San Diego	CA	92113	San Diego, CA	07/03/18	Family	Y	39	0	40	98%
p0000144	Paseo Del Oro Apartments	432 W. Mission Road	San Marcos	CA	92069	San Diego, CA	03/23/18	Family	Y	102	17	121	99%
p0000145	Plaza at Sierra	16999 Orange Way	Fontana	CA	92335	San Bernardino, CA	03/20/09	Senior	Y	89	0	90	99%
p0000142	Promenade Apartments	1333 W. Garvey Avenue North	West Covina	CA	91790	Los Angeles, CA	04/24/17	Family	Y	123	0	124	98%
p0000148	Rancho Verde Village	8837 Grove Avenue	Rancho Cucamonga	CA	91730	San Bernardino, CA	12/07/07	Family	N	0	144	248	99%
p0000149	Renaissance Village	220 N. Glenwood Avenue	Rialto	CA	92376	Riverside, CA	07/24/14	Family	Y	143	0	144	99%
p0000147	River Canyon	34300 Corregidor Drive	Cathedral City	CA	92234	Riverside, CA	03/05/10	Family	Y	59	0	60	100%
p0000150	San Antonio Vista	10410 Pradera Avenue	Montclair	CA	91763	San Bernardino, CA	05/17/06	Family	Y	74	0	75	100%
p0000151	San Emi	4115 Kingsley Street	Montclair	CA	91763	San Bernardino, CA	04/04/13	Special Needs	Y	17	0	18	100%
p0000154	San Marino	10355 Mills Avenue	Montclair	CA	91763	San Bernardino, CA	08/08/08	Senior	Y	84	0	85	100%
p0000183	San Ysidro	517 W. San Ysidro Blvd	San Diego	CA	92173	San Diego, CA	01/01/19	Senior	Y	51	0	51	97%
p0000242	Santa Angelina	1320 North Angelina Drive	Placentia	CA	92870	Orange, CA	4/17/2024	Senior		65	0	75	98%
p0000152	Shadow Hill	11085 Woodside Avenue	Santee	CA	92071	San Diego, CA	04/28/00	Family	Y	81	0	82	99%
p0000159	Sierra Vista Apartments	422 Los Vallecitos	San Marcos	CA	92069	San Diego, CA	03/22/18	Family	Y	190	0	192	99%
p0000395	Signature at Fairfield	1189 Tabor Avenue	Fairfield	CA	94533	Solano, CA	10/31/08	Family	Y	92	0	93	98%
p0000035	Spring Valley	8885 Orville Street	Spring Valley	CA	91977	San Diego, CA	02/28/02	Family	Y	58	0	60	99%
p0000156	Summer Terrace	38530 Tierra Subida Avenue	Palmdale	CA	93551	Los Angeles, CA	12/12/07	Senior	Y	79	0	80	97%
p0000153	Sunset Heights	6230 Haven Avenue	Rancho Cucamonga	CA	91737	San Bernardino, CA	12/29/02	Family	Y	116	0	117	99%
p0000155	Sycamore Springs	7127 Archibald Avenue	Rancho Cucamonga	CA	91701	San Bernardino, CA	12/07/07	Family	N	0	144	240	96%
p0000161	Talmadge Senior Village	5252 El Cajon Boulevard	San Diego	CA	92115	San Diego, CA	08/01/03	Senior	Y	90	0	91	99%
p0000263	Three Oaks	23610 Newhall Avenue	Santa Clarita	CA	91321	Los Angeles, CA	03/09/16	Family	Y	29	0	30	100%
p0000160	Tres Lomas Gardens	4343 Toland Way	Los Angeles	CA	90041	Los Angeles, CA	12/26/08	Senior	Y	45	0	46	100%
p0000173	Valencia Vista	950 N. Valencia Avenue	San Bernardino	CA	92410	San Bernardino, CA	03/20/15	Family	Y	75	0	76	94%
p0000046	Valley Senior Village	337 East Valley Parkway	Escondido	CA	92025	San Diego, CA	5/1/2023	Senior	Y	50	0	50	91%
p0000048	Veteran's Park	444 W. Commercial Street	Pomona	CA	91768	Los Angeles, CA	10/15/21	Family	Y	61	0	61	82%
p0000279	Villa Serena I	340 & 342 Marcos Street	San Marcos	Ca	92069	San Diego, CA	12/01/22	Family	Y	84	0	84	97%
p0000168	Village at Sierra	8684 Sierra Avenue	Fontana	CA	92335	San Bernardino, CA	01/17/01	Senior	Y	107	0	108	100%
p0000167	Villaggio on Route 66	10220 Foothill Boulevard	Rancho Cucamonga	CA	91730	San Bernardino, CA	09/10/08	Family	Y	131	33	166	99%

p0000162	Vista Cascade	1432 N. Willow Avenue	Rialto	CA	92376	San Bernardino, CA	11/25/09	Family	Y	41	0	42	96%
p0000259	Vista de La Sierra	11245 Pierce Street	Riverside	CA	92505	Riverside, CA	1/26/2024	Family	Y	80	0	80	92%
p0000163	Vista Del Cielo	10319 Mills Avenue	Montclair	CA	91763	San Bernardino, CA	04/11/08	Family	Y	49	0	50	100%
p0000166	Vista Del Puente	1436 S 40th St.	San Diego	CA	92113	San Diego, CA	1/1/2018	Family	Y	52	0	52	90%
p0000170	Vista Del Sol Apartments	1545 Q Avenue	National City	CA	91950	San Diego, CA	12/26/17	Family	Y	130	0	132	98%
p0000164	Vista Dunes Courtyard Homes	44950 Vista Dunes Lane	La Quinta	CA	92253	Riverside, CA	10/29/07	Family	Y	79	0	80	100%
p0000184	Vista Grande Court	1116 Sonora Ave	Glendale	CA	91201	San Diego, CA	12/1/2019	Senior	Y	66	0	66	97%
p0000171	Vista Terraza	7735 Via Solare	San Diego	CA	92129	San Diego, CA	04/19/05	Family	Y	122	0	123	99%
p0000172	Vista Terraza II	7735 Via Solare	San Diego	CA	92129	San Diego, CA	05/22/07	Family	N	0	0	4	75%
p0000185	Vista Verde	110 N. Virginia Avenue	Ontario	CA	91764	San Bernardino, CA	01/01/21	Family	Y	101	0	101	98%
p0000175	Westlake Village	413 Autumn Drive	San Marcos	CA	92069	San Diego, CA	12/16/11	Family	Y	48	0	49	100%
p0000176	Westlake Village II	405 Autumn Drive	San Marcos	CA	92069	San Diego, CA	03/14/12	Family	Y	56	0	57	100%
p0000174	Whispering Palms	38250 9th Street East	Palmdale	CA	93550	Los Angeles, CA	12/23/05	Senior	Y	74	0	75	95%
Totals										6648	726	8767	97%

REO Schedule

NCRF (National Community Renaissance of Florida, Inc.) PROPERTIES

12/31/2025

Property Code	Community	Address	City	State	Acquisition Date	Tenancy Type	LIHTC	LIHTC Units	Market Units	Total Units	Physical Occupancy
p0000390	Cerny Village	5227 Cerny Road	Pensacola	FL	08/31/04	Family	N	0	0	60	100%
p0000392	Fairfield Village	601 N. Fairfield Drive	Pensacola	FL	08/31/04	Family	N	0	0	72	100%
p0000391	Forest Hills	7214 Forest City Road	Orlando	FL	08/31/04	Family	N	0	0	60	95%
p0000393	Hampton Court	6415 NW 23rd Terrace	Gainesville	FL	08/31/04	Family	N	0	0	42	98%
p0000396	Sandpiper Village	300 S. Walton Avenue	Tarpon Springs	FL	08/31/04	Family	N	0	0	80	97%
Totals										314	98%

REO Schedule
NCRDC- NON- CALIFORNIA PROPERTIES
12/31/2025

Property Code	Community	Address	City	State	Acquisition Date	Tenancy Type	LIHTC	LIHTC Units	Market Units	Total Units	Physical Occupancy
p0000105	Colony of Humble	831 Wilson Road	Humble	TX	05/15/03	Family	N	0	25	200	95%
p0000110	Countryside Village	625 Wilson Road	Humble	TX	05/14/03	Family	N	0	0	182	97%
p0000126	La Posada del Rey	3135 Roosevelt Avenue	San Antonio	TX	06/22/11	Family	Y	145	0	145	95%
p0000128	Lexington Square	1324 E. Hospital Drive	Angleton	TX	05/15/03	Family	N	0	0	80	100%
p0000157	Sunflower Terrace	5050 Sunflower Street	Houston	TX	05/21/03	Family	N	0	0	160	88%
p0000515	The Residences of Diamond Hill	3601 Deen Road	Fort Worth	TX		Family			83	204	98%
Totals								145	108	971	95%

Currently Under Construction Starting in 2025

Project Name	City	State	Units	Population	PSH Units	Wages
Palm Ave. MTS Phase 0	San Diego	CA	0	Family	0	PLA
Citrus Grove	Rialto	CA	152	Family - Rehab	0	Standard
Rose Creek PSH	SD - Pacific Beach	CA	60	PSH	18	Commercial PW
Prisma Lofts	Pomona	CA	75	Family/LW	0	State & Fed
Oak Park Senior Living	Fort Myers / Lee County	FL	144	Senior	0	Fed
Oak View Ranch - Senior	Murrieta	CA	81	Senior	40	Fed
Bailey at Berkman	Austin	TX	104	Supportive Housing	26	Fed
AG-IV	San Bernardino	CA	92	Family	0	Residential PW
AG-IV AHSC - Offsite Hawthorne Heights	San Bernardino Gainesville / Alachua County	FL	86	Family Senior	0	Residential PW
Cudahy Senior	Cudahy	CA	140	Senior	69	PLA
Bailey at Stassney	Austin	TX	104	Supportive Housing	26	Fed
Coast Villas	Oceanside	CA	56	Senior	12	Fed
Brookview Villas	Fallbrook	CA	61	Senior	12	Fed
			1155			

Starting in 2026

Project Name	City	State	Units	Population	PSH Units	Wages
Esperanza Village	El Monte	CA	202	Family / Senior	154	PLA
Marks Way	Orange	CA	50	Senior	25	Fed
Aspan Court	Lake Forest	CA	50	Family	15	Fed
Richmar Senior Phase I	San Marcos	CA	52	Senior		Standard
Agoura Hills Family	Agoura Hills	CA	81	Family	0	State Comm & Fed
Huntington Villas - LA Homekey	LA	CA	52	PSH	51	Fed
Ramona Senior	Pasadena	CA	100	Senior	11	Commercial PW
St. Ambrose Senior	Claremont	CA	59	Senior	29.5	State & Fed
St. Ambrose Church Work	Claremont	CA				Standard
Telegraph Senior	Whittier / LA County	CA	51	Senior		Fed

Arrow Senior	Covina	CA	49	Senior	??	Fed
NoHo Block 7	North Hollywood	CA	151	PSH	150	PLA
Vista Verde II	Ontario	CA	144	Family	?	Standard
Rancho Mirage - USA GC	Rancho Mirage	CA	150			
Magnolia Tank Farm	Huntington Beach	CA	51	Family		Fed
Walnut Bluff	Signal Hill	CA	83	Family		Fed
			1605			



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/7/2026

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 1705 17th Street, Suite 100 Denver CO 80202	CONTACT NAME: IMA Certificate Team PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: certs@imacorp.com
INSURED National Community Renaissance of California 9692 Haven Avenue, Suite 100 Rancho Cucamonga CA 91730	INSURER(S) AFFORDING COVERAGE INSURER A: Lexington Insurance Co INSURER B: Travelers Property Casualty Company of America INSURER C: Scottsdale Insurance Company INSURER D: Evanston Insurance Company INSURER E: Covington Specialty Insurance Company INSURER F:

COVERAGES**CERTIFICATE NUMBER:** 56544021**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
E	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ \$1,000 Ded. GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:			VBB199796	10/29/2025	10/29/2026	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$EXCLUDED \$
A	☐ ANY AUTO ☐ OWNED AUTOS ONLY ☒ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS ONLY			34064078-26	1/1/2026	1/1/2027	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
C	☐ UMBRELLA LIAB ☒ OCCUR ☒ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$ 0			CXS4067736	10/29/2025	10/29/2026	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$
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	UB-1L807338-26-NG-G	1/1/2026	1/1/2027	☒ 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
D	2nd Layer Excess Liability			EZXS3220979	10/29/2025	10/29/2026	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)

Certificate Holder is added as an Additional Insured as required by written contract or agreement for General Liability and Hired & Non-Owned Auto Liability, subject to policy terms and conditions. A Waiver of Subrogation is provided in favor of Additional Insured on the General Liability, Hired & Non-Owned Auto Liability and Workers Compensation policies if required by written contract or agreement, subject to the policy terms and conditions. This insurance is Primary and Non-Contributory on the General Liability and Hired & Non-Owned Automobile Liability policies, subject to the policy terms and conditions.

Insured Locations: 6601-6607 Imperial Avenue and 6621 Imperial Avenue, San Diego, CA 92114

CERTIFICATE HOLDER**CANCELLATION**

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National Community Renaissance of California

AND SUBSIDIARIES

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

December 31, 2025

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA AND SUBSIDIARIES

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Report of Independent Auditors

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

Opinion

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, 2025, 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.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of National Community Renaissance of California and Subsidiaries as of December 31, 2025, 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.

Basis for Opinion

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 of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of National Community Renaissance of California and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Community Renaissance of California and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 National Community Renaissance of California and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Community Renaissance of California and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary 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, consolidating statement of activities, consolidating statement of 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.

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.

The deconsolidating statement of financial position, deconsolidating statement of activities, and deconsolidating statement of changes in net assets, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. 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 schedule of expenditures of federal awards 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 June 25, 2026, on our consideration of National Community Renaissance of California and Subsidiaries' internal control over financial reporting and on our tests of their 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 and Subsidiaries' 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 and Subsidiaries' 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
June 25, 2026

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	National Community Renaissance of California	Housing Affiliates	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 46,375,231	\$ 34,154,848	\$ -	\$ 80,530,079
Reserve for security deposits held in trust	2,745,660	4,180,240	-	6,925,900
Restricted cash	24,954,890	56,989,883	-	81,944,773
Accounts receivable, net	8,984,096	3,360,264	-	12,344,360
Prepaid expenses	1,945,902	1,064,156	-	3,010,058
Advance due from affiliates, net	37,465,683	136,157	(20,009,406)	17,592,434
Notes and interest receivable	114,808,240	524,959	(109,112,025)	6,221,174
Project development costs receivable	953,550	-	-	953,550
Developer fee receivable	23,214,585	-	(22,167,484)	1,047,101
Equity investments in partnerships	43,083,109	45,426	(34,433,930)	8,694,605
Lease right-of-use assets	8,852,656	50,065,974	-	58,918,630
Property, equipment and improvements, net	342,829,117	1,669,878,159	(158,124,426)	1,854,582,850
Deferred costs, net	4,296	3,061,658	-	3,065,954
Interest rate swap	-	592,926	-	592,926
	<u>\$ 656,217,015</u>	<u>\$ 1,824,054,650</u>	<u>\$ (343,847,271)</u>	<u>\$ 2,136,424,394</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 5,955,728	\$ 6,708,147	\$ (4,184,651)	\$ 8,479,224
Accounts payable - construction	1,087,197	33,947,644	-	35,034,841
Security deposits payable	2,619,337	3,872,445	-	6,491,782
Accrued expenses	6,521,737	1,919,920	-	8,441,657
Deferred revenue	19,775,794	718,656	(3,139,291)	17,355,159
Lease right-of-use liability	5,735,846	15,369,520	-	21,105,366
Accrued interest	58,036,892	128,319,096	(22,195,833)	164,160,155
Mortgages and notes payable, net	364,694,406	1,197,360,260	(90,988,432)	1,471,066,234
Due to affiliates	3,447,345	18,423,007	(15,824,755)	6,045,597
Developer fee payable	-	12,633,287	(10,800,885)	1,832,402
Total liabilities	<u>467,874,282</u>	<u>1,419,271,982</u>	<u>(147,133,847)</u>	<u>1,740,012,417</u>
Net assets				
Without donor restriction, controlling	146,097,612	15,545,976	(220,131,747)	(58,488,159)
Without donor restriction, non-controlling	-	389,236,692	23,418,323	412,655,015
Total net assets without donor restrictions	<u>146,097,612</u>	<u>404,782,668</u>	<u>(196,713,424)</u>	<u>354,166,856</u>
Net assets with donor restrictions	<u>42,245,121</u>	<u>-</u>	<u>-</u>	<u>42,245,121</u>
Total net assets	<u>188,342,733</u>	<u>404,782,668</u>	<u>(196,713,424)</u>	<u>396,411,977</u>
Total liabilities and net assets	<u>\$ 656,217,015</u>	<u>\$ 1,824,054,650</u>	<u>\$ (343,847,271)</u>	<u>\$ 2,136,424,394</u>

see accompanying notes and supplemental schedules

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Net Assets without Donor Restrictions				
	National Community Renaissance of California	Housing Affiliates	Eliminations	Net Assets with donor restrictions	Total
REVENUE AND OTHER INCOME					
Rental income, net of vacancy	\$ 51,525,174	\$ 76,374,502	\$ -	\$ -	\$ 127,899,676
Other rental income	1,588,836	1,918,475	-	-	3,507,311
Consulting, development and partnership fees	42,352,280	341,957	(40,014,857)	-	2,679,380
Management fees	7,964,056	-	(4,222,368)	-	3,741,688
Grants and contributions, including release of net assets with donor restrictions	14,581,505	26,027	-	339,200	14,946,732
Interest income	5,040,097	289,196	(3,661,521)	-	1,667,772
Other income	4,741,802	-	-	-	4,741,802
Realized gains - Available-for-sale securities, net	-	-	-	325,121	325,121
Forgiveness of debt income	14,896,222	-	-	-	14,896,222
Hotel revenues	2,553,531	-	-	-	2,553,531
Net assets released from restriction	2,108,618	-	-	(2,108,618)	-
Total revenue and other income	147,352,121	78,950,157	(47,898,746)	(1,444,297)	176,959,235
EXPENSES					
Program services	49,935,713	113,201,082	(5,246,698)	-	157,890,097
Management and general	66,594,965	14,298,871	(4,886,624)	-	76,007,212
Total expenses	116,530,678	127,499,953	(10,133,322)	-	233,897,309
Changes in net assets before non-controlling interest	30,821,443	(48,549,796)	(37,765,424)	(1,444,297)	(56,938,074)
Less: attributable to non-controlling interest	-	(46,557,798)	-	-	(46,557,798)
Changes in net assets, controlling interest	\$ 30,821,443	\$ (1,991,998)	\$ (37,765,424)	\$ (1,444,297)	\$ (10,380,276)

see accompanying notes and supplemental schedules

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	National Community Renaissance of California and Wholly-Owned Subsidiaries		Housing Affiliates		Eliminations	Total
	Program Services	Management and General	Program Services	Management and General		
EXPENDITURES						
General and administrative	\$ -	\$ 7,412,590	\$ -	\$ 5,608,129	\$ -	\$ 13,020,719
Lease expense	-	220,856	891,425	-	-	1,112,281
Payroll	6,567,659	30,848,524	11,838,516	-	(85,222)	49,169,477
Utilities	6,456,743	387,059	9,065,896	-	-	15,909,698
Repairs and maintenance	10,956,606	2,544,037	13,262,026	-	-	26,762,669
Property management fees	-	171,221	-	6,332,572	(4,886,624)	1,617,169
Social service fees	857,691	-	2,323,093	-	-	3,180,784
Legal and other professional services	-	4,753,674	-	1,407,974	-	6,161,648
Insurance	2,944,526	1,286,614	4,078,443	-	-	8,309,583
Taxes	1,315,532	108,688	1,475,672	-	-	2,899,892
Interest expense	8,173,992	4,758,102	29,582,517	-	(2,855,476)	39,659,135
Depreciation and amortization expense	12,662,964	1,157,987	40,683,494	-	(2,306,000)	52,198,445
Other expenses	-	2,994,603	-	950,196	-	3,944,799
Donation expense	-	3,342,004	-	-	-	3,342,004
Hotel operating expenses	-	6,609,006	-	-	-	6,609,006
Total expenditures	<u>\$ 49,935,713</u>	<u>\$ 66,594,965</u>	<u>\$ 113,201,082</u>	<u>\$ 14,298,871</u>	<u>\$ (10,133,322)</u>	<u>\$ 233,897,309</u>

see accompanying notes and supplemental schedules

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Controlling</u>	<u>Non-Controlling</u>	<u>Total</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS			
Net (deficit) assets without donor restrictions, January 1, 2025	\$ (45,960,711)	\$ 343,383,685	\$ 297,422,974
Deconsolidation of Hope Through Housing, January 1, 2025	(3,591,469)	-	(3,591,469)
Contributions	-	116,448,318	116,448,318
Distributions	-	(619,190)	(619,190)
Changes in net assets	<u>(8,935,979)</u>	<u>(46,557,798)</u>	<u>(55,493,777)</u>
Balance at December 31, 2025	<u>\$ (58,488,159)</u>	<u>\$ 412,655,015</u>	<u>\$ 354,166,856</u>
NET ASSETS WITH DONOR RESTRICTIONS			
Net assets with donor restrictions, January 1, 2025	\$ 45,832,754	\$ -	\$ 45,832,754
Deconsolidation of Hope Through Housing, January 1, 2025	(2,143,336)	-	(2,143,336)
Grant income - Pledge agreement grant	339,200	-	339,200
Realized gains - Available-for-sale securities, net	325,121	-	325,121
Release of donor restrictions	<u>(2,108,618)</u>	<u>-</u>	<u>(2,108,618)</u>
Balance at December 31, 2025	<u>\$ 42,245,121</u>	<u>\$ -</u>	<u>\$ 42,245,121</u>

see accompanying notes and supplemental schedules

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	\$ (56,938,074)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Noncash increase in net assets with donor restrictions	(339,200)
Noncash net assets released from restriction	128,788
Bad debts	2,756,882
Interest expense - debt issuance costs	842,556
Depreciation and amortization	52,198,445
Amortization of lease right-of-use liabilities	861,729
Realized gain - available-for-sale securities	(325,121)
Loss on interest rate swap	90,643
Forgiveness of debt income	(14,896,222)
Casualty losses	53,208
(Increase) decrease in assets:	
Accounts receivable	(1,624,125)
Prepaid expenses	367,396
Advance due from affiliates	(1,083,538)
Developer fee receivable	67,513
Equity investments in partnerships	102,840
Notes and interest receivable	2,931,548
Lease right-of-use assets (ground leases)	(281,758)
Increase (decrease) in liabilities:	
Accounts payable	912,385
Security deposits payable	627,378
Accrued expenses	1,726,980
Deferred revenue	1,758,822
Lease right-of-use liabilities (ground leases)	4,972,202
Accrued interest	11,114,864
Developer fee payable	1,892,620
Net cash provided by operating activities	<u>7,918,761</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of available-for-sale securities	(7,725,385)
Sales of available-for-sale securities	22,614,353
Proceeds from sale of fixed assets	2,194,248
Purchases of property, equipment and improvements	(250,219,144)
Payment of deferred costs	(448,326)
Transfer of cash balances upon deconsolidation of Hope Through Housing Foundation	(2,803,887)
Net cash used in investing activities	<u>(236,388,141)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Payment of accounts payable - construction	(11,262,762)
Payment of right-of-use finance leases (ground leases)	123,402
Principal payments of mortgages and notes payable	(141,728,971)
Proceeds from mortgages and notes payable	293,767,964
Payment of debt issuance costs	(899,311)
Net receipt of funds due to affiliates	147,245
Payment of developer fees payable - others	(1,526,950)
Payment of syndication costs	(422,250)
Capital contributions	116,448,318
Capital distributions	(619,190)
Net cash provided by financing activities	<u>254,027,495</u>

NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH 25,558,115

CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR 143,842,637

CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR \$ 169,400,752

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

Cash and cash equivalents	\$ 80,530,079
Tenant security deposits	6,925,900
Restricted cash	<u>81,944,773</u>
Total cash, cash equivalents and restricted cash	<u><u>\$ 169,400,752</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid for interest - expensed	<u>\$ 23,606,730</u>
Cash paid for interest - capitalized	<u><u>\$ 3,295,085</u></u>

SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:

Disposals and losses of property, equipment and improvements	<u>\$ 67,182</u>
Increase in property, equipment and improvements from accounts payable - construction	<u>\$ 9,804,616</u>
Increase in property, equipment and improvements from accrued interest capitalized	<u>\$ 799,900</u>
Increase in property, equipment and improvements from debt issuance costs capitalized	<u>\$ 27,222</u>
Decrease in asset balances upon deconsolidation of Hope Through Housing Foundation	<u>\$ 2,839,839</u>
Decrease in notes payable from forgiveness by lenders	<u>\$ 14,896,222</u>
Decrease in liability balances upon deconsolidation of Hope Through Housing Foundation	<u><u>\$ 719,666</u></u>

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. Organization and nature of operations

National Community Renaissance of California (“NCRC”) 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, bonds, and rent subsidies for qualifying very-low, low- and moderate-income tenants.

NCRC has an economic relationship with National Community Renaissance Development Corporation (“NCRDC”), National Community Renaissance of Florida (“NCRF”) and National Community Renaissance of Texas (“NCRT”), non-profit organizations, which have some overlapping board of director members and share facilities with NCRC, but do not consolidate with NCRC. NCRC provides back-office support to NCRDC, NCRF and NCRT. NCRC has provided voluntary operating advances to NCRDC, NCRF and NCRT. NCRC, NCRDC, NCRF, NCRT and their respective consolidated subsidiaries and affiliates are collectively known as National Community Renaissance, or National CORE.

On August 9, 2021 and annually for every year through the latest May 30, 2025 rating report, NCRC has received an A+ credit rating from Standard & Poor’s (S&P) Global Ratings. On February 9, 2022, NCRC closed on \$100,000,000 of Taxable Bonds, Series 2022 (Social Bonds) (the “Bonds”). NCRC is using the Bond proceeds to continue its mission of owning, developing and managing high-quality affordable rental housing. See also Note 7.

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:

- | | |
|--|-----------------------------|
| ● Count On Us Foundation | ● SCHDC of Inland Empire |
| ● National CORE Endeavor I | ● SCHDC of Los Angeles |
| ● National CORE Endeavor II | ● SCHDC of Orange |
| ● San Antonio Gateway Housing Corporation | ● SCHDC of Riverside |
| ● Southern California Affordable Housing Corporation | ● SCHDC of Rancho Cucamonga |

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. Organization and nature of operations (continued)

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

- Monterey Village Apartments
- Mountainside Apartments
- Sycamore Springs Apartments

Hope Through Housing Foundation (“HTHF”), a separate 501(c)(3) entity, has some overlapping board of director members with NCRC, but is no longer economically dependent on NCRC. As of January 1, 2025, HTHF is deconsolidated in the accompanying consolidated statement of changes in net assets.

Projects and subsidiaries which are owned 100% by NCRC, either directly or through wholly-owned subsidiaries, as of December 31, 2025 are as follows:

Affordable housing properties:

- | | |
|---|---|
| ● Arbor Villas Apartments, LLC | ● Northgate Village Apartments |
| ● Bell Gardens Housing Partners, LP | ● Oceanside Housing Partners, LP |
| ● Bell Housing Partners, LP | ● Oceanside Senior Housing Partners, LP |
| ● Clark Manor Apartments | ● Palmdale Senior Housing Partners, LP |
| ● Corona de Oro Apartments, LP | ● Rancho Verde Village Apartments |
| ● Corona del Rey Apartments | ● Rialto Housing Partners, LP |
| ● Courson Senior Partners, LP | ● Riverside Housing Partners, LP |
| ● Escondido Senior Housing Partners, LP | ● Santa Fe Springs Housing Partners, LP |
| ● Hawthorne Terrace Apartments | ● Santee Apartments, LP |
| ● Inland Valley Housing Partners, LP | ● UC Housing Partners, LP |
| ● Malvern Housing Partners, LP | ● Victorville Housing Partners, LP |
| ● Mills Family Housing Partners, LP | ● Vista Terraza II Apartments |
| ● Montclair Family Housing Partners, LP | ● Vista Terraza Housing Partners, LP |
| ● NCRC Interim Spring Valley, LLC | ● West Mission Housing Partners, LLC |
| ● NCRC Placentia, LLC | |

Under development:

- | | |
|-------------------------------------|-------------------------------------|
| ● Brookview Senior Villages | ● Orange |
| ● Esperanza Village | ● Palm City Transit Village |
| ● Grace Vista Affordable Apartments | ● Pasadena C2 Senior Apartments, LP |
| ● NCRC Agoura Hills, LP | ● Rancho San Pedro |
| ● NCRC Covina, LP | ● Richmar Station San Marcos, LP |
| ● NCRC Marks Way, LP | |

Permanent supportive housing properties:

- | | |
|---------------------|-----------------------|
| ● NCRC Super 8, LLC | ● NCRC Titta Inn, LLC |
|---------------------|-----------------------|

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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1. Organization and nature of operations (continued)

Seller carryback loans:

- Autumn Ridge Apartments, LP
- Bolt Housing Partners, LP
- Copper Hills Housing Partners, LP
- Escondido Housing Partners, LP
- NCRC Mountain View, LLC
- San Marcos Housing Partners, LP
- Spring Valley Housing Partners, LP

Passthrough entities (see also “General Partner” column in the “Housing Affiliates” table on page 15):

- ANF Family Partners, LP
- CG Affordable Housing Partners, LLC
- CORE Hermosa Village 1 MGP, LLC
- CORE Managing General Partner LLC
- Corona Del Rey Housing Partners GP, LLC
- enCORE 14612-14654 Blythe, LLC
- enCORE 14732 Blythe, LLC
- enCORE 15125 Saticoy, LLC
- enCORE 21205-21215 Saticoy, LLC
- enCORE 6706 Hayvenhurst, LLC
- enCORE 8503 Tobias, LLC
- enCORE 9010 Tobias, LLC
- enCORE Orion and Langdon, LLC
- National CORE Newhall Ave. Hsg MGP, LLC
- NCR Jordan Bayou, LLC
- NCRC AC Holdings, LLC
- NCRC Aspan Court MGP, LLC
- NCRC Claremont MGP, LLC
- NCRC Covina MGP, LP
- NCRC EG MGP, LLC
- NCRC Fallbrook, LLC
- NCRC Jurupa MGP, LLC
- NCRC Lake Forest, LLC
- NCRC Magnolia MGP, LLC
- NCRC Marks Way MGP, LLC
- NCRC Noho 7 MGP, LLC
- NCRC NSV GP, LLC
- NCRC Ontario MGP, LLC
- NCRC PCTV Phase 1, LLC
- NCRC Telegraph Road, LP
- NCRC Telegraph Road MGP, LLC
- NCRC VDP, LLC
- NCRC Walnut Bluff MGP, LLC
- PC2 Seniors GP, LLC
- PCTV Infrastructure, LLC
- San Ysidro Senior Village GP, LLC
- SGNTR VC, LLC
- Whispering II Apartments, LP
- WP2 GP, LLC

On August 9, 2024, NCRC purchased a 309-room hotel in Ontario, California out of receivership, via a wholly-owned subsidiary, CORE Venture Hotel, LLC (the “Hotel”). The Hotel is a taxable corporation for income tax purposes. (See also Note 16.). The balance sheet, results of operations, and certain footnote disclosures for the Hotel have been condensed or omitted in these consolidated financial statements. Such information is adequate to ensure the information presented is not materially misleading. However, this condensed financial information should be read in conjunction with the Hotel’s separately audited financial statements and notes thereto for the year ended December 31, 2025.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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1. Organization and nature of operations (continued)

On April 9, 2025, with approval from the NCRC Board of Directors, NCRC purchased 100% of the corporation shares of J Filippi Vintage Co. (the "Winery"), a small winery facility in Rancho Cucamonga. The purchase price was \$2,500,000 and the source of the funds was a \$3,500,000 grant from 2023 from the City of Rancho Cucamonga for NCRC's CORE Academy, a workforce development initiative. On December 31, 2025, the Winery was donated to NCRDC, with all shares assigned to and assumed by NCRDC. The value of the investment as of December 31, 2025 was \$3,079,504, which is included in donation expense on the accompanying consolidated statement of functional expenses.

The for-profit housing affiliates ("Housing Affiliates") are comprised of the following limited partnerships and limited liability companies, and the respective NCRC-owned entities that hold general partner and managing member interests are as follows:

For-profit housing affiliate	General partner	GP %
3rd & Dangler, LP	NCRC Dangler, LLC	0.01%
AFH NCRC Beach Blvd LP	NCRC	50.00%
Anaheim Midway, LP	NCRC AM GP, LLC	0.01%
Arrowhead Grove Phase 4, LP	NCRC AG4 MGP, LLC	0.005%
Avenida Serra Housing Partners, LP	Avenida Serra Hsg Ptrs GP, LLC	0.01%
Avenida Serra Hsg Ptrs GP, LLC	SCHDC of Orange	79.00%
Cathedral Family Housing Ptrs, LP	River Canyon GP, LLC	0.01%
Citrus Grove Housing Partners, LP	SCHDC of Inland Empire	0.01%
Coast Villas, LP	NCRC Coast Villas GP, LLC	0.0051%
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%
Cudahy Senior Apartments, LP	NCRC CS GP, LLC	0.005%
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%
Encanto Gateway, LP	NCRC	0.01%
Fontana Housing Partners, LP **	SCHDC of Orange	0.012%
Fontana II Housing Partners, LP ***	SCHDC of Orange	0.005%
Fontana III Housing Partners, LP ***	SCHDC of Orange	0.005%
Fontana IV Housing Partners, LP	SCHDC of Orange	0.005%
Golden Pierce Housing Partners, LP	NCRC Golden Pierce, LLC	0.009%
Greenbrier Village, LP	NCRC	0.0051%
HB Housing Partners, LP ***	SCHDC of Inland Empire	0.005%

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1. Organization and nature of operations (continued)

For-profit housing affiliate	General partner	GP %
Iris at San Ysidro, LP	NCRC ISY GP, LLC	0.01%
IVHP2 Apartments LP	IVHP2 GP, LLC	0.009%
Ivy Valley Housing Partners LP	NCRC Valley Seniors MGP, LLC	0.005%
Ken-Tal Senior Housing Partners, LP	SCHDC of Orange	0.005%
Legacy Square, LP	NCRC Legacy MGP, LLC	0.008%
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 Pioneer, LP	NCRC Pioneer GP, LLC	0.005%
LINC-CORE San Pedro Lofts, LP	NCRC San Pedro MGP, LLC	0.005%
Mar Vista Union Housing Partners, LP	SCHDC of Los Angeles	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 Senior Housing Partners, LP	San Antonio Gateway Hsg Corp	0.01%
NCRC Beaumont, LP	NCRC Beaumont, LLC	0.01%
NCRC Encanto, LP	NCRC	0.01%
NCRC Lake Forest, LP	NCRC Lake Forest, LLC	0.01%
NCRC Murrieta Family Housing, LP	NCRC Murrieta Family MGP, LLC	0.01%
NCRC Murrieta Senior Housing, LP	NCRC Murrieta Senior MGP, LLC	0.01%
NCRC NSV, LP	NCRC NSV GP, LLC	0.01%
NCRC Prisma, LLC	NCRC Prisma GP, LLC	0.01%
NCRC SYSV, LP	San Ysidro Senior Village GP, LLC	0.01%
Normandie Senior Housing Ptrs, LP	Normandie Senior Hsg Ptrs GP, LLC	0.008%
Normandie Senior Hsg Ptrs GP, LLC	SCHDC of Los Angeles	79.00%
One San Pedro Phase I, LP	NCRC OSP Ph1 MGP, LLC	0.0034%
Orchard View Senior, LP	Orchard View Senior GP, LP	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 Metrolink South Housing Ptrs, LP	CORE Rialto Metro South MGP, LLC	0.0005%
Richmar Housing Partners, LP	SCHDC of Orange	0.01%
Rose Creek Village, LP	NCRC Rose Creek GP, LLC	0.0051%
Santa Fe Senior Village, LP	NCRC Santa Fe SV, LLC	50.00%
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%

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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1. Organization and nature of operations (continued)

For-profit housing affiliate	General partner	GP %
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 Ptrs GP, LLC	NCRC	79.00%
Val 9 Housing Partners, LP	Val 9 MGP, LLC	0.008%
Veterans Park Fund, LP	NCRC Pomona Veterans, LLC	0.01%
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	0.01%
Vista Dunes GP, LLC	SCHDC of Inland Empire	75.00%
VP2 Apartments, LP	VP2 GP, LLC	0.009%
VS Phase 1, LP	VS Phase 1 GP, LLC	0.01%
VS Phase 2, LP	VS Phase II GP, LLC	0.01%
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	0.01%
Woods Family Hsg Ptrs GP, LLC	SCHDC of Los Angeles	79.00%
Yucca Valley Senior Housing Ptrs, LP	SCHDC of Inland Empire	0.01%

** NCRC also owns the 99.98% limited partner interest in this Housing Affiliate.

*** NCRC also owns the 99.99% limited partner interest in this Housing Affiliate.

Grey highlighted entities in the tables 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.

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. All intercompany transactions and balances have been eliminated upon consolidation. See Note 1.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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2. Summary of significant accounting policies (continued)

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.

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.

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.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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2. Summary of significant accounting policies (continued)

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.

Investments in available-for-sale securities

Investments consisted of bond proceeds not yet loaned out (see Notes 1 and 7). Investments are stated at fair value in the accompanying consolidated statement of financial position. Investment sales and purchases are recorded on a trade-date basis. As of December 31, 2025, all of the available-of-sale securities had been sold.

Realized gains or losses on the sale of marketable securities are calculated using the average cost method. Interest income is recorded when earned and dividends are recorded on the ex-dividend date. Unrealized gains and losses represent the change in the fair market value of the individual investments for the year or since the acquisition date if acquired during the year. Realized and unrealized gains and losses are included in the accompanying consolidated statement of activities. The investments' realized and unrealized gains are classified as net assets with donor restrictions on the accompany consolidated statement of activities and changes in net assets.

Investments were made according to the finance policy adopted by NCRC's Board of Directors. The guidelines provided for investment in equities, fixed income, and other securities with performance measured against appropriate indices. Outside advisors were utilized by the organization for the purpose of providing investment and consulting advice.

Fair value measurements

NCRC applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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2. Summary of significant accounting policies (continued)

Fair value measurements (continued)

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Unobservable inputs that reflect NCRC's own assumptions.

Level 2 securities include interest rate swaps in markets that are active.

Effective in 2023, Veterans Park Fund, LP, a consolidated Housing Affiliate, entered into an interest swap agreement with its mortgage lender. The interest rate swap has a notional amount of \$5,707,554 and terminates June 1, 2038. The fair value of the interest rate swap is based on notional amounts, interest rates, maturity date and other contract terms. The fair values of interest rate swap contracts are valued using a third-party.

The following tables present NCRC's assets that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of December 31, 2025:

	December 31, 2025			Fair Value Measurements
	Level 1	Level 2	Level 3	
Assets				
Interest rate swap	\$ -	\$ 592,926	\$ -	\$ 592,926
Total assets	\$ -	\$ 592,926	\$ -	\$ 592,926

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 tenant accounts receivable. As of December 31, 2025, the balance of the allowance for doubtful accounts was \$2,693,186. Bad debts expense for tenant receivables for the year ended December 31, 2025 was \$2,756,882.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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2. Summary of significant accounting policies (continued)

Advances due from affiliates

Advances due from affiliates, which includes fees receivable, 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, 2025, the allowance for doubtful accounts was \$0.

Notes receivable and allowance for credit losses

Notes receivable are measured at amortized cost basis and presented at the amount expected to be collected, net of deferred loan origination fees and unearned discounts, as applicable. NCRC records an allowance for credit losses based on losses expected to arise over the contractual term of the financial asset. Assets are written off when NCRC deems the loan receivable to be uncollectable. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, which do not exceed the aggregate of previous write-offs, are included in determining the allowance account. As of December 31, 2025, the allowance for credit losses was \$0.

In developing estimates for expected credit losses, management considers historical loss information updated for current conditions and reasonable and supportable forecasts that affect expected collectability using a probability-of-default method. Management considers factors such as the borrower's financial condition, the borrower's ability to make scheduled interest or principal payments based on the current and forecasted direction of the economic and business environment, the remaining payment terms of the loan, the remaining time to maturity, and the value of underlying collateral. Although management uses many factors to estimate credit losses, because of uncertainties associated with local economic conditions, collateral values, and future cash flows, it is reasonably possible that a material change could occur in the allowance for credit loan losses in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Loans that are 90 days or more past due, based on the contractual terms of the note, are classified on nonaccrual status. Uncollectable interest previously accrued is charged off, or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received and the principal balance is believed to be collectable. A loan previously classified on nonaccrual status will resume accruing interest based on the contractual terms of the loan when payments on the loan become current. There were no loans on nonaccrual status at December 31, 2025.

There are no deferred loan origination fees or unearned discounts. Intercompany notes receivable and notes payable are eliminated upon consolidation.

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, 2025, \$732,773 of project development costs were expensed.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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2. Summary of significant accounting policies (continued)

Equity investments in partnerships

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 in Housing Partnership Network Group Insurance Initiative (see Note 5), and the following:

For-profit housing investment	Non-controlling partner/member	%
Anaheim Revitalization III Partners, LP	SCHDC of Los Angeles	0.005%
Anaheim Revitalization IV Partners, 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	NCRC Hermosa Village II MGP, LLC	0.002%
ANF Family Partners II, LP	SCHDC of Los Angeles	0.0021%
9010 Tobias Owner, LP	enCORE 9010 Tobias, LLC	0.004%
8503 Tobias Owner, LP	enCORE 8503 Tobias, LLC	0.004%
6706 Hayvenhurst Owner, LP	enCORE 6706 Hayvenhurst, LLC	0.004%
15125 Saticoy Owner, LP	enCORE 15125 Saticoy, LLC	0.004%
21205-21215 Saticoy Owner, LP	enCORE 21205-21215 Saticoy, LLC	0.004%
14732 Blythe Owner, LP	enCORE 14732 Blythe, LLC	0.004%
14612-14654 Blythe Owner, LP	enCORE 14612-14654 Blythe, LLC	0.004%
Orion and Langdon, LP	enCORE Orion and Langdon, LLC	0.004%
CORE Autumn Breeze, LLLP	NCRC	99.99%
Bailey at Stassney, LP	NCRC	99.99%
Bailey at Berkman, LP	NCRC	99.99%

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 2025.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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2. Summary of significant accounting policies (continued)

Leases

NCRC determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of and to obtain substantially all of the economic benefits from the use of an asset for a period of time in exchange for consideration.

Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activity. Operating and finance lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Generally, NCRC's ground lease right-of-use assets are recorded at the fair market value of the land leased, with the lease payment prepaid in full at the commencement date. Otherwise, NCRC uses its incremental borrowing rate at the commencement date in determining the present value of lease payments. The weighted average discount rates for finance and operating lease liabilities were 3.06% and 3.85%, respectively, as of December 31, 2025. The weighted average lease terms as of December 31, 2025 for finance and operating lease liabilities were 79 years and 74 years, respectively.

The operating and finance lease right-of-use assets include any lease payments made and exclude lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that NCRC will exercise that option. NCRC has elected the practical expedient of not separating components from nonlease components. The lease agreements generally do not contain any material residual value guarantees or material restrictive covenants. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease right-of-use assets and liabilities as of December 31, 2025 consist of the following ground leases with unrelated party lessors:

Operating Property Lessee	Commence- ment	Term (years)	Classification	Asset	Liability
Anaheim Midway, LP	2022	55	Finance	\$ 6,740,426	\$ -
LINC-CORE Pioneer, LP	2022	78	Finance	12,400,000	-
AFH NCRC Beach Blvd LP	2022	75	Finance	5,287,431	10,800,000
Golden Pierce Housing Ptrs, LP	2022	90	Finance	3,042,585	-
NCRC NSV, LP	2022	90	Finance	3,512,024	-
NCRC Murrieta Family Hsg, LP	2023	65	Finance	3,192,853	-
One San Pedro Phase I, LP	2024	75	Finance	3,579,250	-
NCRC Placentia, LLC	2024	93	Finance	7,472,545	5,735,846
NCRC Murrieta Senior Hsg, LP	2025	90	Finance	1,260,000	-
Total finance leases				46,487,114	16,535,846
Mission Cove Family I Hsg Ptr, LP	2016	99	Operating	5,358,096	-
Waterman Gardens Ptrs I, LP	2016	75	Operating	908,379	-
Bell Housing Partners, LP	2005	60	Operating	1,380,111	-
Ken-Tal Senior Partners, LP	2005	65	Operating	1,444,159	1,533,275
LINC-CORE Fairview Metro, LP	2019	66	Operating	768,971	403,410
Legacy Square, L.P.	2024	94	Operating	2,571,800	2,632,835
Total operating leases				12,431,516	4,569,520
Grand total				\$ 58,918,630	\$ 21,105,366

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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2. Summary of significant accounting policies (continued)

Leases (continued)

Future minimum lease payment requirements over the next five years and thereafter are as follows for the years ending December 31:

2026	\$ 283,971
2027	286,988
2028	290,078
2029	293,243
2030	296,486
Thereafter	<u>57,019,049</u>
Total lease payments	58,469,815
Less: imputed interest	<u>(37,364,449)</u>
Lease right-of-use liability	<u>\$ 21,105,366</u>

Lease expense for the year ended December 31, 2025 consists of:

Amortization of right-of-use asset	\$ 741,549
Imputed interest	<u>370,732</u>
Total lease expense	<u>\$ 1,112,281</u>

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.

Buildings are generally depreciated over their estimated useful lives of 40 years under the straight-line method. Land improvements are depreciated over their estimated useful life of 15-20 years under the straight-line method. Furniture and equipment are generally depreciated over their useful life of 5-10 years under the straight-line method. Computer equipment and vehicles are depreciated over their estimated useful lives of 3 and 5 years, respectively, under the straight-line method. Depreciation expense for the year ended December 31, 2025 was \$51,897,297, which excludes \$2,403,000 of depreciation eliminated upon consolidation related to developer and contractor fees capitalized to fixed assets.

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 2025.

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2. Summary of significant accounting policies (continued)

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, 2025 was \$301,148. The deferred costs consist of the following as of December 31, 2025:

Tax credit fees	\$ 5,367,190
Accumulated amortization	<u>(2,301,236)</u>
Deferred costs, net	<u>\$ 3,065,954</u>

Derivatives and hedging activities – interest rate swap

Derivatives that do not qualify for hedge accounting are adjusted to fair value through income. If the derivative is a hedge instrument, depending on the nature of the hedge transaction, the changes in the fair value of derivative instrument are either offset against the earnings of the hedged item or recognized in other comprehensive income (loss) in net assets until the hedged item is recognized in earnings. The ineffective portion of a derivative hedge instrument is immediately recognized in earnings. A Housing Affiliate is a party to a derivative financial instrument for the purpose of limiting its exposure to interest rate fluctuations through the use of interest rate swaps. Derivatives are held only for the purpose of limiting such risks, not for speculation. As of December 31, 2025, none of the organization's derivative financial instruments qualify as hedges.

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 for tenant leases and tenant charges

NCRC's wholly-owned subsidiaries and affiliates are the lessors of affordable housing rental projects and account for tenant leases as operating leases. At the commencement of an operating lease, no income is recognized; subsequently, lease payments received are recognized on a straight-line basis. 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.

Revenue resulting from special events, fees charged by the organization, and other income is recognized when performance obligations are met. Property management fee income is earned monthly based on the applicable management agreements.

Contractor fees

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.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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2. Summary of significant accounting policies (continued)

Developer fees

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, developer fees are earned based on how they are defined to be earned per the applicable development agreement, which in most cases is upon completion and delivery of units. Upon construction completion, any 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. Developer fees determined subsequently to be uncollectible will be converted to capital.

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.

Contributions - private donations

Contributions of cash or other financial assets are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities as net assets released from restrictions.

Revenue recognition from hotel operations

Revenue generated from hotel operations consists of room, food and beverage sales and other hotel revenues recognized when services are provided. When a reservation is made, the Hotel deems that the parties have approved a contract in accordance with customary business practices and are committed to perform their respective obligations. At such time, each party's rights regarding the services to be transferred are identified, payment terms are specified, the contract has commercial substance, and, in most instances, it is probable the Hotel will collect substantially all consideration to which it will be entitled in exchange for services.

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2. Summary of significant accounting policies (continued)

Revenue recognition from hotel operations (continued)

Each room night consumed by a guest with a cancellable reservation represents a contract whereby the Hotel has a performance obligation to provide the room night at an agreed upon price. For cancellable reservations, the Hotel recognizes revenue as each performance obligation (i.e., each room night) is met. Such contract is renewed if the guest continues their stay. For room nights consumed by a guest with a non-cancellable reservation, the entire reservation period represents the contract term whereby the Hotel has a performance obligation to provide the room night or nights at an agreed upon price. For non-cancellable reservations, the Hotel recognizes revenue over the term of the performance period (i.e., the reservation period) as room nights are consumed. For these reservations, the room rate is typically fixed over the reservation period.

The Hotel uses an output method based on performance completed to date (i.e., room nights consumed) to determine the amount of revenue it recognizes on a daily basis if the length of a non-cancellable reservation exceeds one night since consumption of room nights indicates when services are transferred to the guest. In certain instances, variable consideration may exist with respect to the transaction price, such as discounts, coupons and price concessions made upon guest checkout.

In evaluating performance obligations, the Hotel bundles the obligation to provide the guest the room itself with other obligations (such as free Wi-Fi, access to on-site laundry facilities, and parking), as the other obligations are not distinct and separable because the guest cannot benefit from the additional amenities without the consumed room night.

The Hotel's obligation to provide the additional items or services is not separately identifiable from the fundamental contractual obligation (providing the room to the guest). The Hotel has no performance obligations once a guest's stay is complete. Therefore, there is one performance obligation, and the other additional services are not considered distinct and separable. Food and beverage revenue is recognized when services have been delivered. Payment terms generally align when the services are provided.

Performance obligations related to owned hotels are expected to be satisfied within less than one year. Therefore, the Hotel does not estimate revenues expected to be recognized related to unsatisfied performance obligations. The Hotel has elected not to disclose the transaction price related to future performance obligations due to the fact that the current expected duration of all material contracts for hotel stays are less than one year.

Income taxes

NCRC 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.

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2. Summary of significant accounting policies (continued)

Income taxes (continued)

As discussed in Note 1, the Hotel had elected to be treated as a corporation and as such, may be subject to federal and state income taxes. The Hotel utilizes an asset and liability approach to financial accounting and reporting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax basis, and are measured using enacted tax rates expected to be recovered or settled. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

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, including considerations of time and effort. Payroll expenses are allocated based on time and effort. In general, NCRC's corporate expenses and subsidiaries' rental property management fees are management and general, and ordinary operating expenses of subsidiaries' affordable rental properties are program expenses. No fundraising expenses were incurred (see the separate financials of HTHF for fundraising activity of National CORE).

3. Liquidity and availability of financial assets

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 at least 90 days of operating expenses. In addition to these liquid funds, NCRC has available lines of credit of up to \$21,500,000, of which \$17,500,000 has been drawn as of December 31, 2025.

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3. Liquidity and availability of financial assets (continued)

The following represents NCRC's financial assets at December 31, 2025:

Financial assets at yearend:

Cash and cash equivalents	\$ 80,530,079
Restricted cash, including security deposits	88,870,673
Accounts receivable, net	12,344,360
Advance due from affiliates, net	17,592,434
Notes and interest receivable	6,221,174
Project development costs receivable	953,550
Developer fee receivable	<u>1,047,101</u>
Total financial assets	207,559,371

Less amounts not available to be used within one year for general expenditures:

Restricted cash, including security deposits	(88,870,673)
Advance due from affiliates, net	(17,592,434)
Notes and interest receivable	(6,221,174)
Project development costs receivable	(953,550)
Net assets with donor restrictions	<u>-</u>

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

\$ 93,921,540

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.

A summary of the restricted cash balances as of December 31, 2025 is as follows:

Replacement reserves	\$ 26,548,795
Other reserves and escrows	25,748,035
Operating reserves	23,508,970
Tax and insurance reserves	5,818,207
Residual receipts reserves	<u>320,766</u>
Total restricted cash	<u>\$ 81,944,773</u>

As of December 31, 2025, other reserves and escrows includes \$1,228,222 held in escrow in connection with various purchase and sales agreements, and \$12,381,162 of lender controlled reserves and equity.

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5. Equity 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, 2025. The investment is accounted for under the equity method of accounting and the investment has been recorded at cost. As of December 31, 2025, the investment balance was \$697,815.

Investments also 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. During 2022, \$800,000 was paid in total to acquire the limited partner interests in ten Housing Affiliates from various unrelated parties. During 2023, \$1,150,000 was paid in total to acquire the limited partner interests in two Housing Affiliates from an unrelated party. These amounts were paid outside the partnerships, and as such, the amounts do not eliminate upon consolidation.

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, 2025:

Land	\$ 168,791,368
Buildings and improvements	1,801,956,219
Furniture, fixtures and equipment	63,307,709
Construction in progress	<u>294,621,867</u>
Subtotal	2,328,677,163
Less: accumulated depreciation	<u>(474,094,313)</u>
Total property, equipment and improvements, net	<u>\$ 1,854,582,850</u>

Office building purchase and lease

On November 18, 2022, NCRC purchased a 74,000 square foot, three story office property for \$18,250,000 from an unrelated party, for use as NCRC's corporate offices. Concurrent with the sale, the seller leased back 55,000 square feet, which was reduced to 25,000 square feet by March 2023. The operating lease is for five years, with two 2-year options to extend. For the year ended December 31, 2025, rental income of \$795,500 was earned and is included in rental income on the accompanying consolidated statement of activities. Future expected lease income over the next two years is as follows:

2026	\$ 810,965
2027	<u>693,980</u>
Total	<u>\$ 1,504,945</u>

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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7. Mortgages and notes payable, net

Mortgages and notes payable are as follows as of December 31, 2025:

Lender	Secured Entity	Interest rate	Monthly principal and int or other repymt terms	Maturity	Principal balance
Bank of New York Mellon Trust Co. (Bond Trustee)	NCRC	3.27%	(6)	12/1/2032	\$ 100,000,000
Citizens Business Bank - line of credit	NCRC	Variable	(4)	10/15/2026*	16,000,000
Citizens Business Bank - HQ mortgage	NCRC	4.70%	\$ 62,411	11/9/2032	11,281,645
San Garbiel Valley Regional Housing Trust	NCRC (for Prisma Lofts)	3.00%	(3)	12/31/2025	406,079
Wells Fargo Bank - line of credit	NCRC	2.00%	(4)	4/29/2028	1,500,000
Century Housing Corporation - AHP	NCRC (for 3rd & Dangler)	0.00%	(3)	(a)	1,000,000
JPMorgan Chase Bank	NCRC (for Rancho Verde)	3.39%	\$ 11,206	8/1/2047	1,000,000
Clearinghouse Community Development - AHP	NCRC (for Nestor Senior)	0.00%	(3)	4/7/2079	730,000
Citibank - AHP	NCRC (for Savi Ranch)	0.00%	(3)	9/1/2071	680,000
JPMorgan Chase Bank - AHP	NCRC (for Escondido Senior)	0.00%	(4)	5/1/2067	500,000
Bank of America California - AHP	NCRC (for Golden Pierce))	0.00%	(3)	7/3/2078	500,000
Citibank - AHP	NCRC (for Westlake)	0.00%	(4)	4/1/2069	480,000
City National Bank - AHP	NCRC (for Mission Cove II)	0.00%	(3)	3/30/2072	90,000
NCRC	SCHDC of Inland Empire	6.00%	(4)	5/19/2025	7,450,000
Dept. of Housing and Urban Development	San Antonio Gateway Hsg Corp	0.00%	(3)	3/1/2066	10,604,000
JPMorgan Chase Bank	3rd & Dangler, LP	4.01%	\$ 276,392	7/10/2042	5,146,638
Los Angeles County Development Authority	3rd & Dangler, LP	3.00%	(1)	6/2/2078	7,000,000
Los Angeles County Development Authority	3rd & Dangler, LP	3.00%	(1)	6/2/2078	1,416,800
Department of Housing and Community Development	3rd & Dangler, LP	3.00%	(3)	3/4/2080	13,987,646
NCRC (AHP Loan)	3rd & Dangler, LP	0.00%	(1)	12/21/2078	1,000,000
East West Bank - construction	Anaheim Midway, LP	4.87%	\$ 66,749	10/3/2055	11,931,199
Anaheim Housing Authority	Anaheim Midway, LP	2.25%	(1)	4/29/2076	7,200,000
Anaheim Housing Authority	Anaheim Midway, LP	3.00%	(1)	4/29/2076	3,574,800
Anaheim Housing Authority	Anaheim Midway, LP	3.00%	(1)	4/29/2076	2,450,995
Orange County Housing Finance Trust	Anaheim Midway, LP	3.00%	(1)	1/29/2042	1,362,652
Chase Commercial Term Lending	NCRC Interim Spring Valley	5.90%	\$ 12,852	1/1/2033	3,158,714
County of San Diego HCD Services	NCRC Interim Spring Valley	3.00%	(1)	4/14/2075	2,300,000
County of San Diego	NCRC Interim Spring Valley	3.00%	(1)	2/28/2057	1,825,000
CA Statewide Communities Dev. Authority	Murrieta Family Housing, LP	6.07%	(3)	5/30/2026*	31,959,851
Murrieta Housing Authority	Murrieta Family Housing, LP	3.00%	(3)	6/27/2090	6,142,807
County of Riverside	Murrieta Family Housing, LP	Variable	(3)	12/31/2080	6,000,000
Murrieta Housing Authority	Murrieta Family Housing, LP	3.00%	(3)	6/27/2090	3,325,000
NCRC	Murrieta Family Housing, LP	0.00%	(3)	12/31/2080	2,374,104
City of Los Angeles	NCRC Titta Inn, LLC	0.00%	(3)	12/22/2028	8,580,000

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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
Citibank NA	Cudahy Senior Apartments LP	Variable	(4)	10/15/2028	\$ 55,000
Los Angeles County Development Authority	Cudahy Senior Apartments LP	3.00%	(1)	10/1/2080	2,557,824
County of San Diego	Ivy Valley Housing Partners, LP	Variable	(1)	12/5/2078	6,942,920
City of Escondido	Ivy Valley Housing Partners, LP	3.00%	(1)	12/5/2076	4,000,000
Century Housing Corporation - AHP	Ivy Valley Housing Partners, LP	0.00%	(1)	9/26/2078	490,000
County of San Diego	Ivy Valley Housing Partners, LP	0.00%	(7)	12/5/2043	266,508
City of Los Angeles	NCRC Super 8, LLC	0.00%	(3)	12/21/2028	8,890,000
CA Dept. of Hsg and Community Development	Veterans Park Fund, LP	3.00%	(2)	10/27/2078	6,365,022
MUFG Union Bank	Veterans Park Fund, LP	Variable	(3)	6/1/2038	3,688,829
Los Angeles County Development Authority	Veterans Park Fund, LP	3.00%	(3)	6/1/2076	3,004,694
Los Angeles County Development Authority	Veterans Park Fund, LP	3.00%	(3)	6/1/2076	2,000,000
Bank of America	Linc-CORE Pioneer, LP	Variable	(4)	12/29/2026	77,678,001
City of Glendale Housing Authority	Linc-CORE Pioneer, LP	3.00%	(3)	12/15/2080	25,100,000
City of Glendale Housing Authority	Linc-CORE Pioneer, LP	3.00%	(1)	12/15/2080	2,000,000
City of Glendale Housing Authority	Linc-CORE Pioneer, LP	3.00%	(1)	12/15/2080	1,300,000
LINC Housing Corporation	Linc-CORE Pioneer, LP	0.00%	(3)	12/31/2077	1,230,188
NCRC	Linc-CORE Pioneer, LP	0.00%	(3)	12/31/2077	1,230,188
JPMorgan Chase Bank	Greenbrier Village, LP	5.85%	\$ 34,729	2/6/2044	6,187,432
County of San Diego	Greenbrier Village, LP	0.00%	(1)	2/28/2080	5,972,695
City of Oceanside	Greenbrier Village, LP	3.00%	(1)	12/31/2079	3,500,000
California Community Reinvestment Corp.	NCRC Lake Forest, LP	4.07%	\$ 41,033	6/1/2044	8,996,626
City of Lake Forest	NCRC Lake Forest, LP	3.00%	(1)	8/18/2075	3,700,000
California Housing Finance Agency	NCRC Lake Forest, LP	3.00%	(1)	12/30/2076	1,259,848
Orange County Housing Finance Trust	NCRC Lake Forest, LP	3.00%	(1)	12/30/2076	915,256
Orange County Housing Authority	NCRC Lake Forest, LP	3.00%	(1)	5/22/2079	453,600
City of San Diego	Encanto Gateway, LP	3.00%	(1)	12/31/2083	4,717,524
Capital One, NA	Santa Fe Senior Village, LP	6.65%	\$ 330,350	8/20/2041	4,471,848
County of San Diego NPLHP	Santa Fe Senior Village, LP	0.00%	(1)	12/31/2079	5,125,000
County of San Diego	Santa Fe Senior Village, LP	3.00%	(1)	12/31/2079	4,250,000
City of Vista	Santa Fe Senior Village, LP	3.00%	(1)	12/31/2079	500,000
NCRC (HCD Grant)	Woods Family Housing Ptrs, LP	0.00%	(1)	1/1/2066	2,465,846
LACDC - HOME funds	Woods Family Housing Ptrs, LP	3.00%	(1)	9/10/2063	2,047,376
LACDC - Industry funds	Woods Family Housing Ptrs, LP	3.00%	(1)	9/10/2063	1,249,201
California Community Reinvestment Corp.	Woods Family Housing Ptrs, LP	8.50%	\$ 10,765	11/1/2043	1,186,672
LACDC - CDBG funds	Woods Family Housing Ptrs, LP	3.00%	(1)	3/15/2065	1,000,000
LACDC - First District Loan	Woods Family Housing Ptrs, LP	3.00%	(1)	3/15/2065	1,000,000

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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
LACDC - Maravilla funds	Woods Family Housing Ptrs, LP	3.00%	(1)	3/15/2065	\$ 1,000,000
Greystone Servicing	NCRC / Arbor Villas Apts	3.96%	\$ 26,906	11/1/2049	4,985,967
NCRC	Rialto Housing Partners, LP	5.00%	\$ 28,187	1/26/2028	2,255,000
City of San Bernardino - HOME	Rialto Housing Partners, LP	3.00%	(1)	1/14/2054	1,000,000
City of Oceanside	Oceanside Senior Hsg Ptrs, LP	3.00%	(1)	7/20/2063	3,772,340
JPMorgan Chase Bank	Oceanside Senior Hsg Ptrs, LP	5.08%	\$ 4,956	10/1/2038	559,740
JPMorgan Chase Bank	NCRC / Clark Manor	4.93%	\$ 7,833	8/1/2033	598,246
City of Long Beach	NCRC / Clark Manor	4.00%	(1)	6/1/2058	550,000
City of Corona Redevelopment Agency	Corona de Oro Apts. LP	3.00%	(1)	3/1/2055	4,725,000
Berkadia	Corona de Oro Apts. LP	7.25%	\$ 8,784	7/1/2032	550,509
City of Corona - HOME	Corona de Oro Apts. LP	1.00%	(1)	9/1/2055	149,900
County of Riverside	Corona de Oro Apts. LP	3.00%	(1)	12/31/2089	1,000,000
SCHDC Bridge Loan	NCRC / Corona del Rey Apts	6.00%	(4)	9/8/2027	7,450,000
County of Riverside - ARPA	NCRC / Corona del Rey Apts	3.00%	(1)	12/31/2078	5,000,000
City of Corona Redevelopment Agency	NCRC / Corona del Rey Apts	15.00%	(1)	5/1/2051	347,936
County of Riverside	NCRC / Corona del Rey Apts	3.00%	\$ 1,304	7/1/2028	38,881
City of Escondido	Cobblestone Apartments, LP	2.98%	(1)	8/1/2073	3,168,027
Pacific Western Bank	Cobblestone Apartments, LP	5.00%	\$ 10,678	9/1/2050	1,804,450
CA Dept. of Hsg and Community Development	Cobblestone Apartments, LP	3.00%	(1)	3/1/2058	1,345,219
Escondido Hsg Partners, LP - seller carryback	Cobblestone Apartments, LP	2.95%	(1)	8/31/2073	191,334
Riverside County Redev. Agency	Desert Meadows Hsg Partners, LP	0.25%	(1)	8/16/2066	7,698,385
CA Dept. of Hsg and Community Development	Desert Meadows Hsg Partners, LP	3.00%	(2)	4/1/2069	5,954,244
Union Bank of California - AHP	Desert Meadows Hsg Partners, LP	0.00%	(3)	1/1/2067	790,000
Town of Yucca Valley	Yucca Valley Senior Hsg Ptrs, LP	0.50%	(1)	4/1/2068	2,925,000
San Bernardino County	Yucca Valley Senior Hsg Ptrs, LP	3.00%	(1)	12/12/2069	1,622,830
AHP Funds	Yucca Valley Senior Hsg Ptrs, LP	0.00%	(3)	1/15/2030	1,180,000
Bonneville Mortgage	Yucca Valley Senior Hsg Ptrs, LP	4.21%	\$ 3,664	2/1/2056	751,519
City of Downey	Downey Housing Partners, LP	3.00%	(1)	2/4/2068	4,550,000
Housing Authority County of Los Angeles	Downey Housing Partners, LP	3.00%	(1)	2/1/2070	2,386,720
JPMorgan Chase Bank	Downey Housing Partners, LP	5.88%	\$ 13,201	9/10/2045	1,835,718
City of Downey	Downey Housing Partners, LP	3.00%	(1)	2/4/2068	450,000
County of Los Angeles - Industry Funds	Normandie Senior Hsg Ptrs, LP	0.00%	(1)	3/15/2065	5,344,801
County of Los Angeles - HOME	Normandie Senior Hsg Ptrs, LP	3.00%	(1)	3/15/2065	1,989,155
NCRC Infill Grant Loan	Normandie Senior Hsg Ptrs, LP	0.00%	(1)	1/1/2065	1,033,418
CDC - County of Los Angeles	Normandie Senior Hsg Ptrs, LP	6.75%	\$ 4,865	10/1/2040	588,623
CDC - County of LA Homeless & Hsg Prog. Fund	Normandie Senior Hsg Ptrs, LP	3.00%	(1)	6/1/2067	600,000

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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
City of Rancho Cucamonga Redev. Agency	East Rancho Verde Hsg Ptrs, LP	1.50%	(1)	6/27/2060	\$ 6,500,000
JPMorgan Chase Bank	East Rancho Verde Hsg Ptrs, LP	5.13%	\$ 8,717	10/1/2040	1,084,787
Cnty of San Bernardino, Dep of Comm Dev and Hsg	East Rancho Verde Hsg Ptrs, LP	3.00%	(3)	3/11/2063	1,100,000
City of Fontana	Fontana II Hsg Ptrs, LP	1.00%	(1)	2/1/2059	2,500,000
California Community Reinvestment Corp.	Fontana II Hsg Ptrs, LP	6.75%	\$ 8,821	12/1/2036	769,248
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	1,064,000
Bank of the West - AHP	Fontana III Hsg Ptrs, LP	0.00%	(3)	3/22/2061	350,000
City of Rancho Cucamonga Redev. Agency	Malvern Housing Partners, LP	1.00%	(1)	4/15/2056	3,801,209
County of San Bernardino	Malvern Housing Partners, LP	3.00%	\$ 2,218	12/1/2022	400,000
City of Hawthorne	NCRC / Hawthorne Terrace	3.00%	(1)	10/1/2059	1,998,855
JPMorgan Chase Bank	NCRC / Hawthorne Terrace	5.55%	\$ 11,142	10/1/2029	846,000
City of Hawthorne	NCRC / Hawthorne Terrace	Variable	(1)	10/1/2059	250,000
NCRC	Hope Through Access	0.00%	(1)	(c)	2,000,000
Citizens Business Bank	Victorville Housing Ptrs, LP	5.75%	\$ 9,510	1/3/2033	1,542,155
City of Victorville	Victorville Housing Ptrs, LP	3.00%	(1)	9/2/2057	794,602
City of Escondido	Escondido Senior Hsg Ptrs, LP	5.32%	(1)	12/6/2075	3,051,230
City of Escondido	Escondido Senior Hsg Ptrs, LP	3.00%	(1)	12/6/2075	1,948,770
California Community Reinvestment Corp.	Escondido Senior Hsg Ptrs, LP	7.37%	\$ 12,460	11/1/2041	1,406,419
NCRC	Escondido Senior Hsg Ptrs, LP	0.00%	(1)	2/5/2065	650,959
City of Escondido	Escondido Senior Hsg Ptrs, LP	3.00%	(1)	5/19/2065	500,000
SCHDC of Orange (AHP-JPMorgan)	Escondido Senior Hsg Ptrs, LP	0.00%	(1)	4/1/2067	500,000
NCRC	Escondido Senior Hsg Ptrs, LP	0.00%	(1)	2/5/2065	400,000
Citizens Business Bank	Santa Fe Springs Hsg Ptrs, LP	5.37%	\$ 54,756	1/1/2033	9,250,182
City of Oceanside	Oceanside Housing Ptrs, LP	3.00%	(1)	6/21/2061	6,244,000
CA Dept. of Hsg and Community Development	Oceanside Housing Ptrs, LP	3.00%	(1)	5/21/2064	4,151,008
MuniMae TE Bond Subsidiary, LLC	Oceanside Housing Ptrs, LP	6.50%	\$ 25,772	5/1/2049	3,715,131
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
Citibank, N.A.	Avenida Serra Hsg Partners, LP	5.48%	\$ 2,314	9/1/2044	380,509
Citibank, N.A. - subordinate loan	Avenida Serra Hsg Partners, LP	1.00%	(1)	10/1/2070	187,249
California Housing Finance Agency	SCHDC / Mountainside Apts	7.25%	\$ 44,171	9/21/2026	427,169
City of Oceanside	Mission Cove Family I Hsg, LP	0.00%	(3)	10/4/2072	5,900,000
City of Oceanside	Mission Cove Family I Hsg, LP	3.00%	(1)	10/4/2072	4,405,348
Citibank, N.A.	Mission Cove Family I Hsg, LP	1.00%	(3)	4/1/2071	1,340,606
California Housing Finance Agency	Mission Cove Family I Hsg, LP	3.00%	(1)	3/1/2071	943,470

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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
Wells Fargo Bank	Mission Cove Family I Hsg, LP	0.00%	(3)	9/1/2073	\$ 890,000
Citibank, N.A.	Mission Cove Family I Hsg, LP	5.54%	\$ 4,555	10/1/2038	501,238
City of Oceanside - ground lease loan	Mission Cove Family II Hsg, LP	0.00%	(1)	4/1/2072	4,762,542
City of Oceanside	Mission Cove Family II Hsg, LP	3.00%	(1)	5/1/2073	4,147,253
Bank of America	Mission Cove Family II Hsg, LP	5.26%	\$ 14,255	5/1/2035	2,499,577
NCRC - AHP	Mission Cove Family II Hsg, LP	0.00%	(1)	3/30/2072	231,574
City of Riverside	Riverside Housing Ptrs, LP	3.00%	(1)	7/1/2059	4,496,135
CA Dept. of Hsg and Community Development	Riverside Housing Ptrs, LP	3.00%	(2)	3/31/2061	2,930,000
US Bank, N.A.	Riverside Housing Ptrs, LP	6.21%	\$ 9,779	7/1/2036	944,233
Federal Home Funds	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	7/26/2067	1,475,397
City of Pasadena	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	4/15/2065	1,417,273
Agency IV - First 5 LA	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	3/10/2072	953,167
CDC - County of Los Angeles	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	3/10/2072	895,726
Inclusionary Housing Fund	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	7/26/2067	646,077
AHP Funds	Mar Vista Union Hsg Ptrs, LP	0.00%	(3)	7/1/2070	300,000
CA Dept. of Hsg and Community Development	UC Housing Partners, LP	3.00%	(2)	7/5/2062	6,382,879
CA Statewide Communities Development Authority	UC Housing Partners, LP	5.60%	\$ 23,618	8/1/2037	2,424,148
Brookfield University Commons, LLC	UC Housing Partners, LP	2.00%	(3)	11/30/2059	1,463,164
County of Riverside Redevelopment Agency	Mission Village Senior Hsg, LP	3.00%	(1)	9/15/2064	10,472,118
US Bank, N.A.	Mission Village Senior Hsg, LP	5.89%	\$ 17,893	3/3/2040	2,112,161
AHP Funds	Mission Village Senior Hsg, LP	0.00%	(3)	3/3/2065	500,000
California Housing Finance Agency	SCHDC / Monterey Village	7.25%	\$ 34,791	10/1/2026	336,455
Victorville Redevelopment Agency	NCRC / Northgate Village	3.00%	(1)	12/15/2035	5,489,812
California Housing Finance Agency	NCRC / Northgate Village	6.00%	\$ 33,444	10/10/2034	2,746,505
CDC - County of Los Angeles - HOME	Bell Housing Ptrs, LP	3.00%	(1)	3/15/2033	1,886,091
Housing Authority County of Los Angeles	Bell Housing Ptrs, LP	3.00%	(1)	3/15/2033	1,000,000
JPMorgan Chase Bank	Bell Housing Ptrs, LP	6.25%	\$ 8,441	1/1/2034	641,507
JPMorgan Chase Bank - AHP	Bell Housing Ptrs, LP	0.00%	(3)	1/1/2034	240,000
Citibank, N.A.	Savi Ranch II Hsg Ptrs, LP	5.70%	\$ 16,901	7/1/2035	2,627,465
City of Yorba Linda Redevelopment Agency	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/1/2072	2,415,321
City of Yorba Linda	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/1/2072	2,000,000
California Housing Finance Agency	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/1/2072	1,699,143
County of Orange	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/7/2072	1,504,100
Pacific Western Bank - AHP	Savi Ranch II Hsg Ptrs, LP	0.00%	(3)	6/7/2072	530,000
Orange County Housing Authority	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/7/2074	138,507
Wells Fargo Bank	Waterman Gardens Ptrs 1, LP	3.65%	\$ 35,164	10/1/2057	7,937,198

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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
Wells Fargo Bank	Waterman Gardens Ptrs 1, LP	0%	(1)	(a)	\$ 762,000
City of San Bernardino - HOME	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)	516,598
City of Yorba Linda	Savi Ranch Housing Ptrs, LP	3.00%	(1)	3/1/2066	6,212,314
Citibank, N.A.	Savi Ranch Housing Ptrs, LP	5.40%	\$ 17,242	7/10/2033	2,920,586
NCRC	Savi Ranch Housing Ptrs, LP	0.00%	(3)	9/1/2071	680,000
Citibank, N.A. - subordinate loan	Savi Ranch Housing Ptrs, LP	1.00%	(1)	4/1/2070	550,000
CDC - City of West Covina	Promenade Housing Ptrs, LP	2.82%	(1)	4/1/2072	6,056,621
Bank of the West	Promenade Housing Ptrs, LP	4.83%	\$ 20,284	5/5/2054	3,778,184
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, LP - seller carryback	Parkside SD Apartments, LP	3.80%	(1)	6/30/2055	2,699,411
Pacific Western Bank	Parkside SD Apartments, LP	5.00%	\$ 13,532	3/1/2037	2,475,011
San Diego Housing Commission	Parkside SD Apartments, LP	3.00%	(1)	11/16/2056	1,725,528
Citibank, N.A.	Paseo Del Oro Apartments, LP	5.09%	\$ 35,042	4/1/2035	6,335,159
San Marcos Hsg Partners, LP – seller carryback	Paseo Del Oro Apartments, LP	4.50%	(1)	3/23/2073	4,801,338
City of San Marcos	Paseo Del Oro Apartments, LP	3.00%	(1)	12/31/2073	3,465,670
County of San Diego	Paseo Del Oro Apartments, LP	5.98%	(3)	3/23/2073	1,497,051
Fontana Housing Authority	Fontana IV Hsg Ptrs, LP	0.25%	(1)	6/30/2065	6,834,539
California Community Reinvestment Corp	Fontana IV Hsg Ptrs, LP	6.50%	\$ 13,896	9/1/2040	1,853,430
City of Bell Community Dev. Commission	Bell Gardens Hsg Partners, LP	3.00%	(1)	4/1/2060	3,812,203
City of Los Angeles - HOME	Bell Gardens Hsg Partners, LP	3.00%	(1)	3/15/2063	2,785,367
Citizens Business Bank	Bell Gardens Hsg Partners, LP	5.75%	\$ 10,578	1/3/2033	1,714,294
Housing Authority County of Los Angeles	Bell Gardens Hsg Partners, LP	3.00%	(1)	3/15/2063	1,500,000
Bank of the West - AHP	Bell Gardens Hsg Partners, LP	0.00%	(1)	3/15/2064	284,000
City of Cathedral City Redev. Agency	Cathedral Family Hsg Ptrs, LP	2.00%	(1)	4/19/2066	4,006,162
County of Riverside - HOME	Cathedral Family Hsg Ptrs, LP	1.00%	(1)	4/19/2066	1,250,000
NCRC	Cathedral Family Hsg Ptrs, LP	0.00%	(1)	1/1/2065	638,471
Federal Home Loan Bank - AHP	Cathedral Family Hsg Ptrs, LP	0.00%	(3)	4/6/2067	590,000
California Community Reinvestment Corp.	Cathedral Family Hsg Ptrs, LP	7.25%	\$ 3,355	3/1/2028	468,167
JPMorgan Chase Bank	NCRC / Rancho Verde Apts	5.16%	\$ 11,206	4/1/2047	1,689,946
NCRC - seller carryback	Renaissance Village Hsg Ptrs, LP	3.06%	(1)	7/1/2069	9,198,872
Greystone	Renaissance Village Hsg Ptrs, LP	5.60%	\$ 25,971	1/1/2035	3,890,634
NCRC	Renaissance Village Hsg Ptrs, LP	3.06%	(1)	3/31/2030	650,812
NCRC	Renaissance Village Hsg Ptrs, LP	3.06%	(1)	7/1/2069	400,000
County of San Bernardino	Renaissance Village Hsg Ptrs, LP	3.14%	(1)	7/8/2049	273,303

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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 Montclair Redevelopment Agency	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, N.A.	Montclair Family Hsg Ptrs, LP	7.73%	\$ 9,802	11/1/2037	943,200
Wells Fargo Bank	EMI Housing Partners, LP	0.00%	(1)	10/1/2055	2,869,900
City of Montclair	EMI Housing Partners, LP	3.00%	(1)	4/22/2069	682,119
AHP Funds	EMI Housing Partners, LP	0.00%	(1)	3/1/2044	158,357
CA Dept. of Hsg and Community Development	Santee Apts, LP	3.00%	(2)	12/1/2058	4,844,952
NCRC - bond financing	Santee Apts, LP	4.75%	\$ 21,909	8/1/2037	3,971,469
Community Development Commission	Santee Apts, LP	3.00%	(1)	3/15/2055	3,016,248
County of San Diego	Santee Apts, LP	3.00%	(1)	7/15/2077	890,762
County of San Diego	Santee Apts, LP	3.00%	(1)	12/1/2055	240,000
City of Rancho Cucamonga	HB Housing Partners LP	3.00%	(3)	3/11/2029	9,000,000
California Housing Finance Agency	HB Housing Partners LP	5.30%	\$ 8,330	12/20/2037	894,082
San Antonio Gateway Housing Corp	Montclair Senior Hsg Ptrs, LP	0.00%	(3)	3/1/2066	10,604,000
City of Montclair Redevelopment Agency	Montclair Senior Hsg Ptrs, LP	3.00%	(1)	7/29/2063	1,528,280
California Housing Finance Agency	SCHDC / Sycamore Springs Apts	7.25%	\$ 30,186	9/3/2026	291,927
Citibank, N.A.	Palmdale Senior Hsg Ptrs, LP	5.65%	\$ 14,476	12/1/2026*	2,176,980
City of Palmdale Redevelopment Agency	Palmdale Senior Hsg Ptrs, LP	3.00%	(1)	4/25/2056	1,000,000
City of Palmdale - HOME	Palmdale Senior Hsg Ptrs, LP	3.00%	(1)	4/25/2056	750,000
AHP Funds	Palmdale Senior Hsg Ptrs, LP	0.00%	(3)	1/31/2066	600,000
Citibank, N.A.	SVSM Apartments, LP	5.09%	\$ 85,499	10/1/2050	15,555,651
Autumn Ridge Apts, LP - seller carryback	SVSM Apartments, LP	0%	(1)	3/31/2073	6,609,821
San Marcos Redevelopment Agency	SVSM Apartments, LP	3.00%	(1)	12/31/2073	5,467,067
City of Los Angeles - HOME	Eagle Rock Hsg Partners, LP	4.45%	(1)	12/31/2063	2,325,360
CA Dept. of Hsg and Community Development	Eagle Rock Hsg Partners, LP	3.00%	(2)	6/1/2066	1,708,526
NHDC Tres Lomas, LP - seller carryback	Eagle Rock Hsg Partners, LP	4.45%	(1)	12/12/2069	692,428
US Bank (EastWest Bank)	Eagle Rock Hsg Partners, LP	8.00%	\$ 4,243	6/1/2039	416,860
San Diego Redevelopment Agency	Ken Tal Senior Partners, LP	3.00%	(1)	10/30/2059	5,216,424
San Diego Housing Commission	Ken Tal Senior Partners, LP	5.00%	\$ 1,691	12/1/2034	175,362
Rialto Housing Authority	Citrus Grove Hsg Ptrs, LP	0.00%	(1)	5/10/2065	6,800,703
Rialto Housing Authority	Citrus Grove Hsg Ptrs, LP	0.00%	(1)	5/10/2065	1,492,973
CCRC (Wells Fargo bond trustee)	Citrus Grove Hsg Ptrs, LP	6.25%	\$ 5,110	6/1/2041	607,849
Rialto Housing Authority	Citrus Grove Hsg Ptrs, LP	0.00%	(1)	5/10/2065	333,037
City of Montclair	Mills Family Housing, LP	3.00%	(1)	8/4/2064	4,283,084
County of San Bernardino	Mills Family Housing, LP	3.00%	(1)	8/15/2066	2,000,000
California Community Reinvestment Corp.	Mills Family Housing, LP	7.50%	\$ 5,943	9/1/2041	658,022

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7. Mortgages and notes payable, net (continued)

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NCRC	Vista Dunes Housing Ptrs, LP	4.88%	(1)	10/30/2062	\$ 5,200,000
NCRC	Vista Dunes Housing Ptrs, LP	1.00%	(1)	12/1/2062	2,101,689
US Bank, N.A.	Vista Dunes Housing Ptrs, LP	6.90%	\$ 7,788	11/1/2038	796,744
City of Rancho Cucamonga Redev. Agency	Rancho Workforce Housing, LP	2.39%	(1)	9/1/2063	25,868,857
California Community Reinvestment Corp.	Rancho Workforce Housing, LP	6.04%	\$ 51,996	10/1/2040	7,224,789
City of Fontana	Fontana Hsg Ptrs, LP	3.00%	(1)	6/30/2059	1,002,187
Citizens Business Bank	Fontana Hsg Ptrs, LP	5.75%	\$ 5,662	1/3/2033	918,109
AHP Funds	Fontana Hsg Ptrs, LP	0.00%	(3)	9/1/2033	500,000
Pacific Western Bank	Vista del Sol Apartments, LP	4.00%	\$ 31,815	2/1/2054	8,089,249
Community Dev. Commission of National City	Vista del Sol Apartments, LP	3.00%	(1)	12/31/2073	6,874,586
Copper Hills Apartments, LP - seller carryback	Vista del Sol Apartments, LP	5.00%	(1)	12/31/2074	2,500,000
CA Dept. of Hsg and Community Development	Vista Terraza Hsg Partners, LP	3.00%	(2)	5/7/2062	7,000,302
Western Pacific Housing	Vista Terraza Hsg Partners, LP	4.68%	(1)	4/14/2060	4,673,244
US Bank, N.A.	Vista Terraza Hsg Partners, LP	5.81%	\$ 25,343	5/10/2037	2,633,326
PNC Bank	Val 9 Housing Partners, LP	3.47%	\$ 41,791	11/1/2056	9,272,292
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)	8/31/2070	810,000
Wells Fargo Bank	Val 9 Housing Partners, LP	0.00%	(3)	12/1/2071	750,000
City of San Bernardino	Val 9 Housing Partners, LP	3.00%	(1)	9/30/2071	500,000
City of Palmdale Redevelopment Agency	Courson Senior Partners, LP	3.00%	(1)	12/12/2060	2,850,000
CA Dept. of Hsg and Community Development	Courson Senior Partners, LP	3.00%	(1)	6/30/2062	2,341,584
California Community Reinvestment Corp.	Courson Senior Partners, LP	6.25%	\$ 6,773	4/1/2039	739,876
FHLB-AHP California Community	Courson Senior Partners, LP	0.00%	(3)	1/31/2039	350,000
City of San Marcos	Westlake Housing Partners, LP	3.00%	(1)	12/31/2071	13,330,252
CitiBank, N.A.	Westlake Housing Partners, LP	5.87%	\$ 3,930	6/2/2030	600,557
NCRC - AHP	Westlake Housing Partners, LP	0.00%	(1)	4/1/2069	480,000
City of San Marcos	Richmar Housing Partners, LP	3.00%	(1)	12/31/2071	3,397,973
Berkadia	Richmar Housing Partners, LP	5.12%	\$ 5,764	9/3/2049	951,191
City of San Marcos	Richmar Housing Partners, LP	3.00%	(1)	12/4/2068	385,288
Wells Fargo Bank	Orchard View Senior, LP	6.57%	\$ 27,403	8/1/2042	4,488,844
City of Buena Park	Orchard View Senior, LP	3.00%	(1)	10/1/2079	2,000,000
County of Orange	Orchard View Senior, LP	3.00%	(1)	1/24/2078	1,259,848
Orange County Housing Finance Trust	Orchard View Senior, LP	3.00%	(1)	10/1/2082	792,060
Orange County Housing Authority	Orchard View Senior, LP	3.00%	(1)	1/24/2078	453,600
City of Rancho Cucamonga	Day Creek Senior Hsg Partners, LP	2.91%	(1)	12/31/2074	4,896,303
JPMorgan Chase Bank	Day Creek Senior Hsg Partners, LP	5.16%	\$ 11,586	12/14/2039	2,148,995

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7. Mortgages and notes payable, net (continued)

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Century Housing Corporation - AHP	Day Creek Senior Hsg Partners, LP	0.00%	(3)	12/31/2074	\$ 1,390,000
City of Rancho Cucamonga	Day Creek Senior Hsg Ptrs 2, LP	3.00%	(1)	10/28/2075	5,700,000
City of Rancho Cucamonga - seller carryback	Day Creek Senior Hsg Ptrs 2, LP	2.91%	(1)	10/28/2075	2,803,697
JPMorgan Chase Bank	Day Creek Senior Hsg Ptrs 2, LP	5.16%	\$ 8,059	8/1/2056	1,494,746
Century Housing Corporation - AHP	Day Creek Senior Hsg Ptrs 2, LP	0.00%	(3)	12/31/2074	490,000
City of San Diego	NCRC Encanto, LP	4.00%	(1)	12/6/2074	6,250,000
Bank of America	NCRC Encanto, LP	5.73%	\$ 21,399	8/1/2036	3,626,680
San Diego Housing Commission	NCRC Encanto, LP	4.00%	(1)	6/30/2074	1,060,000
NCRC - AHP	NCRC Encanto, LP	0.00%	(3)	8/30/2073	650,000
City of San Diego	NCRC SYSV, LP	3.00%	(1)	11/30/2073	5,000,000
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	760,000
Pacific Western Bank	NCRC SYSV, LP	5.50%	\$ 1,583	7/1/2038	277,016
City of Glendale	LINC-CORE Hsg Ptrs-Glendale, LP	3.00%	(1)	(d)	7,485,944
Century Housing Corporation	LINC-CORE Hsg Ptrs-Glendale, LP	5.68%	\$ 12,403	7/1/2037	2,133,702
City of Glendale Housing Authority	LINC-CORE Hsg Ptrs-Glendale, LP	3.00%	(1)	(d)	1,814,056
City National Bank	LINC-CORE Hsg Ptrs-Glendale, LP	0.00%	(3)	3/12/2073	650,000
Century Housing Corporation - AHP	Virginia Holt Housing, LP	3.00%	(3)	3/21/2074	14,729,325
US Bank, N.A.	Virginia Holt Housing, LP	4.57%	\$ 15,699	11/22/2038	3,119,826
Ontario Housing Authority	Virginia Holt Housing, LP	3.00%	(1)	4/1/2074	2,000,000
Ontario Housing Authority	Virginia Holt Housing, LP	3.00%	(1)	4/1/2074	1,556,493
JPMorgan Chase Bank	Waterman Gardens Ptrs 2, LP	3.57%	\$ 82,553	11/30/2040	18,961,169
CA Dept. of Hsg and Community Development	Waterman Gardens Ptrs 2, LP	3.00%	(1)	2/28/2083	17,422,714
Housing Authority of San Bernardino	Waterman Gardens Ptrs 2, LP	3.00%	(1)	9/30/2074	2,210,593
County of San Bernardino	Waterman Gardens Ptrs 2, LP	3.00%	(1)	9/30/2074	1,878,875
City of San Bernardino	Waterman Gardens Ptrs 2, LP	3.00%	(1)	9/30/2074	971,832
HACSB Land Loan	Waterman Gardens Ptrs 2, LP	2.21%	(1)	9/30/2074	970,000
Dignity Health	Waterman Gardens Ptrs 2, LP	2.00%	(1)	11/1/2028	635,753
City of San Bernardino - HOME	Waterman Gardens Ptrs 2, LP	3.00%	(1)	9/30/2074	537,747
Comerica Bank	AFH NCRC Beach Blvd LP	Variable	(4)	11/15/2026*	7,395,358
County of Orange	AFH NCRC Beach Blvd LP	3.00%	(1)	10/30/2080	5,121,130
City of Huntington Beach	AFH NCRC Beach Blvd, LP	3.00%	(4)	10/30/2080	2,400,000
County of Riverside	NCRC Beaumont LP	3.00%	(1)	6/3/2079	5,400,000
JPMorgan Chase Bank	NCRC Beaumont LP	Variable	(4)	7/20/2026	14,006,634
Housing Authority of Riverside	Grace Vista Affordable Apts	3.00%	(1)	8/1/2078	1,500,000
Housing Authority of Riverside - seller carryback	Grace Vista Affordable Apts	3.00%	(1)	8/1/2078	352,000

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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
CA Dept. of Hsg and Community Development	NCRC Placentia, LLC	0.00%	(7)	10/18/2079	\$ 17,415,777
Century Housing Corporation	NCRC Placentia, LLC	4.57%	\$ 31,068	11/1/2041	6,425,535
CA Dept. of Hsg and Community Development	NCRC Placentia, LLC	3.00%	(2)	10/31/2079	4,806,018
California Housing Finance Agency	NCRC Placentia, LLC	3.00%	(1)	6/1/2077	2,519,696
Century Housing Corporation - AHP	NCRC Placentia, LLC	3.00%	(3)	11/1/2041	960,000
Orange County Housing Finance Trust	NCRC Placentia, LLC	3.00%	(1)	6/1/2077	792,060
County of Orange	NCRC Placentia, LLC	3.00%	(1)	6/1/2077	500,000
Bank of America	NCRC Prisma LP	Variable	(4)	5/13/2027	388,109
The City of Pomona	NCRC Prisma LP	3.00%	(3)	5/1/2080	4,730,000
The City of Pomona	NCRC Prisma LP	3.00%	(3)	4/23/2082	1,500,000
Department of Development Services	NCRC Prisma LP	3.00%	(3)	6/3/2079	2,200,000
San Gabriel Valley Regional Housing Trust	NCRC Prisma LP	3.00%	(3)	6/3/2079	2,000,000
NCRC - State tax credit sponsor loan	NCRC Prisma LP	0.00%	(3)	12/31/2082	456,406
NCRC - HCD funds	NCRC Prisma LP	0.00%	(3)	5/1/2080	1,480,264
NCRC - HUD sponsor loan	NCRC Prisma LP	3.00%	(3)	5/1/2080	256,105
NCRC	NCRC Prisma LP	3.00%	(3)	5/1/2080	550,000
Bank of America - Loan A	LINC-CORE Fairview Metro, LP	4.69%	\$21,436	4/1/2039	4,277,312
Bank of America - Loan B	LINC-CORE Fairview Metro, LP	4.49%	\$35,166	4/1/2038	3,990,927
LACDA (measure H)	LINC-CORE Fairview Metro, LP	3.00%	(1)	12/17/2076	3,971,620
LACDA Measure H	LINC-CORE Fairview Metro, LP	3.00%	(1)	12/17/2076	2,630,021
LACDA (MHHP)	LINC-CORE Fairview Metro, LP	3.00%	(1)	12/17/2076	1,882,534
LACDA (Prop A)	LINC-CORE Fairview Metro, LP	0.00%	(1)	12/17/2076	1,380,690
County of San Diego	Iris at San Ysidro, LP	3.00%	(4)	10/31/2080	7,461,238
City of San Diego	Iris at San Ysidro, LP	3.00%	(1)	12/31/2081	4,500,000
San Diego Housing Commission	Iris at San Ysidro, LP	4.00%	(3)	7/31/2081	1,955,000
Wells Fargo - construction	Iris at San Ysidro, LP	Variable	(4)	11/8/2026*	33,538,831
NCRC - bond financing	NCRC Mountain View, LLC	4.50%	(3)	4/13/2027	4,851,016
Center for Independent Living	Golden Pierce Hsg Partners, LP	4.07%	\$ 29,541	1/1/2043	6,930,095
NCRC	Golden Pierce Hsg Partners, LP	0.00%	(1)	12/31/2080	3,483,798
City of Riverside	Golden Pierce Hsg Partners, LP	3.00%	(1)	1/31/2077	1,000,000
Housing Authority of the City of Riverside	Golden Pierce Hsg Partners, LP	3.00%	(1)	1/31/2077	1,000,000
NCRC - AHP	Golden Pierce Hsg Partners, LP	0.00%	(1)	7/3/2078	500,000
CA Dept. of Hsg and Community Development	Golden Pierce Hsg Partners, LP	3.00%	(2)	12/9/2079	9,362,680
JPMorgan Chase Bank	NCRC NSV, LP	5.41%	\$ 20,300	8/1/2040	3,789,723
County of San Diego	NCRC NSV, LP	0.00%	(1)	4/7/2077	7,500,000
San Diego Housing Commission	NCRC NSV, LP	4.00%	(1)	12/31/2078	3,330,000

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Lender	Secured Entity	Interest rate	Monthly principal and int or other repymt terms	Maturity	Principal balance
NCRC - AHP	NCRC NSV, LP	0.00%	(1)	12/5/2076	\$ 730,000
California Community Reinvestment Corp.	Linc-CORE San Pedro Lofts, LP	4.20%	\$ 38,389	2/1/2059	8,238,087
City of Los Angeles	Linc-CORE San Pedro Lofts, LP	4.00%	(1)	12/15/2077	6,000,000
LINC Community Development Corp	Linc-CORE San Pedro Lofts, LP	1.31%	(1)	12/31/2078	5,921,231
NCRC	Linc-CORE San Pedro Lofts, LP	1.31%	(1)	12/31/2078	5,921,231
Rialto Housing Authority	Rialto Metrolink South Hsg Ptrs, LP	0.25%	(1)	3/30/2077	4,550,000
Rialto Housing Authority	Rialto Metrolink South Hsg Ptrs, LP	0.25%	(1)	6/30/2077	3,030,000
California Community Reinvestment Corp.	Rialto Metrolink South Hsg Ptrs, LP	5.27%	\$ 6,885	8/1/2039	1,731,644
County of San Bernardino	Rialto Metrolink South Hsg Ptrs, LP	3.00%	(3)	3/15/2077	1,567,518
City of San Marcos	Richmar Station San Marcos, LP	3.00%	(1)	2/4/2068	4,148,010
CA Dept. of Hsg and Community Development	Legacy Square, LP	3.00%	(2)	1/16/2079	15,000,000
California Community Reinvestment Corp.	Legacy Square, LP	3.80%	\$ 19,610	2/1/2042	4,433,213
CA Dept. of Hsg and Community Development	Legacy Square, LP	3.00%	(1)	12/15/2079	3,125,262
California Housing Finance Agency	Legacy Square, LP	3.00%	(1)	2/1/2076	1,514,240
City of San Marcos	VS Phase 1, LP	3.00%	(1)	12/31/2078	9,861,219
Wells Fargo Bank	VS Phase 1, LP	4.36%	\$ 37,054	8/1/2058	7,737,366
County of San Diego	VS Phase 1, LP	3.00%	(1)	3/18/2078	5,504,285
California Housing Finance Agency	VS Phase 1, LP	3.00%	(1)	4/1/2076	1,067,000
San Diego HHS Agency	VS Phase 1, LP	3.00%	(1)	12/31/2078	345,288
San Marcos Redevelopment Agency	West Mission Partners, LLC	3.00%	(1)	5/1/2031	1,320,000
NCRC - Seller Carryback	CP Senior Apartments, LP	3.00%	(1)	7/22/2075	13,447,000
CA Dept. of Hsg and Community Development	CP Senior Apartments, LP	3.00%	(1)	7/1/2079	7,712,905
JPMorgan Chase Bank	CP Senior Apartments, LP	3.81%	\$ 27,613	11/11/2041	6,270,644
County of Riverside	CP Senior Apartments, LP	3.00%	(1)	5/5/2079	2,000,000
NCRC	CP Senior Apartments, LP	2.25%	(1)	7/1/2075	1,165,125
City of San Diego	Rose Creek Village, LP	3.00%	(1)	(b)	4,000,000
JP Morgan Chase - construction loan	Rose Creek Village, LP	Variable	(4)	7/3/2028	761,022
NCRC - Sponsor Loan	Rose Creek Village, LP	0.00%	(1)	4/1/2082	1,472,682
County of SD NHLH	Rose Creek Village, LP	0.00%	(1)	4/1/2082	3,336,471
Bank of America	NCRC Murrieta Senior Housing, LP	Variable	(4)	9/30/2027	393,743
Murrieta Housing Authority - Ground Lease Loan	NCRC Murrieta Senior Housing, LP	3.00%	(1)	6/18/2080	1,260,000
City of Murrieta ARPA Loan	NCRC Murrieta Senior Housing, LP	3.00%	(1)	6/27/2090	1,500,000
Riverside County ARPA Loan	NCRC Murrieta Senior Housing, LP	3.00%	(1)	12/31/2079	2,599,601
NCRC Sponsor Loan - Rauch Grant	NCRC Murrieta Senior Housing, LP	0.00%	(1)	12/31/2084	1,000,000
City of San Marcos	VS Phase 2, LP	0.00%	(1)	12/31/2081	10,411,956
Wells Fargo Bank - construction	VS Phase 2, LP	Variable	(4)	7/1/2027	12,015,255

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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
County of San Diego HHSA	VS Phase 2, LP	3.00%	(1)	5/30/2079	\$ 5,992,721
Housing Authority of the City of Los Angeles	One San Pedro Phase I, LP	4.00%	(1)	(d)	3,579,250
Housing Authority of the City of Los Angeles	One San Pedro Phase I, LP	4.00%	(1)	(d)	2,500,000
Wells Fargo Bank	One San Pedro Phase I, LP	Variable	(4)	4/1/2027	8,463,973
City of Yorba Linda	VP2 Apartments, LP	3.00%	(1)	7/22/2064	12,726,406
JPMorgan Chase Bank - construction	VP2 Apartments, LP	Variable	(4)	5/29/2026*	18,403,707
Capital One - construction	Arrowhead Grove PH4, LP	Variable	(4)	2/17/2028	1,542,134
NCRC	Arrowhead Grove PH4, LP	3.00%	(1)	10/16/2082	1,300,000
Housing Authority of County of SB - seller carryback	Arrowhead Grove PH4, LP	0.00%	(1)	3/14/2123	3,600,000
County of San Diego HHSA	Fallbrook Senior Apartments, LP	3.00%	(1)	2/29/2080	2,871,113
The Orange County Housing Finance Trust	NCRC Marks Way, LP	0.00%	(1)	10/23/2055	2,970,000
City of Oceanside	Coast Villas, LP	0.00%	(1)	(b)	2,335,914
City of Oceanside	Coast Villas, LP	3.00%	(1)	(b)	1,818,382
County of San Diego HHSA	Coast Villas, LP	0.00%	(1)	(b)	1,094,699
JPMorgan Chase Bank - construction	IVHP2 Apartments, LP	Variable	(3)	2/21/2027	17,848,504
County of San Bernardino	IVHP2 Apartments, LP	4.82%	(1)	6/27/2090	3,000,000
CA Dept. of Hsg and Community Development	IVHP2 Apartments, LP	4.82%	(1)	12/31/2079	8,362,659
NCRC	IVHP2 Apartments, LP	3.00%	(1)	12/31/2078	1,817,419
Subtotal					\$ 1,602,605,171
Less: intercompany notes eliminated upon consolidation					<u>(121,746,876)</u>
Consolidated subtotal					1,480,858,295
Less: unamortized debt issuance costs					<u>(9,792,061)</u>
Mortgages and notes payable, net					<u>\$ 1,471,066,234</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.

(6) Interest due June 1 and December 1 each year.

(7) Forgivable 20 years following the first disbursement.

* Management has plans to, or is in the process of, refinancing or extending the loan prior to maturity. See also Note 16.

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7. Mortgages and notes payable, net (continued)

Debt issuance costs are being amortized to interest expense over the term of the loans. For the year ended December 31, 2025, the effective interest rate was 2.81%. During 2025, amortization expense for debt issuance costs was \$842,556.

As mentioned in Note 1, during 2022, NCRC closed on \$100,000,000 of Taxable Bonds, Series 2022 (Social Bonds) (the “Bonds”). The sales price of the Bonds was \$98,986,523, representing the principal amount of the bonds net of underwriting costs and fees. As of December 31, 2025, all of the Bond proceeds have been loaned out. For the year ended December 31, 2025, interest expense on the Bonds was \$3,270,000.

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

2026	\$ 208,455,249
2027	45,257,252
2028	27,437,910
2029	6,771,389
2030	6,882,562
Thereafter	<u>1,186,053,933</u>
Total	<u>\$ 1,480,858,295</u>

Over the next two years, maturities listed above includes approximately \$221,700,000 in construction loans that are expected to be converted to permanent financing or otherwise refinanced with permanent financing. See also Note 16.

8. Net assets with donor restrictions

Note Payable La Quinta Redevelopment Agency

During 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, LP (an entity in which NCRC holds a general partner interest through an affiliate) executed 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, LP 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, LP 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.

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8. Net assets with donor restrictions (continued)

Note Payable La Quinta Redevelopment Agency (continued)

On February 10, 2015, the loan was re-conveyed and will be amortized over the remaining compliance period of the Vista Dunes property. 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, 2025, \$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, 2025, NCRC has a balance of net assets with donor restrictions of \$3,965,947 attributable to the loan forgiveness.

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, 2025, \$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, 2025, NCRC has a balance of net assets with donor restrictions of \$1,410,686 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 Redevelopment Agency of the City of Rancho Cucamonga (the “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, 2025, \$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, 2025, NCRC has a balance of net assets with donor restrictions of \$34,782,909 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. 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. Over time, the Pledge Agreement was amended to satisfy certain requirements of the Redevelopment Agency.

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8. Net assets with donor restrictions (continued)

Pledge Agreement grant (continued)

The Redevelopment Agency successor agency is the City of Rancho Cucamonga, and continued funding of the Pledge Agreement grant is included in the Redevelopment Agency's Enforceable Obligation Payment Schedule.

For the year ended December 31, 2025, the Redevelopment Agency funded \$339,200 under the Pledge Agreement, which is included as an increase in net assets with donor restrictions on the accompanying consolidated statement of changes in net assets. 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, 2025, \$0 of net assets with donor restrictions were released to net assets without donor restrictions, and NCRC has a balance of net assets with donor restrictions of \$3,109,850 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 National CORE. 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, 2025, \$1,201,443 was contributed by NCRC and subsidiaries 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, 2025, accrued retirement plan payables totaled \$1,425,765 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 project-based housing assistance payments to four Housing Affiliates 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, 2025, the affiliates received \$3,529,110 under these agreements, which is included in rental income on the accompanying consolidated statement of activities.

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11. Related party transactions

In the ordinary course of business, NCRC has significant related party transactions with its wholly-owned subsidiaries and its 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 developer fees, construction contractor's fees, 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, 2025, such amounts due totaled \$1,196,347.

From time-to-time, NCRC advances funds to NCRDC, NCRF and NCRT to cover operating deficits. The advances are unsecured and due on demand. As of December 31, 2025, such advances to NCRDC, NCRF and NCRT totaled \$385,799, \$349,274, and \$15,661,014, respectively, which are included in advances due from affiliates on the accompanying consolidated statement of financial position. NCRDC's, NCRF's, and NCRT's management have 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, 2025.

Donation income

During 2025, NCRDC donated \$10,147,606 in cash to NCRC with proceeds from the sale of an affordable rental housing property controlled by NCRDC. The donation is included in grants and contributions revenue on the accompany consolidated statement of activities.

General and administrative expense allocation

NCRC allocates 4%, 2% and 2% of its general and administrative expenses to NCRDC, NCRF and NCRT, respectively. The allocation is based on a combination of total organization head count and total properties managed by each organization.

Donation expense

As discussed in Note 1, on December 31, 2025, the Winery was donated by NCRC to NCRDC, with all shares assigned to and assumed by NCRDC. The value of the investment as of December 31, 2025 was \$3,079,504, which is included in donation expense on the accompanying consolidated statement of functional expenses.

12. 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.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

12. Guarantees (continued)

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, 2025, 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, 2025, 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, 2025, no amounts were due under these guarantees.

13. 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.

14. Sale of rental property with common control

On March 21, 2025, wholly-owned subsidiary Inland Valley Housing Partners, LP sold its 152-unit apartment complex known as Citrus Grove to IVHP2 Apartments, LP for total consideration of \$30,050,217. The buyer is a Housing Affiliate. 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 complex and certain assets and assumed certain liabilities, which resulted in an excess common control of \$5,671,553 that is included in net assets on the accompanying supplemental schedules and eliminated upon consolidation. Concurrent with the sale, \$14,783,179 of Inland Valley Housing Partners, LP's third-party debt was forgiven and is included in forgiveness of debt income in other changes on the accompanying consolidated statement of activities and changes in net assets.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

15. 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 partner 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.

16. Subsequent events

Subsequent events have been evaluated through June 25, 2026, which is the date the financial statements were available to be issued. The following is a summary of significant transactions through June 25, 2026:

- On February 13, 2026, CORE Hotel Venture, LLC and CORE 700 Hotel Venture, LLC completed a statutory merger pursuant to a Certificate of Merger filed with the California Secretary of State, whereby CORE Hotel Venture, LLC merged into CORE 700 Hotel Venture, LLC, with CORE 700 Hotel Venture, LLC surviving as the legal entity. As a result of the merger, all assets, liabilities, and operations of CORE Hotel Venture, LLC were transferred to and assumed by CORE 700 Hotel Venture, LLC. Following the merger, CORE 700 Hotel Venture, LLC is treated as a nonprofit entity for tax purposes, as it is managed by its sole member, NCRC. In April 2026, CORE 700 Hotel Venture, LLC obtained secured financing of \$103,545,000 from an unrelated party.
- As reported in Note 7, the following loan was to mature during 2026 but has been refinanced:

Lender	Secured Entity	Principal (Note 7)	Original Maturity Date	Extended Maturity or Other
CA Statewide Communities Development Authority	Murrieta Family Housing, LP	\$ 31,959,851	12/29/2026	On 5/27/2026 the loan was paid off in full; replaced with loan of \$5,659,000 and \$27,817,377 of equity

SUPPLEMENTARY INFORMATION

CONSOLIDATING SCHEDULES

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2025

	National Community Renaissance of California (corporate only)	CORE Hotel Venture, LLC	Wholly-Owned Rental Housing	Eliminating Entries	National Community Renaissance of California	Housing Affiliates	Eliminating Entries	Consolidated Total
ASSETS								
Cash and cash equivalents	\$ 32,974,304	\$ 172,505	\$ 13,228,422	\$ -	\$ 46,375,231	\$ 34,154,848	\$ -	\$ 80,530,079
Reserve for security deposits held in trust	-	-	2,745,660	-	2,745,660	4,180,240	-	6,925,900
Restricted cash	1,228,222	-	23,726,668	-	24,954,890	56,989,883	-	81,944,773
Accounts receivable, net	8,306,405	14,879	1,662,812	(1,000,000)	8,984,096	3,360,264	-	12,344,360
Prepaid expenses	495,464	414,404	1,036,034	-	1,945,902	1,064,156	-	3,010,058
Advance due from affiliates, net	82,183,352	-	2,019,273	(46,736,942)	37,465,683	136,157	(20,009,406)	17,592,434
Notes and interest receivable	73,298,282	-	76,682,729	(35,172,771)	114,808,240	524,959	(109,112,025)	6,221,174
Project development costs receivable	953,550	-	-	-	953,550	-	-	953,550
Developer fee receivable	24,391,887	-	243,648	(1,420,950)	23,214,585	-	(22,167,484)	1,047,101
Equity investments in partnerships	66,180,304	-	7,259,948	(30,357,143)	43,083,109	45,426	(34,433,930)	8,694,605
Lease right-of-use assets	-	-	8,852,656	-	8,852,656	50,065,974	-	58,918,630
Property, equipment and improvements, net	25,826,859	36,868,934	290,722,700	(10,589,376)	342,829,117	1,669,878,159	(158,124,426)	1,854,582,850
Deferred costs, net	-	-	4,296	-	4,296	3,061,658	-	3,065,954
Interest rate swap	-	-	-	-	-	592,926	-	592,926
Total assets	\$ 315,838,629	\$ 37,470,722	\$ 428,184,846	\$ (125,277,182)	\$ 656,217,015	\$ 1,824,054,650	\$ (343,847,271)	\$ 2,136,424,394
LIABILITIES AND NET ASSETS								
Accounts payable	\$ 7,181,450	\$ 971,662	\$ 9,863,601	(12,060,985)	5,955,728	6,708,147	(4,184,651)	8,479,224
Accounts payable - construction	953,082	-	134,115	-	1,087,197	33,947,644	-	35,034,841
Security deposits	-	-	2,619,337	-	2,619,337	3,872,445	-	6,491,782
Accrued expenses	5,357,467	259,576	1,066,266	(161,572)	6,521,737	1,919,920	-	8,441,657
Deferred revenue	19,440,913	-	334,881	-	19,775,794	718,656	(3,139,291)	17,355,159
Lease right-of-use liability	-	-	5,735,846	-	5,735,846	15,369,520	-	21,105,366
Accrued interest	38,491	-	61,390,768	(3,392,367)	58,036,892	128,319,096	(22,195,833)	164,160,155
Mortgages and notes payable, net	133,174,329	-	262,278,521	(30,758,444)	364,694,406	1,197,360,260	(90,988,432)	1,471,066,234
Due to affiliates	4,170,246	-	34,791,484	(35,514,385)	3,447,345	18,423,007	(15,824,755)	6,045,597
Developer fee payable	-	-	1,420,950	(1,420,950)	-	12,633,287	(10,800,885)	1,832,402
Total liabilities	170,315,978	1,231,238	379,635,769	(83,308,703)	467,874,282	1,419,271,982	(147,133,847)	1,740,012,417
Net assets								
Net assets without donor restrictions, controlling	115,829,984	36,239,484	34,972,192	(40,944,048)	146,097,612	15,545,976	(220,131,747)	(58,488,159)
Net assets without donor restrictions, non-controlling	-	-	-	-	-	389,236,692	23,418,323	412,655,015
Total net assets without donor restrictions	115,829,984	36,239,484	34,972,192	(40,944,048)	146,097,612	404,782,668	(196,713,424)	354,166,856
Net assets with donor restrictions	29,692,667	-	13,576,885	(1,024,431)	42,245,121	-	-	42,245,121
Total net assets	145,522,651	36,239,484	48,549,077	(41,968,479)	188,342,733	404,782,668	(196,713,424)	396,411,977
Total liabilities and net assets	\$ 315,838,629	\$ 37,470,722	\$ 428,184,846	\$ (125,277,182)	\$ 656,217,015	\$ 1,824,054,650	\$ (343,847,271)	\$ 2,136,424,394

see report of independent auditors

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF ACTIVITIES - SUPPLEMENTAL SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

Net Assets without Donor Restrictions										
	National Community Renaissance of California (corporate only)	CORE Hotel Venture, LLC	Wholly-Owned Rental Housing	Eliminating Entries	National Community Renaissance of California	Housing Affiliates	Eliminating Entries	Net Assets with Donor Restrictions	Consolidated Total	
REVENUE AND OTHER INCOME										
Rental revenue, net of vacancy	\$ 2,028,793	\$ -	\$ 49,496,381	\$ -	\$ 51,525,174	\$ 76,374,502	\$ -	\$ -	\$	127,899,676
Other rental revenue	251,767	-	1,337,069	-	1,588,836	1,918,475	-	-		3,507,311
Consulting, development and partnership fees	45,920,037	-	1,528,041	(5,095,798)	42,352,280	341,957	(40,014,857)	-		2,679,380
Management fees	10,778,912	-	-	(2,814,856)	7,964,056	-	(4,222,368)	-		3,741,688
Grants and contributions	14,182,328	-	399,177	-	14,581,505	26,027	-	339,200		14,946,732
Interest income	4,273,092	-	2,849,916	(2,082,911)	5,040,097	289,196	(3,661,521)	-		1,667,772
Other income	4,741,802	-	-	-	4,741,802	-	-	-		4,741,802
Realized gains - Available-for-sale securities, net	-	-	-	-	-	-	-	325,121		325,121
Forgiveness of debt income	113,043	-	14,783,179	-	14,896,222	-	-	-		14,896,222
Hotel revenues	-	2,553,531	-	-	2,553,531	-	-	-		2,553,531
Net assets released from restriction	1,979,830	-	128,788	-	2,108,618	-	-	(2,108,618)		-
Total revenue and other income	84,269,604	2,553,531	70,522,551	(9,993,565)	147,352,121	78,950,157	(47,898,746)	(1,444,297)		176,959,235
PROGRAM EXPENSES										
Lease expense	-	-	-	-	-	891,425	-	-		891,425
Payroll	-	-	6,585,443	(17,784)	6,567,659	11,838,516	(85,222)	-		18,320,953
Utilities	-	-	6,456,743	-	6,456,743	9,065,896	-	-		15,522,639
Repairs and maintenance	-	-	10,956,606	-	10,956,606	13,262,026	-	-		24,218,632
Social service fees	-	-	857,691	-	857,691	2,323,093	-	-		3,180,784
Insurance	-	-	2,944,526	-	2,944,526	4,078,443	-	-		7,022,969
Taxes	-	-	1,315,532	-	1,315,532	1,475,672	-	-		2,791,204
Interest expense	-	-	9,234,943	(1,060,951)	8,173,992	29,582,517	(2,855,476)	-		34,901,033
Depreciation and amortization expense	-	-	12,759,964	(97,000)	12,662,964	40,683,494	(2,306,000)	-		51,040,458
Total program expenses	-	-	51,111,448	(1,175,735)	49,935,713	113,201,082	(5,246,698)	-		157,890,097
MANAGEMENT AND GENERAL EXPENSES										
General and administrative	4,302,715	-	3,109,875	-	7,412,590	5,608,129	-	-		13,020,719
Lease expense	-	-	220,856	-	220,856	-	-	-		220,856
Payroll	30,548,524	-	-	300,000	30,848,524	-	-	-		30,848,524
Utilities	387,059	-	-	-	387,059	-	-	-		387,059
Repairs and maintenance	2,544,037	-	-	-	2,544,037	-	-	-		2,544,037
Property management fees	20,009	-	6,435,099	(6,283,887)	171,221	6,332,572	(4,886,624)	-		1,617,169
Legal and other professional services	4,005,801	-	747,873	-	4,753,674	1,407,974	-	-		6,161,648
Insurance	1,286,614	-	-	-	1,286,614	-	-	-		1,286,614
Taxes	108,688	-	-	-	108,688	-	-	-		108,688
Interest expense	4,758,102	-	-	-	4,758,102	-	-	-		4,758,102
Depreciation and amortization expense	1,157,987	-	-	-	1,157,987	-	-	-		1,157,987
Other expenses	2,002,541	-	992,062	-	2,994,603	950,196	-	-		3,944,799
Donation expense	3,342,004	-	-	-	3,342,004	-	-	-		3,342,004
Hotel operating expenses	-	6,909,006	-	(300,000)	6,609,006	-	-	-		6,609,006
Total management and general expenses	54,464,081	6,909,006	11,505,765	(6,283,887)	66,594,965	14,298,871	(4,886,624)	-		76,007,212
Total expenses	54,464,081	6,909,006	62,617,213	(7,459,622)	116,530,678	127,499,953	#####	-		233,897,309
Changes in net assets	\$ 29,805,523	\$ (4,355,475)	\$ 7,905,338	\$ (2,533,943)	\$ 30,821,443	\$ (48,549,796)	\$ (37,765,424)	\$ (1,444,297)		\$ (56,938,074)

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**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS - SUPPLEMENTAL SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	National Community Renaissance of California (corporate only)	CORE Hotel Venture, LLC	Wholly-Owned Rental Housing	Eliminating Entries	National Community Renaissance of California	Housing Affiliates	Eliminating Entries	Consolidated Total
NET ASSETS								
Controlling interest								
Without donor restrictions, beginning of year	\$ 89,615,930	\$ 27,596,853	\$ 22,586,338	\$ (26,603,036)	\$ 113,196,085	\$ 20,434,770	\$ (179,591,566)	\$ (45,960,711)
Deconsolidation of Hope Through Housing Foundation	(3,591,469)	-	-	-	(3,591,469)	-	-	(3,591,469)
Contributions	-	12,998,106	-	(12,998,106)	-	3,313,252	(3,313,252)	-
Distributions	-	-	(1,191,037)	1,191,037	-	(538,495)	538,495	-
Common control sale	-	-	5,671,553	-	5,671,553	(5,671,553)	-	-
Changes in net assets without donor restrictions	29,805,523	(4,355,475)	7,905,338	(2,533,943)	30,821,443	(1,991,998)	(37,765,424)	(8,935,979)
Without donor restrictions, end of year	<u>\$ 115,829,984</u>	<u>\$ 36,239,484</u>	<u>\$ 34,972,192</u>	<u>\$ (40,944,048)</u>	<u>\$ 146,097,612</u>	<u>\$ 15,545,976</u>	<u>\$ (220,131,747)</u>	<u>\$ (58,488,159)</u>
Controlling interest								
With donor restrictions, beginning of year	\$ 33,490,712	\$ -	\$ 13,366,473	\$ (1,024,431)	45,832,754	\$ -	\$ -	\$ 45,832,754
Deconsolidation of Hope Through Housing Foundation	(2,143,336)	-	-	-	(2,143,336)	-	-	(2,143,336)
Grant income - Pledge agreement grant	-	-	339,200	-	339,200	-	-	339,200
Realized gains - Available-for-sale securities, net	325,121	-	-	-	325,121	-	-	325,121
Release of net assets with donor restrictions	(1,979,830)	-	(128,788)	-	(2,108,618)	-	-	(2,108,618)
With donor restrictions, end of year	<u>\$ 29,692,667</u>	<u>\$ -</u>	<u>\$ 13,576,885</u>	<u>\$ (1,024,431)</u>	<u>\$ 42,245,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,245,121</u>
Non-controlling interest								
Without donor restrictions, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 319,965,362	\$ 23,418,323	\$ 343,383,685
Contributions	-	-	-	-	-	116,448,318	-	116,448,318
Distributions	-	-	-	-	-	(619,190)	-	(619,190)
Changes in net assets without donor restrictions	-	-	-	-	-	(46,557,798)	-	(46,557,798)
Without donor restrictions, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,236,692</u>	<u>\$ 23,418,323</u>	<u>\$ 412,655,015</u>

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**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF INCOME (EBITDA) (Non-GAAP) - SUPPLEMENTAL SCHEDULE *
FOR THE YEAR ENDED DECEMBER 31, 2025

	Net Assets without Donor Restrictions								
	National Community Renaissance of California (corporate only)	CORE Hotel Venture, LLC	Wholly-Owned Rental Housing	Eliminating Entries	National Community Renaissance of California	Housing Affiliates	Eliminating Entries	Net Assets with Donor Restrictions	Consolidated Total
REVENUE AND OTHER INCOME									
Rental revenue, net of vacancy	\$ 2,028,793	\$ -	\$ 49,496,381	\$ -	\$ 51,525,174	\$ 76,374,502	\$ -	\$ -	\$ 127,899,676
Other rental revenue	251,767	-	1,337,069	-	1,588,836	1,918,475	-	-	3,507,311
Consulting, development and partnership fees	45,920,037	-	1,528,041	(5,095,798)	42,352,280	341,957	(40,014,857)	-	2,679,380
Management fees	10,778,912	-	-	(2,814,856)	7,964,056	-	(4,222,368)	-	3,741,688
Grants and contributions	14,182,328	-	399,177	-	14,581,505	26,027	-	339,200	14,946,732
Other income	4,741,802	-	-	-	4,741,802	-	-	-	4,741,802
Realized gains - Available-for-sale securities, net	-	-	-	-	-	-	-	325,121	325,121
Forgiveness of debt income	113,043	-	14,783,179	-	14,896,222	-	-	-	14,896,222
Hotel revenues	-	2,553,531	-	-	2,553,531	-	-	-	2,553,531
Net assets released from restriction	1,979,830	-	128,788	-	2,108,618	-	-	(2,108,618)	-
Total revenue and other income	79,996,512	2,553,531	67,672,635	(7,910,654)	142,312,024	78,660,961	(44,237,225)	(1,444,297)	175,291,463
PROGRAM EXPENSES									
Lease expense	-	-	-	-	-	891,425	-	-	891,425
Payroll	-	-	6,585,443	(17,784)	6,567,659	11,838,516	(85,222)	-	18,320,953
Utilities	-	-	6,456,743	-	6,456,743	9,065,896	-	-	15,522,639
Repairs and maintenance	-	-	10,956,606	-	10,956,606	13,262,026	-	-	24,218,632
Social service fees	-	-	857,691	-	857,691	2,323,093	-	-	3,180,784
Insurance	-	-	2,944,526	-	2,944,526	4,078,443	-	-	7,022,969
Property taxes	-	-	1,107,299	-	1,107,299	1,354,381	-	-	2,461,680
Total program expenses	-	-	28,908,308	(17,784)	28,890,524	42,813,780	(85,222)	-	71,619,082
MANAGEMENT AND GENERAL EXPENSES									
General and administrative	4,302,715	-	3,109,875	-	7,412,590	5,608,129	-	-	13,020,719
Lease expense	-	-	220,856	-	220,856	-	-	-	220,856
Payroll	30,548,524	-	-	300,000	30,848,524	-	-	-	30,848,524
Utilities	387,059	-	-	-	387,059	-	-	-	387,059
Repairs and maintenance	2,544,037	-	-	-	2,544,037	-	-	-	2,544,037
Property management fees	20,009	-	6,435,099	(6,283,887)	171,221	6,332,572	(4,886,624)	-	1,617,169
Legal and other professional services	4,005,801	-	747,873	-	4,753,674	1,407,974	-	-	6,161,648
Insurance	1,286,614	-	-	-	1,286,614	-	-	-	1,286,614
Property taxes	73,880	-	-	-	73,880	-	-	-	73,880
Other expenses	2,002,541	-	992,062	-	2,994,603	950,196	-	-	3,944,799
Donation expense	3,342,004	-	-	-	3,342,004	-	-	-	3,342,004
Hotel operating expenses	-	6,062,716	-	(300,000)	5,762,716	-	-	-	5,762,716
Total management and general expenses	48,513,184	6,062,716	11,505,765	(6,283,887)	59,797,778	14,298,871	(4,886,624)	-	69,210,025
Total expenses	48,513,184	6,062,716	40,414,073	(6,301,671)	88,688,302	57,112,651	(4,971,846)	-	140,829,107
NET INCOME (LOSS) (EBITDA)	\$ 31,483,328	\$ (3,509,185)	\$ 27,258,562	\$ (1,608,983)	\$ 53,623,722	\$ 21,548,310	\$ (39,265,379)	\$ (1,444,297)	\$ 34,462,356
DEPRECIATION AND AMORTIZATION									
Depreciation expense	(1,157,987)	(846,290)	(12,750,015)	97,000	(14,657,292)	(40,392,295)	2,306,000	-	(52,743,587)
Amortization expense	-	-	(9,949)	-	(9,949)	(291,199)	-	-	(301,148)
Depreciation and amortization expense	(1,157,987)	(846,290)	(12,759,964)	97,000	(14,667,241)	(40,683,494)	2,306,000	-	(53,044,735)
INCOME (LOSS) BEFORE INTEREST AND TAXES	\$ 30,325,341	\$ (4,355,475)	\$ 14,498,598	\$ (1,511,983)	\$ 38,956,481	\$ (19,135,184)	\$ (36,959,379)	\$ (1,444,297)	\$ (18,582,379)
INTEREST									
Interest income	4,273,092	-	2,849,916	(2,082,911)	5,040,097	289,196	(3,661,521)	-	1,667,772
Interest expense	(4,758,102)	-	(9,234,943)	1,060,951	(12,932,094)	(29,582,517)	2,855,476	-	(39,659,135)
Interest, net	(485,010)	-	(6,385,027)	(1,021,960)	(7,891,997)	(29,293,321)	(806,045)	-	(37,991,363)
TAXES									
Franchise tax fees	(34,808)	-	(208,233)	-	(243,041)	(121,291)	-	-	(364,332)
Changes in net assets	\$ 29,805,523	\$ (4,355,475)	\$ 7,905,338	\$ (2,533,943)	\$ 30,821,443	\$ (48,549,796)	\$ (37,765,424)	\$ (1,444,297)	\$ (56,938,074)

* 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 American (non-GAAP).

see report of independent auditors

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**

DECONSOLIDATING STATEMENT OF FINANCIAL POSITION - RENTAL HOUSING - SUPPLEMENTAL SCHEDULE (UNAUDITED)
DECEMBER 31, 2025

	Consolidated Total	CORE Hotel Venture, LLC	Eliminating Entries	Consolidated NCRC Rental Housing
ASSETS				
Cash and cash equivalents	\$ 80,530,079	\$ 172,505	\$ -	\$ 80,357,574
Reserve for security deposits held in trust	6,925,900	-	-	6,925,900
Restricted cash	81,944,773	-	-	81,944,773
Accounts receivable, net	12,344,360	14,879	-	12,329,481
Prepaid expenses	3,010,058	414,404	-	2,595,654
Advance due from affiliates, net	17,592,434	-	-	17,592,434
Notes and interest receivable	6,221,174	-	-	6,221,174
Project development costs receivable	953,550	-	-	953,550
Developer fee receivable	1,047,101	-	-	1,047,101
Equity investments in partnerships	8,694,605	-	(34,613,308)	43,307,913
Lease right-of-use assets	58,918,630	-	-	58,918,630
Property, equipment and improvements, net	1,854,582,850	36,868,934	-	1,817,713,916
Deferred costs, net	3,065,954	-	-	3,065,954
Interest rate swap	592,926	-	-	592,926
Total assets	\$ 2,136,424,394	\$ 37,470,722	\$ (34,613,308)	\$ 2,133,566,980
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 8,479,224	\$ 971,662	\$ -	\$ 7,507,562
Accounts payable - construction	35,034,841	-	-	35,034,841
Security deposits	6,491,782	-	-	6,491,782
Accrued expenses	8,441,657	259,576	-	8,182,081
Deferred revenue	17,355,159	-	-	17,355,159
Lease right-of-use liability	21,105,366	-	-	21,105,366
Accrued interest	164,160,155	-	-	164,160,155
Mortgages and notes payable, net	1,471,066,234	-	-	1,471,066,234
Due to affiliates	6,045,597	-	-	6,045,597
Developer fee payable	1,832,402	-	-	1,832,402
Total liabilities	1,740,012,417	1,231,238	-	1,738,781,179
Net assets				
Net assets without donor restrictions, controlling	(58,488,159)	36,239,484	(34,613,308)	(60,114,335)
Net assets without donor restrictions, non-controlling	412,655,015	-	-	412,655,015
Total net assets without donor restrictions	354,166,856	36,239,484	(34,613,308)	352,540,680
Net assets with donor restrictions	42,245,121	-	-	42,245,121
Total net assets	396,411,977	36,239,484	(34,613,308)	394,785,801
Total liabilities and net assets	\$ 2,136,424,394	\$ 37,470,722	\$ (34,613,308)	\$ 2,133,566,980

see report of independent auditors

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**

DECONSOLIDATING STATEMENT OF ACTIVITIES - RENTAL HOUSING - SUPPLEMENTAL SCHEDULE (UN/
FOR THE YEAR ENDED DECEMBER 31, 2025

		Net Assets without Donor Restrictions	
	Consolidated Total	CORE Hotel Venture, LLC	Eliminating Entries
REVENUE AND OTHER INCOME			
Rental revenue, net of vacancy	\$ 127,899,676	\$ -	\$ -
Other rental revenue	3,507,311	-	-
Consulting, development and partnership fees	2,679,380	-	-
Management fees	3,741,688	-	-
Grants and contributions	14,946,732	-	-
Interest income	1,667,772	-	-
Other income	4,741,802	-	-
Realized gains - Available-for-sale securities, net	325,121	-	-
Forgiveness of debt income	14,896,222	-	-
Hotel revenues	2,553,531	2,553,531	-
Total revenue and other income	176,959,235	2,553,531	-
PROGRAM EXPENSES			
Lease expense	891,425	-	-
Payroll	18,320,953	-	-
Utilities	15,522,639	-	-
Repairs and maintenance	24,218,632	-	-
Social service fees	3,180,784	-	-
Insurance	7,022,969	-	-
Taxes	2,791,204	-	-
Interest expense	34,901,033	-	-
Depreciation and amortization expense	51,040,458	-	-
Total program expenses	157,890,097	-	-
MANAGEMENT AND GENERAL EXPENSES			
General and administrative	13,020,719	-	-
Lease expense	220,856	-	-
Payroll	30,848,524	-	300,000
Utilities	387,059	-	-
Repairs and maintenance	2,544,037	-	-
Property management fees	1,617,169	-	-
Legal and other professional services	6,161,648	-	-
Insurance	1,286,614	-	-
Taxes	108,688	-	-
Interest expense	4,758,102	-	-
Depreciation and amortization expense	1,157,987	-	-
Other expenses	3,944,799	-	-
Donation expense	3,342,004	-	-
Hotel operating expenses	6,609,006	6,909,006	(300,000)
Total management and general expenses	76,007,212	6,909,006	-
Total expenses	233,897,309	6,909,006	-
Changes in net assets	\$ (56,938,074)	\$ (4,355,475)	\$ -

see report of independent auditors

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**

**DECONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS - RENTAL HOUSING - SUPPLEMENTAL SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Consolidated Total	CORE Hotel Venture, LLC	Eliminating Entries
NET ASSETS			
Controlling interest			
Without donor restrictions, beginning of year	\$ (45,960,711)	\$ 27,596,853	\$ (21,615,202)
Deconsolidation of Hope Through Housing Foundation	(3,591,469)	-	-
Contributions	-	12,998,106	(12,998,106)
Changes in net assets without donor restrictions	(8,935,979)	(4,355,475)	-
Without donor restrictions, end of year	<u>\$ (58,488,159)</u>	<u>\$ 36,239,484</u>	<u>\$ (34,613,308)</u>
With donor restrictions, beginning of year	\$ 45,832,754	\$ -	\$ -
Deconsolidation of Hope Through Housing Foundation	(2,143,336)	-	-
Increase in net assets with donor restrictions	339,200	-	-
Release of net assets with donor restrictions	(2,108,618)	-	-
Realized gains - Available-for-sale securities, net	325,121	-	-
With donor restrictions, end of year	<u>\$ 42,245,121</u>	<u>\$ -</u>	<u>\$ -</u>
Non-controlling interest			
Without donor restrictions, beginning of year	\$ 343,383,685	\$ -	\$ -
Contributions	116,448,318	-	-
Distributions	(619,190)	-	-
Changes in net assets without donor restrictions	(46,557,798)	-	-
Without donor restrictions, end of year	<u>\$ 412,655,015</u>	<u>\$ -</u>	<u>\$ -</u>

see report of independent auditors



SUPPLEMENTARY INFORMATION REQUIRED BY THE UNIFORM GUIDANCE

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Agreement Number	Total Federal (and non- federal) Expenditures
U.S. Department of Housing and Urban Development:			
San Antonio Gateway Housing Corporation (NCRC) passed through to: Montclair Senior Housing Partners, LP			
Supportive Housing for the Elderly (Section 202)	14.157	N/A	\$ 10,604,000
<i>Subtotal of 14.157</i>			<i>10,604,000</i>
passed through from:			
City of Los Angeles HCID and Union Station Homeless Services			
COVID-19: Emergency Solutions Grant Program	14.231	2020PHK51-NC1A-D	50,946
		2020PHK42-NC1A-E	73,231
<i>Subtotal of 14.231</i>			<i>124,177</i>
passed through from:			
Long Beach Affordable Housing Coalition, Inc. County of Riverside, California			
HOME Investment Partnerships Program - Loans	14.239	N/A	603,128
<i>Subtotal of 14.239</i>			<i>603,128</i>
Total U.S. Department of Housing and Urban Development			11,331,305
U.S. Department of the Treasury:			
passed through from:			
California Department of Housing and Community Development and City of Los Angeles			
COVID-19: Coronavirus Relief Fund - Loans	21.019	N/A	17,470,000 *
<i>Subtotal of 21.019</i>			<i>17,470,000</i>
passed through from:			
County of Riverside, California			5,000,000
City of Pomona, California			
passed through to: NCRC Prisma, LP			550,000
COVID-19: Coronavirus State and Local Fiscal Recovery Funds - Loans	21.027	N/A	5,550,000
<i>Subtotal of 21.027</i>			<i>5,550,000</i>
Total U.S. Department of the Treasury			23,020,000
Total expenditures of federal (and non-federal) awards			\$ 34,351,305

*includes indeterminate federal amounts (see Note 3)

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
FOR THE YEAR ENDED DECEMBER 31, 2025

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”) and subsidiaries under programs of the federal government for the year ended December 31, 2025. 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 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed. Assistance Listing numbers (“AL No.”) are provided when available. The Organization elected not to use the 15% de minimis indirect cost rate.

3. Outstanding federal loans and grants

The following represents the amount of outstanding loans and grants identified by AL No. AL No. with the prefix 14 are provided by U.S. Department of Housing and Urban Development, and AL No. with the prefix 21 are provided by U.S. Department of the Treasury, and are included in the Schedule.

AL No.	Program title	Funds received in 2025	Prior year funds with continuing compliance requirements	Total outstanding funds December 31, 2025
14.157	Supportive Housing for the Elderly (Section 202) - Loan	\$ -	\$ 10,604,000	\$ 10,604,000
14.231	Emergency Solutions Grant Programs - Grants	124,177	1,325,232	1,449,409
14.239	HOME Investment Partnerships Program - Loans	-	603,128	588,881
21.019	Coronavirus Relief Fund - Loans	-	17,470,000	17,470,000
21.027	Coronavirus State and Local Fiscal Recovery Funds - Loan	800,000	4,750,000	5,550,000

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

3. Outstanding federal loans and grants (continued)

No. HOME units	Project	Pass-through entity	AL No.	Outstanding loan balance as of December 31, 2025
11	Clark	Long Beach Affordable Housing Coalition, Inc.	14.239	\$ 550,000
11	Corona del Rey	County of Riverside	14.239	38,881
74*	Prisma	City of Pomona	21.027	550,000
61*	Corona del Rey	County of Riverside	21.027	5,000,000
83		Total of HOME Investments Partnership Program compliance funds		<u>\$ 6,138,881</u>

* 135 units are funded with Coronavirus State and Local Fiscal Recovery Funds (the ARPA units) but rent and income limits are to follow HOME program requirements.

No. Homekey units	Project	Pass-through entity	AL No.	Grant funds expended as of December 31, 2025
49	Titta Inn	City of Los Angeles	14.231	\$ 662,992
52	Super 8	City of Los Angeles	14.231	786,417
101		Total of Emergency Solutions Grant Program – Grant expenditures		<u>\$ 1,449,409</u>

No. Homekey units	Project	Pass-through entity	AL No.	Outstanding loan balance as of December 31, 2025
49	Titta Inn **	City of Los Angeles	21.019	\$ 8,580,000
52	Super 8 **	City of Los Angeles	21.019	8,890,000
101		Total of Coronavirus Relief Fund – Loans		<u>\$ 17,470,000</u>

** Coronavirus Relief Funds may include non-federal amounts; however, such amounts are indeterminate:

The loans received by the Titta Inn and Super 8 projects consist of Homekey Program funding by HCD, passed-through to the City of Los Angeles and the Housing Authority of the City of Los Angeles, who then passed-through to the Organization. The HCD Homekey Program funds are derived from the Coronavirus Relief Fund established by the federal Coronavirus Aid, Relief, and Economic Security Act of 2020 (Public Law 116-136), and, to a lesser extent, the California State General Fund (non-federal).



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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, 2025, 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 June 25, 2026.

Report on 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 in 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 or significant deficiencies may exist that were not identified.

Report on Compliance

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 that are required to be reported under *Government Auditing Standards*.

Other Matters

We noted certain matters that we are required to report to management of National Community Renaissance of California in a separate written communication. These matters are described in our management letter dated June 25, 2026

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 "Novogrudac & Company LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
June 25, 2026



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REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE
FOR THE 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 the Major Federal Program

Opinion on the 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 National Community Renaissance of California's major federal program for the year ended December 31, 2025. National Community Renaissance of California's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, National Community Renaissance of California complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

Basis for Opinion on the Major Federal Programs

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of National Community Renaissance of California and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of National Community Renaissance of California's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to National Community Renaissance of California's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on National Community Renaissance of California's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about National Community Renaissance of California's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding National Community Renaissance of California's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of National Community Renaissance of California's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 National Community Renaissance of California's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
June 25, 2026

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified		
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:	Unmodified		
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>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Funds

Dollar threshold used to distinguish between Type A and Type B programs:	_____ \$1,000,000 _____
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Auditee qualified as low-risk auditee?	_____ <u>x</u> _____	Yes	_____	No
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NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

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, 2025

There were no prior year audit findings.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024
UNAUDITED**

	National Community Renaissance of California	Housing Affiliates	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 39,739,716	\$ 21,249,557	\$ -	\$ 60,989,273
Reserve for security deposits held in trust	2,366,302	3,531,178	-	5,897,481
Restricted cash	30,586,944	33,685,268	-	64,272,212
Investments in available-for-sale securities	27,116,519	-	-	27,116,519
Accounts receivable, net	5,461,025	4,249,489	-	9,710,514
Prepaid expenses	2,578,400	1,992,809	-	4,571,209
Advance due from affiliate, net	27,483,270	298,679	(24,795,046)	2,986,903
Notes and interest receivable	113,611,447	507,617	(96,462,767)	17,656,298
Project development costs receivable	953,550	-	-	953,550
Developer fee receivable	18,630,231	-	(16,383,450)	2,246,781
Equity investments in partnerships	27,933,218	45,426	(19,487,598)	8,491,046
Lease right-of-use assets	1,440,446	55,037,040	-	56,477,486
Property, equipment and improvements, net	334,346,837	1,320,493,150	(106,002,935)	1,548,837,052
Deferred costs, net	19,552	2,476,892	-	2,496,445
Interest rate swap	-	741,677	-	741,677
Total assets	<u>\$ 632,267,458</u>	<u>\$ 1,444,308,782</u>	<u>\$ (263,131,796)</u>	<u>\$ 1,813,444,444</u>
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 7,625,352	\$ 4,431,767	\$ (8,706,628)	\$ 3,350,491
Accounts payable - Construction	5,934,371	23,459,415	-	29,393,786
Security deposits payable	2,274,989	3,360,102	-	5,635,091
Accrued expenses	3,548,214	981,331	(112,013)	4,417,533
Deferred revenue	11,391,357	621,156	(5,639,979)	6,372,534
Lease right-of-use liability	-	18,437,014	-	18,437,014
Accrued Interest	67,138,897	95,718,985	(13,028,670)	149,829,211
Mortgages and notes payable, net	402,308,998	944,031,514	(106,223,420)	1,240,117,092
Due to affiliates	3,476,737	12,699,689	(12,425,775)	3,750,651
Developer fee payable	1,306,139	14,658,682	(10,597,667)	5,367,154
Total liabilities	505,005,054	1,118,399,656	(156,734,152)	1,466,670,558
Net assets				
Without donor restriction, controlling	82,558,936	18,913,772	(126,137,382)	(24,664,674)
Without donor restriction, non-controlling		306,995,354	19,739,737	326,735,091
Total net assets without donor restrictions	82,558,936	325,909,126	(106,397,645)	302,070,418
Net assets with donor restrictions	44,703,468	-	-	44,703,468
Total net assets	127,262,404	325,909,126	(106,397,645)	346,773,886
Total liabilities and net assets	\$ 632,267,458	\$ 1,444,308,782	\$ (263,131,797)	\$ 1,813,444,444

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE PERIOD ENDING JUNE 30, 2024
UNAUDITED**

	National Community Renaissance of California	Housing Affiliates	Net Assets with Donor Restrictions	Eliminations	Total
REVENUE AND OTHER INCOME					
Rental income	\$ 23,650,773	\$ 32,851,695	\$ -	\$ -	\$ 56,502,469
Other rental income	1,349,907	633,300	-	-	1,983,207
Social Service fees	1,492,184	-	-	(1,492,184)	-
Consulting, development and partnership fees	17,936,568	392,982	-	(17,811,397)	518,153
Management fees rev	3,789,945	-	-	(1,416,484)	2,373,461
Grants, including release of temporarily restricted net assets	4,161,191	40,435	-	-	4,201,626
Contributions of nonfinancial assets	159,768	-	-	(146,498)	13,270
Interest Income	2,714,059	403,632	-	(1,849,383)	1,268,307
Other revenue	536,388	1,827	-	-	538,215
Total revenue and other income	55,790,783	34,323,871	-	(22,715,948)	67,398,707
EXPENSES					
Program services	49,423,965	50,142,008	-	(11,795,613)	87,770,360
Management and general	7,615,068	3,583,242	-	(112,269)	11,086,042
Fundraising expense	154,780	4,898	-	-	159,677
Total expenses	57,193,813	53,730,148	-	(11,907,882)	99,016,079
Changes in net assets from operations	(1,403,030)	(19,406,276)	-	(10,808,066)	(31,617,372)
OTHER CHANGES					
Realized gains - Available-for-sale securities, net	-	-	798,332	-	798,332
Unrealized gains - Available-for-sale securities	-	-	(11,452)	-	(11,452)
Total other changes	-	-	786,880	-	786,880
Change in net assets before non-controlling interest	(1,403,030)	(19,406,276)	786,880	(10,808,066)	(30,830,492)
Less: attributable to non-controlling interest	-	(18,906,759)	-	-	(18,906,759)
Changes in net assets, controlling interest	<u>\$ (1,403,030)</u>	<u>\$ (499,517)</u>	<u>\$ 786,880</u>	<u>\$ (10,808,066)</u>	<u>\$ (11,923,733)</u>

National Community Renaissance of California

AND SUBSIDIARIES

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

December 31, 2024

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA AND SUBSIDIARIES

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NOVOGRADAC
& COMPANY LLP®

Report of Independent Auditors

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

Opinion

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, 2024, 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.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of National Community Renaissance of California and Subsidiaries as of December 31, 2024, 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.

Basis for Opinion

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 of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of National Community Renaissance of California and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Community Renaissance of California and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 National Community Renaissance of California and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Community Renaissance of California and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary 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, consolidating statement of activities, consolidating statement of 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.

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.

The deconsolidating statement of financial position, deconsolidating statement of activities, and deconsolidating statement of changes in net assets, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. 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 schedule of expenditures of federal awards 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 June 26, 2025, on our consideration of National Community Renaissance of California and Subsidiaries' internal control over financial reporting and on our tests of their 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 and Subsidiaries' 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 and Subsidiaries' 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
June 26, 2025

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	National Community Renaissance of California	Housing Affiliates	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 46,769,321	\$ 24,056,752	\$ -	\$ 70,826,073
Reserve for security deposits held in trust	2,534,413	3,534,700	-	6,069,113
Restricted cash	24,688,708	42,258,743	-	66,947,451
Investments in available-for-sale securities	14,888,968	-	-	14,888,968
Accounts receivable, net	10,642,909	2,834,208	-	13,477,117
Prepaid expenses	2,013,553	1,363,901	-	3,377,454
Advance due from affiliates, net	33,543,887	295,362	(17,330,353)	16,508,896
Notes and interest receivable	105,708,402	513,400	(97,069,080)	9,152,722
Project development costs receivable	953,550	-	-	953,550
Developer fee receivable	19,793,471	-	(18,678,857)	1,114,614
Equity investments in partnerships	31,060,770	45,426	(22,308,751)	8,797,445
Lease right-of-use assets	3,990,509	54,769,765	-	58,760,274
Property, equipment and improvements, net	359,845,930	1,433,041,707	(139,562,939)	1,653,324,698
Deferred costs, net	14,245	2,904,531	-	2,918,776
Interest rate swap	-	683,569	-	683,569
	<u>\$ 656,448,636</u>	<u>\$ 1,566,302,064</u>	<u>\$ (294,949,980)</u>	<u>\$ 1,927,800,720</u>
Total assets	<u>\$ 656,448,636</u>	<u>\$ 1,566,302,064</u>	<u>\$ (294,949,980)</u>	<u>\$ 1,927,800,720</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 5,189,281	\$ 4,691,889	\$ (2,314,331)	\$ 7,566,839
Accounts payable - construction	4,040,817	35,899,790	-	39,940,607
Security deposits payable	2,441,086	3,423,318	-	5,864,404
Accrued expenses	5,306,167	1,408,510	-	6,714,677
Deferred revenue	14,850,297	746,040	-	15,596,337
Lease right-of-use liability	-	15,271,435	-	15,271,435
Accrued interest	66,622,475	104,639,994	(19,017,078)	152,245,391
Mortgages and notes payable, net	390,781,865	1,024,449,787	(81,251,434)	1,333,980,218
Due to affiliates	2,897,830	18,175,580	(15,175,058)	5,898,352
Developer fee payable	5,289,979	17,195,589	(21,018,836)	1,466,732
Total liabilities	<u>497,419,797</u>	<u>1,225,901,932</u>	<u>(138,776,737)</u>	<u>1,584,544,992</u>
Net assets				
Without donor restriction, controlling	113,196,085	20,434,770	(179,591,566)	(45,960,711)
Without donor restriction, non-controlling	-	319,965,362	23,418,323	343,383,685
Total net assets without donor restrictions	<u>113,196,085</u>	<u>340,400,132</u>	<u>(156,173,243)</u>	<u>297,422,974</u>
Net assets with donor restrictions	45,832,754	-	-	45,832,754
Total net assets	<u>159,028,839</u>	<u>340,400,132</u>	<u>(156,173,243)</u>	<u>343,255,728</u>
Total liabilities and net assets	<u>\$ 656,448,636</u>	<u>\$ 1,566,302,064</u>	<u>\$ (294,949,980)</u>	<u>\$ 1,927,800,720</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, 2024

	Net Assets without Donor Restrictions				
	National Community Renaissance of California	Housing Affiliates	Eliminations	Net Assets with donor restrictions	Total
REVENUE AND OTHER INCOME					
Rental income, net of vacancy	\$ 48,073,301	\$ 63,457,652	\$ -	\$ -	\$ 111,530,953
Other rental income	3,367,111	1,572,380	-	-	4,939,491
Social service fee income	2,157,310	-	(1,895,851)	-	261,459
Consulting, development and partnership fees	28,658,822	242,379	(27,386,190)	-	1,515,011
Management fees	4,623,088	-	(3,669,931)	-	953,157
Grants and contributions, including release of net assets with donor restrictions	15,163,858	95,595	-	(1,208,744)	14,050,709
Contributions of nonfinancial assets	68,355	-	-	-	68,355
Interest income	8,412,319	574,176	(4,044,650)	-	4,941,845
Other income	1,079,839	-	-	-	1,079,839
Hotel revenues	1,347,216	-	-	-	1,347,216
Total revenue and other income	112,951,219	65,942,182	(36,996,622)	(1,208,744)	140,688,035
EXPENSES					
Program services	56,161,206	101,723,799	(6,240,251)	-	151,644,754
Management and general	51,927,215	13,891,252	(6,158,148)	-	59,660,319
Fundraising expenses	616,960	-	-	-	616,960
Total expenses	108,705,381	115,615,051	(12,398,399)	-	211,922,033
Changes in net assets from operations	4,245,838	(49,672,869)	(24,598,223)	(1,208,744)	(71,233,998)
OTHER CHANGES					
Realized gains - Available-for-sale securities, net	-	-	-	1,584,446	1,584,446
Unrealized gains - Available-for-sale securities	-	-	-	(23,905)	(23,905)
Unrealized gains - common control purchases/sales	2,046,793	-	(2,046,793)	-	-
Unrealized gain - bargain purchase	7,605,533	-	-	-	7,605,533
Forgiveness of debt income (loss)	113,847	(288,048)	-	-	(174,201)
Total other changes	9,766,173	(288,048)	(2,046,793)	1,560,541	8,991,873
Changes in net assets before non-controlling interest	14,012,011	(49,960,917)	(26,645,016)	351,797	(62,242,125)
Less: attributable to non-controlling interest	-	(48,250,755)	-	-	(48,250,755)
Changes in net assets, controlling interest	\$ 14,012,011	\$ (1,710,162)	\$ (26,645,016)	\$ 351,797	\$ (13,991,370)

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

National Community Renaissance of California and Wholly-Owned Subsidiaries				Housing Affiliates			
	Program Services	Management and General	Fundraising Expense	Program Services	Management and General	Eliminations	Total
	\$ -	\$ 8,433,999	\$ -	\$ -	\$ 4,628,642	\$ -	\$ 13,062,641
EXPENDITURES							
General and administrative							
Contracted program services - Hope Through Housing	1,262,587	-	-	-	-	-	1,262,587
Lease expense	-	90,918	-	874,745	-	-	965,663
Fundraising events	-	-	340,222	-	-	-	340,222
Payroll	10,879,660	26,227,035	276,738	10,410,255	-	-	47,793,688
Utilities	6,393,956	341,581	-	7,631,999	-	-	14,367,536
Repairs and maintenance	10,711,438	1,164,103	-	10,450,677	-	-	22,326,218
Property management fees	-	181,725	-	-	7,411,595	(6,158,148)	1,435,172
Legal and other professional services	167,601	4,878,486	-	-	1,604,096	-	6,650,183
Insurance	2,785,990	323,970	-	3,170,622	-	-	6,280,582
Taxes	1,433,500	128,276	-	1,639,363	-	-	3,201,139
Interest expense	9,140,468	4,845,136	-	30,805,941	-	(3,207,884)	41,583,661
Depreciation and amortization expense	12,227,640	962,316	-	36,740,197	-	(2,985,600)	46,944,553
Other expenses	1,158,366	1,498,571	-	-	246,919	(46,767)	2,857,089
Hotel operating expenses	-	2,851,099	-	-	-	-	2,851,099
Total expenditures	\$ 56,161,206	\$ 51,927,215	\$ 616,960	\$ 101,723,799	\$ 13,891,252	\$ (12,398,399)	\$ 211,922,033

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Controlling</u>	<u>Non-Controlling</u>	<u>Total</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS			
Net (deficit) assets without donor restrictions, January 1, 2024	\$ (31,617,544)	\$ 281,556,272	\$ 249,938,728
Contributions	-	111,195,973	111,195,973
Distributions	-	(1,117,805)	(1,117,805)
Changes in net assets	<u>(14,343,167)</u>	<u>(48,250,755)</u>	<u>(62,593,922)</u>
Balance at December 31, 2024	<u>\$ (45,960,711)</u>	<u>\$ 343,383,685</u>	<u>\$ 297,422,974</u>
NET ASSETS WITH DONOR RESTRICTIONS			
Net assets with donor restrictions, January 1, 2024	\$ 45,480,957	\$ -	\$ 45,480,957
Grant income - Pledge agreement grant	339,200	-	339,200
Grant and contribution income - Hope Through Housing	1,538,479	-	1,538,479
Release of donor restrictions	(3,086,423)	-	(3,086,423)
Realized gains - Available-for-sale securities, net	1,584,446	-	1,584,446
Unrealized gains - Available-for-sale securities	<u>(23,905)</u>	<u>-</u>	<u>(23,905)</u>
Balance at December 31, 2024	<u>\$ 45,832,754</u>	<u>\$ -</u>	<u>\$ 45,832,754</u>

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	\$ (62,242,125)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Contributions of nonfinancial assets	(68,355)
Bad debts	4,335,748
Interest expense - debt issuance costs	1,764,137
Depreciation and amortization	46,944,553
Amortization of lease right-of-use liabilities	694,711
Realized gain - available-for-sale securities	(1,584,446)
Unrealized losses - available-for-sale securities	23,905
Unrealized loss - interest rate swap	58,108
Unrealized gain - bargain purchase	(7,605,533)
Net loss on debt extinguishment	174,201
(Increase) decrease in assets:	
Accounts receivable	(8,858,118)
Prepaid expenses	(244,560)
Advance due from affiliates	(14,033,027)
Developer fee receivable	129,189
Equity investments in partnerships	(102,840)
Notes and interest receivable	8,197,903
Lease right-of-use assets (ground leases)	320,870
Increase (decrease) in liabilities:	
Accounts payable	3,021,372
Accrued expenses	1,519,347
Security deposits payable	552,240
Deferred revenue	9,132,749
Lease right-of-use liabilities (ground leases)	(3,860,290)
Accrued interest	20,168,122
Developer fee payable	(1,893,554)
Net cash used in operating activities	<u>(3,455,693)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of available-for-sale securities	(1,625,408)
Sales of available-for-sale securities	24,656,500
Purchases of property, equipment and improvements	(190,781,087)
Payment of deferred costs	(737,115)
Net cash used in investing activities	<u>(168,487,110)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Payment of accounts payable - construction	(15,969,774)
Payment of right-of-use finance leases (ground leases)	(2,570,176)
Principal payments of mortgages and notes payable	(217,926,526)
Proceeds from mortgages and notes payable	310,038,437
Payment of debt issuance costs	(2,288,572)
Net receipt of funds due from affiliates	2,475,371
Capital contributions	111,195,973
Capital distributions	(1,117,805)
Net cash provided by financing activities	<u>183,836,928</u>

NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH 11,894,125

CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR 131,948,512

CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR \$ 143,842,637

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Cash and cash equivalents	\$ 70,826,073
Tenant security deposits	6,069,113
Restricted cash	66,947,451
Total cash, cash equivalents and restricted cash	<u>\$ 143,842,637</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid for interest - expensed	<u>\$ 22,274,282</u>
Cash paid for interest - capitalized	<u>\$ 6,583,502</u>

SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:

Disposals of property, equipment and improvements	<u>\$ 134,827</u>
Increase in property, equipment and improvements from accounts payable - construction	<u>\$ 14,657,555</u>
Increase in property, equipment and improvements from accrued interest capitalized	<u>\$ 2,622,880</u>
Increase in property, equipment and improvements from developer fees payable	<u>\$ 9,993,963</u>
Increase in property, equipment and improvements from debt issuance costs capitalized	<u>\$ 1,338,371</u>
Increase in property, equipment and improvements from acquisition of hotel assets	<u>\$ 28,462,602</u>
Increase in right-of-use assets and liabilities	<u>\$ 2,611,321</u>
Decrease in notes payable from forgiveness by lender	<u>\$ 2,223,430</u>

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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1. Organization and nature of operations

National Community Renaissance of California (“NCRC”) 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, bonds, and rent subsidies for qualifying very-low, low- and moderate-income tenants.

NCRC has an economic relationship with National Community Renaissance Development Corporation (“NCRDC”), National Community Renaissance of Florida (“NCRF”) and National Community Renaissance of Texas (“NCRT”), non-profit organizations, which have some overlapping board of director members and share facilities with NCRC, but do not consolidate with NCRC. NCRC provides back-office support to NCRDC, NCRF and NCRT. NCRC has provided voluntary operating advances to NCRDC, NCRF and NCRT. NCRC, NCRDC, NCRF, NCRT and their respective consolidated subsidiaries and affiliates are collectively known as National Community Renaissance, or National CORE.

On August 9, 2021 and annually for every year through the latest May 30, 2025 rating report, NCRC has received an A+ credit rating from Standard & Poor’s (S&P) Global Ratings. On February 9, 2022, NCRC closed on \$100,000,000 of Taxable Bonds, Series 2022 (Social Bonds) (the “Bonds”). NCRC is using the Bond proceeds to continue its mission of owning, developing and managing high-quality affordable rental housing. See also Note 7.

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:

- Count On Us Foundation
- 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 Rancho Cucamonga

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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1. Organization and nature of operations (continued)

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

- Monterey Village Apartments
- Mountainside Apartments
- Sycamore Springs Apartments

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

Projects and subsidiaries which are owned 100% by NCRC, either directly or through wholly-owned subsidiaries, as of December 31, 2024 are as follows:

Affordable housing properties:

- | | |
|---|---|
| ● Arbor Villas Apartments, LLC | ● Oceanside Housing Partners, LP |
| ● Bell Gardens Housing Partners, LP | ● Oceanside Senior Housing Partners, LP |
| ● Bell Housing Partners, LP | ● Palmdale Senior Housing Partners, LP |
| ● Clark Manor Apartments | ● Rancho Verde Village Apartments |
| ● Corona de Oro Apartments, LP | ● Rialto Housing Partners, LP |
| ● Corona del Rey Apartments | ● Riverside Housing Partners, LP |
| ● Courson Senior Partners, LP | ● Santa Fe Springs Housing Partners, LP |
| ● Escondido Senior Housing Partners, LP | ● Santee Apartments, LP |
| ● Hawthorne Terrace Apartments | ● UC Housing Partners, LP |
| ● Inland Valley Housing Partners, LP | ● Victorville Housing Partners, LP |
| ● Malvern Housing Partners, LP | ● Villa Serena Apartments, LP * |
| ● Mills Family Housing Partners, LP | ● Vista Terraza II Apartments |
| ● Montclair Family Housing Partners, LP | ● Vista Terraza Housing Partners, LP |
| ● NCRC Interim Spring Valley, LLC | ● West Mission Housing Partners, LLC |
| ● NCRC Placentia, LLC | ● Yorba Linda Housing Partners, LP * |
| ● Northgate Village Apartments | |

** Property sold to a housing affiliate during 2024*

Under development:

- | | |
|-------------------------------------|-------------------------------------|
| ● Brookview Senior Villages | ● Palm City Transit Village |
| ● Grace Vista Affordable Apartments | ● Pasadena C2 Senior Apartments, LP |
| ● IVHP2 Apartments, LP | ● Prisma Artist Lofts |
| ● La Sierra 24, LLC | ● Rancho San Pedro |
| ● NCRC Murrieta Senior Housing, LP | ● Richmar Station San Marcos, LP |
| ● NCRC Prisma, LLC | ● St. Ambrose Senior Housing |
| ● Newhall Mission Village | Waterman Specific Plan |

Permanent supportive housing properties:

- | | |
|---------------------|-----------------------|
| ● NCRC Super 8, LLC | ● NCRC Titta Inn, LLC |
|---------------------|-----------------------|

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

1. Organization and nature of operations (continued)

Seller carryback loans:

- Autumn Ridge Apartments, LP
- Bolt Housing Partners, LP
- Copper Hills Housing Partners, LP
- Escondido Housing Partners, LP
- NCRC Mountain View, LLC
- 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 Managing General Partner 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 Ptrs MGP, LLC
- enCORE 14612-14654 Blythe, LLC
- enCORE 14732 Blythe, LLC
- enCORE 15125 Saticoy, LLC
- enCORE 21205-21215 Saticoy, LLC
- enCORE 6706 Hayvenhurst, LLC
- enCORE 8503 Tobias, LLC
- enCORE 9010 Tobias, LLC
- enCORE Orion and Langdon, LLC
- IVHP2 GP, LLC
- Mission Cove Family I MGP, LLC
- National CORE Newhall Ave. Hsg MGP, LLC
- NCR Jordan Bayou, LLC
- NCRC AG4 MGP, LLC
- NCRC AM GP, LLC
- NCRC Beach Blvd, LLC
- NCRC Beaumont, LLC
- NCRC CS GP, LLC
- NCRC Dangler, LLC
- NCRC EG MGP, LLC
- NCRC Fairview MGP, LLC
- NCRC Fallbrook, LLC
- NCRC Glendale GP, LLC
- NCRC Golden Pierce, LLC
- NCRC Greenbrier, LLC
- NCRC ISY GP, LLC
- NCRC Lake Forest, LLC
- NCRC Legacy MGP, LLC
- NCRC Mariposa, LLC
- NCRC Murrieta Family MGP, LLC
- NCRC Murrieta Senior MGP, LLC
- NCRC NSV GP, LLC
- NCRC Ontario GP, LLC
- NCRC PCTV Phase 1, LLC
- NCRC Pioneer GP, LLC
- NCRC Pomona Veterans, LLC
- NCRC Prisma GP, LLC
- NCRC Rose Creek GP, LLC
- NCRC San Pedro MGP, LLC
- NCRC Santa Fe SV, LLC
- NCRC Valley Seniors MGP, LLC
- NCRC VDP, LLC
- Orchard View Senior GP, LLC
- PC2 Seniors GP, LLC
- San Ysidro Senior Village GP, LLC
- SGNTR VC, LLC
- Val 9 MGP, LLC
- VP2 GP, LLC
- VS Phase 1 GP, LLC
- VS Phase II GP, LLC
- Waterman Gardens Partners 1 MGP, LLC
- WG Partners 2 MGP, LLC
- Whistering II Apartments, LP

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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1. Organization and nature of operations (continued)

On August 9, 2024, NCRC purchased a 309-room hotel in Ontario, California out of receivership, via a wholly-owned subsidiary, CORE Venture Hotel, LLC (the “Hotel”). The Hotel is a taxable corporation for income tax purposes. See Note 14.

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

For-profit housing affiliate	General partner	GP %
3rd & Dangler, LP	NCRC Dangler, LLC	0.01%
AFH NCRC Beach Blvd LP	NCRC	50.00%
Anaheim Midway, LP	NCRC AM GP, LLC	0.01%
Arrowhead Grove Phase 4, LP	NCRC AG4 MGP, LLC	0.005%
Avenida Serra Housing Partners, LP	Avenida Serra Hsg Ptrs GP, LLC	0.01%
Avenida Serra Hsg Ptrs GP, LLC	SCHDC of Orange	79.00%
Cathedral Family Housing Ptrs, LP	River Canyon GP, LLC	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%
Cudahy Senior Apartments, LP	NCRC CS GP, LLC	0.005%
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%
Encanto Gateway, LP	NCRC	0.01%
Fontana Housing Partners, LP **	SCHDC of Orange	0.012%
Fontana II Housing Partners, LP ***	SCHDC of Orange	0.005%
Fontana III Housing Partners, LP ***	SCHDC of Orange	0.005%
Fontana IV Housing Partners, LP	SCHDC of Orange	0.005%
Golden Pierce Housing Partners, LP	NCRC Golden Pierce, LLC	0.009%
Greenbrier Village, LP	NCRC	0.0051%
HB Housing Partners, LP ***	SCHDC of Inland Empire	0.005%
Iris at San Ysidro, LP	NCRC	0.01%
Ivy Valley Housing Partners LP	NCRC Valley Seniors MGP, LLC	0.005%
Ken-Tal Senior Housing Partners, LP	SCHDC of Orange	0.005%
Legacy Square, LP	NCRC Legacy MGP, LLC	0.008%
LINC-CORE Fairview Metro, LP	NCRC Fairview MGP, LLC	0.005%
LINC-CORE Housing Ptrs Glendale, LP	NCRC Glendale GP, LLC	0.005%

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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1. Organization and nature of operations (continued)

For-profit housing affiliate	General partner	GP %
LINC-CORE Pioneer, LP	NCRC Pioneer 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%
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 Senior Housing Partners, LP	San Antonio Gateway Hsg Corp	0.01%
NCRC Beaumont, LP	NCRC Beaumont, LLC	0.01%
NCRC Encanto, LP	NCRC	0.01%
NCRC Lake Forest, LP	NCRC Lake Forest, LLC	0.01%
NCRC Murrieta Family Housing LP	NCRC Murrieta Family MGP, LLC	0.01%
NCRC NSV, LP	NCRC NSV GP, LLC	0.01%
NCRC SYSV, LP	San Ysidro Senior Village GP, LLC	0.01%
Normandie Senior Housing Ptrs, LP	Normandie Senior Hsg Ptrs GP, LLC	0.008%
Normandie Senior Hsg Ptrs GP, LLC	SCHDC of Los Angeles	79.00%
One San Pedro Phase I, LP	NCRC OSP Ph1 MGP, LLC	0.0034%
Orchard View Senior, LP	Orchard View Senior GP, LP	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 Metrolink South Hsg Ptrs, LP	CORE Rialto Metro South MGP, LLC	0.0005%
Richmar Housing Partners, LP	SCHDC of Orange	0.01%
Rose Creek Village, LP	NCRC Rose Creek GP, LLC	0.0051%
Santa Fe Senior Village, LP	NCRC Santa Fe SV, LLC	50.00%
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 Ptrs GP, LLC	NCRC	79.00%
Val 9 Housing Partners, LP	Val 9 MGP, LLC	0.008%
Veterans Park Fund, LP	NCRC Pomona Veterans, LLC	0.01%
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%

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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1. Organization and nature of operations (continued)

For-profit housing affiliate	General partner	GP %
Vista Dunes Housing Partners, LP ***	Vista Dunes GP, LLC	0.01%
Vista Dunes GP, LLC	SCHDC of Inland Empire	75.00%
VS Phase 1, LP	VS Phase 1 GP, LLC	0.01%
VS Phase 2, LP	VS Phase II GP, LLC	0.01%
VP2 Apartments, LP	VP2 GP, LLC	0.009%
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	0.01%
Woods Family Hsg Ptrs GP, LLC	SCHDC of Los Angeles	79.00%
Yucca Valley Senior Housing Ptrs, LP	SCHDC of Inland Empire	0.01%

** NCRC also owns the 99.98% limited partner interest in this Housing Affiliate.

*** NCRC also owns the 99.99% limited partner interest in this Housing Affiliate.

Grey highlighted entities in the tables 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.

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. All intercompany transactions and balances have been eliminated upon consolidation. See Note 1.

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:

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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2. Summary of significant accounting policies (continued)

Basis of presentation (continued)

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.

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.

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.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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2. Summary of significant accounting policies (continued)

Investments in available-for-sale securities

Investments are stated at fair value in the accompanying consolidated statement of financial position. Investment sales and purchases are recorded on a trade-date basis. Realized gains or losses on the sale of marketable securities are calculated using the average cost method. Interest income is recorded when earned and dividends are recorded on the ex-dividend date. Unrealized gains and losses represent the change in the fair market value of the individual investments for the year or since the acquisition date if acquired during the year. Realized and unrealized gains and losses are included in the accompanying consolidated statement of activities.

Investments consist of bond proceeds not yet loaned out (see Notes 1 and 7). The investments' realized and unrealized gains are classified as net assets with donor restrictions on the accompany consolidated statement of activities and changes in net assets. Investments are made according to the finance policy adopted by NCRC's Board of Directors. The guidelines provide for investment in equities, fixed income, and other securities with performance measured against appropriate indices. Outside advisors are utilized by the organization for the purpose of providing investment and consulting advice.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

Fair value measurements

NCRC applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

- Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Unobservable inputs that reflect NCRC's own assumptions.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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2. Summary of significant accounting policies (continued)

Fair value measurements (continued)

The fair values of securities available-for-sale are determined by obtaining quoted prices on nationally recognized securities exchanges. If quoted prices are not available, fair values are measured using matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities, or other model-based valuation techniques requiring observable inputs other than quoted prices such as yield curve, prepayment speeds, and default rates.

Effective in 2023, Veterans Park Fund, LP, a consolidated Housing Affiliate, entered into an interest swap agreement with its mortgage lender. The interest rate swap has a notional amount of \$5,707,554 and terminates June 1, 2038. The fair value of the interest rate swap is based on notional amounts, interest rates, maturity date and other contract terms. The fair values of interest rate swap contracts are valued using a third-party.

Level 1 securities include U.S. treasury securities and mutual funds that are traded on an active exchange or by dealers or brokers in active over-the-counter markets. The fair value of these securities is determined by quoted prices on an active exchange or over-the-counter market. Level 2 securities primarily include mortgage-backed securities, collateralized mortgage obligations, U.S. government agency securities and municipal bonds, and interest rate swaps in markets that are active.

The following tables present NCRC's assets that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of December 31, 2024:

		December 31, 2024			
		Level 1	Level 2	Level 3	Fair Value Measurements
Assets					
Money market funds	\$	787,957	\$ -	\$ -	\$ 787,957
Fixed income		-	14,101,010	-	14,101,010
Interest rate swap		-	683,569	-	683,569
Total assets	\$	787,957	\$ 14,784,579	\$ -	\$ 15,572,536

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 tenant accounts receivable. As of December 31, 2024, the balance of the allowance for doubtful accounts was \$3,055,679. Bad debts expense for tenant receivables for the year ended December 31, 2024 was \$4,335,748.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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2. Summary of significant accounting policies (continued)

Advances due from affiliates

Advances due from affiliates, which includes fees receivable, 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, 2024, the allowance for doubtful accounts was \$159,036, which eliminates upon consolidation.

Notes receivable and allowance for credit losses

Notes receivable are measured at amortized cost basis and presented at the amount expected to be collected, net of deferred loan origination fees and unearned discounts, as applicable. NCRC records an allowance for credit losses based on losses expected to arise over the contractual term of the financial asset. Assets are written off when NCRC deems the loan receivable to be uncollectable. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, which do not exceed the aggregate of previous write-offs, are included in determining the allowance account. As of December 31, 2024, the allowance for credit losses was \$0.

In developing estimates for expected credit losses, management considers historical loss information updated for current conditions and reasonable and supportable forecasts that affect expected collectability using a probability-of-default method. Management considers factors such as the borrower's financial condition, the borrower's ability to make scheduled interest or principal payments based on the current and forecasted direction of the economic and business environment, the remaining payment terms of the loan, the remaining time to maturity, and the value of underlying collateral. Although management uses many factors to estimate credit losses, because of uncertainties associated with local economic conditions, collateral values, and future cash flows, it is reasonably possible that a material change could occur in the allowance for credit loan losses in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Loans that are 90 days or more past due, based on the contractual terms of the note, are classified on nonaccrual status. Uncollectable interest previously accrued is charged off, or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received and the principal balance is believed to be collectable. A loan previously classified on nonaccrual status will resume accruing interest based on the contractual terms of the loan when payments on the loan become current. There were no loans on nonaccrual status at December 31, 2024.

There are no deferred loan origination fees or unearned discounts. Intercompany notes receivable and notes payable are eliminated upon consolidation.

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, 2024, \$847,066 of project development costs were expensed.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

2. Summary of significant accounting policies (continued)

Equity investments in partnerships

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 in Housing Partnership Network Group Insurance Initiative (see Note 5), and the following:

For-profit housing investment	Non-controlling partner/member	%
Anaheim Revitalization III Partners, LP	SCHDC of Los Angeles	0.005%
Anaheim Revitalization IV Partners, 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	NCRC Hermosa Village II MGP, LLC	0.002%
ANF Family Partners II, LP	SCHDC of Los Angeles	0.0021%
MHP Jordan Bayou, LLC	NCR Jordan Bayou, LLC	25.00%
Jordan Bayou Developer, LLC	NCRC	25.00%
9010 Tobias Owner, LP	enCORE 9010 Tobias, LLC	0.004%
8503 Tobias Owner, LP	enCORE 8503 Tobias, LLC	0.004%
6706 Hayvenhurst Owner, LP	enCORE 6706 Hayvenhurst, LLC	0.004%
15125 Saticoy Owner, LP	enCORE 15125 Saticoy, LLC	0.004%
21205-21215 Saticoy Owner, LP	enCORE 21205-21215 Saticoy, LLC	0.004%
14732 Blythe Owner, LP	enCORE 14732 Blythe, LLC	0.004%
14612-14654 Blythe Owner, LP	enCORE 14612-14654 Blythe, LLC	0.004%
Orion and Langdon, LP	enCORE Orion and Langdon, LLC	0.004%
CORE Oak Park, LLLP	NCRF	99.99%
CORE Hawthorne Heights, LLLP	NCRF	99.99%
CORE Autumn Breeze, LLLP	NCRF	99.99%

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 2024.

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2. Summary of significant accounting policies (continued)

Leases

NCRC determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of and to obtain substantially all of the economic benefits from the use of an asset for a period of time in exchange for consideration.

Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activity. Operating and finance lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Generally, NCRC's ground lease right-of-use assets are recorded at the fair market value of the land leased, with the lease payment prepaid in full at the commencement date. Otherwise, NCRC uses its incremental borrowing rate at the commencement date in determining the present value of lease payments.

The operating and finance lease right-of-use assets includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that NCRC will exercise that option. NCRC has elected the practical expedient of not separating components from nonlease components. The lease agreements generally do not contain any material residual value guarantees or material restrictive covenants. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease right-of-use assets and liabilities as of December 31, 2024 consist of the following ground leases with unrelated party lessors:

Operating Property Lessee	Commence- ment	Term (years)	Classification	Asset	Liability
Anaheim Midway, LP	2022	55	Finance	\$ 6,862,979	\$ -
LINC-CORE Pioneer, LP	2022	78	Finance	12,400,000	-
AFH NCRC Beach Blvd LP	2022	75	Finance	10,800,000	10,800,000
Golden Pierce Housing Ptrs, LP	2022	90	Finance	3,080,875	-
NCRC NSV, LP	2022	90	Finance	3,549,265	-
NCRC Murrieta Family Hsg, LP	2023	65	Finance	3,325,000	-
One San Pedro Phase I, LP	2024	75	Finance	3,579,250	-
NCRC Placentia, LLC	2024	93	Finance	2,570,176	-
Total finance leases				46,167,545	10,800,000
Mission Cove Family I Hsg Ptr, LP	2016	99	Operating	5,418,189	-
Waterman Gardens Ptrs 1, LP	2016	75	Operating	922,315	-
Bell Housing Partners, LP	2005	60	Operating	1,420,333	-
Ken-Tal Senior Partners, LP	2005	65	Operating	1,458,760	1,526,844
LINC-CORE Fairview Metro, LP	2019	66	Operating	781,787	322,728
Legacy Square, L.P.	2024	94	Operating	2,591,345	2,621,863
Total operating leases				12,592,729	4,471,435
Grand total				\$ 58,760,274	\$ 15,271,435

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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.

Buildings are generally depreciated over their estimated useful lives of 40 years under the straight-line method. Land improvements are depreciated over their estimated useful life of 15-20 years under the straight-line method. Furniture and equipment are generally depreciated over their useful life of 5-10 years under the straight-line method. Computer equipment and vehicles are depreciated over their estimated useful lives of 3 and 5 years, respectively, under the straight-line method. Depreciation expense for the year ended December 31, 2024 was \$46,661,246, which excludes \$3,160,000 of depreciation eliminated upon consolidation related to developer and contractor fees capitalized to fixed assets.

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 2024.

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, 2024 was \$278,602. The deferred costs consist of the following as of December 31, 2024:

Tax credit fees	\$ 5,088,897
Accumulated amortization	<u>(2,170,121)</u>
Deferred costs, net	<u>\$ 2,918,776</u>

Derivatives and hedging activities – interest rate swap

Derivatives that do not qualify for the hedge accounting are adjusted to fair value through income. If the derivative is a hedge instrument, depending on the nature of the hedge transaction, the changes in the fair value of derivative instrument are either offset against the earnings of the hedged item or recognized in other comprehensive income (loss) in net assets until the hedged item is recognized in earnings. The ineffective portion of a derivative hedge instrument is immediately recognized in earnings. A Housing Affiliate is a party to a derivative financial instrument for the purpose of limiting its exposure to interest rate fluctuations through the use of interest rate swaps. Derivatives are held only for the purpose of limiting such risks, not for speculation. As of December 31, 2024, none of the organization's derivative financial instruments qualify as hedges.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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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 for tenant leases and tenant charges

NCRC's wholly-owned subsidiaries and affiliates are the lessors of affordable housing rental projects and account for tenant leases as operating leases. At the commencement of an operating lease, no income is recognized; subsequently, lease payments received are recognized on a straight-line basis. 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.

Revenue resulting from special events, fees charged by the organization, and other income is recognized when performance obligations are met. Property management fee income is earned monthly based on the applicable management agreements.

Contractor fees

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

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, developer fees are earned based on how they are defined to be earned per the applicable development agreement, which in most cases is upon completion and delivery of units. Upon construction completion, any 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. Developer fees determined subsequently to be uncollectible will be converted to capital.

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2. Summary of significant accounting policies (continued)

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 10.

Contributions - private donations

Contributions of cash or other financial assets are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities as net assets released from restrictions.

Contributions of nonfinancial assets – in-kind donations

For the year ended December 31, 2024, \$284,009 of contributed nonfinancial assets was for rents whereby Hope Through Housing Foundation leases a portion of NCRC's facilities at no charge and then subleases the space to unrelated parties at fair market rents for use as preschool or daycare facilities. This amount is recognized as contributions of nonfinancial assets on the accompanying consolidated statement of activities and corresponding rent expense on the accompanying consolidated statement of functional expenses, and is eliminated upon consolidation.

For the year ended December 31, 2024, \$68,355 of contributions consist of contributed household goods, food, school supplies, toys, gift cards and sporting event tickets. These donations are recorded at estimated fair value based on wholesale values that would be received for selling similar products or goods in the United States at the date of donation. Most of these donations are unrestricted. Donor restrictions, if applicable, include restrictions on use at a specific rental apartment community and/or restriction on use for a specific program. Contributed nonfinancial assets are generally utilized in the same year of donation, whereby the donor restriction expires in the same year of donation.

Revenue recognition from hotel operations

Revenue generated from hotel operations consists of room, food and beverage sales and other hotel revenues recognized when services are provided. When a reservation is made, the Hotel deems that the parties have approved a contract in accordance with customary business practices and are committed to perform their respective obligations. At such time, each party's rights regarding the services to be transferred are identified, payment terms are specified, the contract has commercial substance, and, in most instances, it is probable the Hotel will collect substantially all consideration to which it will be entitled in exchange for services.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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2. Summary of significant accounting policies (continued)

Revenue recognition from hotel operations (continued)

Each room night consumed by a guest with a cancellable reservation represents a contract whereby the Hotel has a performance obligation to provide the room night at an agreed upon price. For cancellable reservations, the Hotel recognizes revenue as each performance obligation (i.e., each room night) is met. Such contract is renewed if the guest continues their stay. For room nights consumed by a guest with a non-cancellable reservation, the entire reservation period represents the contract term whereby the Hotel has a performance obligation to provide the room night or nights at an agreed upon price. For non-cancellable reservations, the Hotel recognizes revenue over the term of the performance period (i.e., the reservation period) as room nights are consumed. For these reservations, the room rate is typically fixed over the reservation period.

The Hotel uses an output method based on performance completed to date (i.e., room nights consumed) to determine the amount of revenue it recognizes on a daily basis if the length of a non-cancellable reservation exceeds one night since consumption of room nights indicates when services are transferred to the guest. In certain instances, variable consideration may exist with respect to the transaction price, such as discounts, coupons and price concessions made upon guest checkout.

In evaluating performance obligations, the Hotel bundles the obligation to provide the guest the room itself with other obligations (such as free Wi-Fi, access to on-site laundry facilities, and parking), as the other obligations are not distinct and separable because the guest cannot benefit from the additional amenities without the consumed room night.

The Hotel's obligation to provide the additional items or services is not separately identifiable from the fundamental contractual obligation (providing the room to the guest). The Hotel has no performance obligations once a guest's stay is complete. Therefore, there is one performance obligation, and the other additional services are not considered distinct and separable. Food and beverage revenue is recognized when services have been delivered. Payment terms generally align when the services are provided.

Performance obligations related to owned hotels are expected to be satisfied within less than one year. Therefore, the Hotel does not estimate revenues expected to be recognized related to unsatisfied performance obligations. The Hotel has elected not to disclose the transaction price related to future performance obligations due to the fact that the current expected duration of all material contracts for hotel stays are less than one year.

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.

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2. Summary of significant accounting policies (continued)

Income taxes (continued)

As discussed in Note 1, the Hotel has elected to be treated as a corporation and as such, may be subject to federal and state income taxes. The Hotel utilizes an asset and liability approach to financial accounting and reporting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax basis, and are measured using enacted tax rates expected to be recovered or settled. As of December 31, 2024, the Hotel had deferred tax assets of \$704,636 and deferred tax liabilities of \$2,456,682, for which a valuation allowance of the full net amount of \$1,752,046 was provided for, since the Hotel does not have a history of taxable income. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

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, including considerations of time and effort. Payroll expenses are allocated based on time and effort. In general, NCRC's corporate expenses and subsidiaries' rental property management fees are management and general; fundraising expenses are incurred by NCRC corporate and Hope Through Housing Foundation; and ordinary operating expenses of subsidiaries' affordable rental properties are program expenses.

3. Liquidity and availability of financial assets

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 at least 90 days of operating expenses. In addition to these liquid funds, NCRC has an available lines of credit of up to \$21,500,000, of which \$13,500,000 has been drawn as of December 31, 2024.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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3. Liquidity and availability of financial assets (continued)

The following represents NCRC's financial assets at December 31, 2024:

Financial assets at yearend:

Cash and cash equivalents	\$ 70,826,073
Restricted cash, including security deposits	73,016,564
Investments in available-for-sale securities	14,888,968
Accounts receivable, net	<u>13,477,117</u>
Total financial assets	172,208,722

Less amounts not available to be used within one year for general expenditures:

Investments in available-for-sale securities restricted for use for affordable housing loans	(14,888,968)
Net assets with donor restrictions	<u>(2,143,336)</u>

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

\$ 155,176,418

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 \$4,740,340 held in escrow in connection with various purchase and sales agreements as of December 31, 2024.

A summary of the restricted cash balances as of December 31, 2024 is as follows:

Operating reserves	\$ 21,561,559
Replacement reserves	23,733,099
Other reserves and escrows	11,569,229
Tax and insurance reserves	9,767,339
Residual receipts reserves	<u>316,225</u>
Total restricted cash	<u>\$ 66,947,451</u>

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5. Equity 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, 2024. The investment is accounted for under the equity method of accounting and the investment has been recorded at cost. As of December 31, 2024, the investment balance was \$697,815.

Investments also includes \$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. Additionally, during 2022, \$800,000 was paid in total to acquire the limited partner interests in ten Housing Affiliates from various unrelated parties. During 2023, \$1,150,000 was paid in total to acquire the limited partner interests in two Housing Affiliates from an unrelated party. These amounts were paid outside the partnerships, and as such, the amounts do not eliminate upon consolidation.

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, 2024:

Land	\$ 168,736,568
Buildings and improvements	1,716,167,375
Furniture, fixtures and equipment	60,960,833
Construction in progress	<u>153,104,866</u>
Subtotal	2,098,969,642
Less: accumulated depreciation	<u>(445,644,944)</u>
Total property, equipment and improvements, net	<u>\$ 1,653,324,698</u>

Office building purchase and lease

On November 18, 2022, NCRC purchased a 74,000 square foot, three story office property for \$18,250,000 from an unrelated party, for use as NCRC's corporate offices. Concurrent with the sale, the seller leased back 55,000 square feet, which was reduced to 25,000 square feet by March 2023. The operating lease is for five years, with two 2-year options to extend. For the year ended December 31, 2024, rental income of \$774,000 was earned and is included in rental income on the accompanying consolidated statement of activities. Future expected lease income over the next three years is as follows:

2025	\$ 787,172
2026	810,965
2027	<u>693,980</u>
Total	<u>\$ 2,292,117</u>

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7. Mortgages and notes payable, net

Mortgages and notes payable are as follows as of December 31, 2024:

Lender	Secured Entity	Interest rate	Monthly principal and int or other repymt terms	Maturity	Principal balance
Bank of New York Mellon Trust Co. (Bond Trustee)	NCRC	3.27%	(6)	12/1/2032	\$ 100,000,000
Citizens Business Bank - line of credit	NCRC	Variable	(4)	10/15/2025 *	12,000,000
Citizens Business Bank - HQ mortgage	NCRC	4.70%	\$ 62,411	11/9/2032	11,486,606
San Garbiel Valley Regional Housing Trust	NCRC (for Prisma Lofts)	3.00%	(3)	12/31/2025 *	1,722,653
Wells Fargo Bank - line of credit	NCRC	2.00%	(4)	4/29/2028	1,500,000
Century Housing Corporation - AHP	NCRC (for 3rd & Dangler)	0.00%	(3)	(a)	1,000,000
JPMorgan Chase Bank	NCRC (for Rancho Verde)	3.39%	\$ 11,206	8/1/2047	1,000,000
Clearinghouse Community Development - AHP	NCRC (for Nestor Senior)	0.00%	(3)	4/7/2079	730,000
Citibank - AHP	NCRC (for Savi Ranch)	0.00%	(3)	9/1/2071	680,000
The Robert Wood Johnson Foundation	NCRC	2.00%	(4)	8/5/2028	500,000
JPMorgan Chase Bank - AHP	NCRC (for Escondido Senior)	0.00%	(4)	5/1/2067	500,000
Bank of America California - AHP	NCRC (for Golden Pierce))	0.00%	(3)	7/3/2078	500,000
Citibank - AHP	NCRC (for Westlake)	0.00%	(4)	4/1/2069	480,000
City National Bank - AHP	NCRC (for Mission Cove II)	0.00%	(3)	3/30/2072	90,000
NCRC	SCHDC of Inland Empire	6.00%	(4)	9/9/2027	7,450,000
Dept. of Housing and Urban Development	San Antonio Gateway Hsg Corp	0.00%	(3)	3/1/2066	10,604,000
City of Ontario	CORE Venture Hotel, LLC	5.00%	(6)	12/20/2027	4,996,588
JPMorgan Chase Bank - construction	3rd & Dangler, LP	variable	(4)	1/10/2025 *	35,768,179
Los Angeles County Development Authority	3rd & Dangler, LP	3.00%	(1)	6/2/2078	6,750,000
Los Angeles County Development Authority	3rd & Dangler, LP	3.00%	(3)	6/2/2078	1,416,800
NCRC (AHP Loan)	3rd & Dangler, LP	0.00%	(1)	12/21/2078	1,000,000
East West Bank - construction	Anaheim Midway, LP	Variable	(4)	7/29/2025 *	22,419,992
Anaheim Housing Authority	Anaheim Midway, LP	2.25%	(1)	4/29/2076	7,200,000
Anaheim Housing Authority	Anaheim Midway, LP	3.00%	(1)	4/29/2076	3,574,800
Anaheim Housing Authority	Anaheim Midway, LP	3.00%	(1)	4/29/2076	2,450,995
Anaheim Housing Authority	Anaheim Midway, LP	3.00%	(1)	1/29/2042	1,362,652
Chase Commercial Term Lending	NCRC Interim Spring Valley	5.90%	\$ 12,852	10/31/2032	3,232,213
County of San Diego HCD Services	NCRC Interim Spring Valley	3.00%	(1)	4/14/2075	2,300,000
County of San Diego	NCRC Interim Spring Valley	3.00%	(1)	2/28/2057	1,825,000
CA Statewide Communities Dev. Authority	Murrieta Family Housing, LP	variable	(3)	12/29/2025 *	14,585,122
Murrieta Housing Authority	Murrieta Family Housing, LP	3.00%	(3)	6/27/2090	6,142,807
County of Riverside	Murrieta Family Housing, LP	Variable	(3)	12/31/2080	6,000,000
Murrieta Housing Authority	Murrieta Family Housing, LP	3.00%	(3)	6/27/2090	3,325,000
NCRC	Murrieta Family Housing, LP	0.00%	(3)	12/31/2080	1,582,736

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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 Los Angeles	NCRC Titta Inn, LLC	0.00%	(3)	7/16/2025 *	\$ 8,580,000
County of San Diego	Ivy Valley Housing Partners, LP	Variable	(1)	12/5/2078	6,942,920
City of Escondido	Ivy Valley Housing Partners, LP	3.00%	(1)	12/5/2076	4,000,000
Century Housing Corporation - AHP	Ivy Valley Housing Partners, LP	0.00%	(1)	9/26/2078	490,000
County of San Diego	Ivy Valley Housing Partners, LP	0.00%	(7)	12/5/2043	59,438
City of Los Angeles	NCRC Super 8, LLC	0.00%	(3)	12/21/2025 *	8,890,000
CA Dept. of Hsg and Community Development	Veterans Park Fund, LP	3.00%	(2)	10/27/2078	6,365,022
MUFG Union Bank	Veterans Park Fund, LP	1.70%	(3)	5/1/2037	3,725,925
Los Angeles County Development Authority	Veterans Park Fund, LP	3.00%	(3)	6/1/2076	3,004,694
Los Angeles County Development Authority	Veterans Park Fund, LP	3.00%	(3)	6/1/2076	2,000,000
Bank of America - construction	Linc-CORE Pioneer, LP	1.00%	(4)	12/29/2025 *	33,713,986
City of Glendale Housing Authority	Linc-CORE Pioneer, LP	3.00%	(3)	12/15/2080	25,100,000
City of Glendale Housing Authority	Linc-CORE Pioneer, LP	3.00%	(1)	12/15/2080	2,000,000
City of Glendale Housing Authority	Linc-CORE Pioneer, LP	3.00%	(1)	12/15/2080	1,300,000
LINC Housing Corporation	Linc-CORE Pioneer, LP	0.00%	(3)	12/31/2077	615,094
NCRC	Linc-CORE Pioneer, LP	0.00%	(3)	12/31/2077	615,094
JPMorgan Chase Bank - construction	Greenbrier Village, LP	Variable	(3)	8/6/2025 *	14,392,068
County of San Diego	Greenbrier Village, LP	0.00%	(1)	2/28/2080	5,375,426
City of Oceanside	Greenbrier Village, LP	3.00%	(1)	12/31/2079	3,118,753
California Community Reinvestment Corp.	NCRC Lake Forest, LP	4.07%	\$ 41,033	6/1/2044	9,120,122
City of Lake Forest	NCRC Lake Forest, LP	3.00%	(1)	8/18/2075	3,700,000
California Housing Finance Agency	NCRC Lake Forest, LP	3.00%	(1)	(b)	1,259,848
Orange County Housing Finance Trust	NCRC Lake Forest, LP	3.00%	(1)	12/30/2076	915,256
Orange County Housing Authority	NCRC Lake Forest, LP	3.00%	(1)	5/22/2079	453,600
City of San Diego	Encanto Gateway, LP	3.00%	(1)	12/31/2083	4,717,524
Capital One, NA - construction	Santa Fe Senior Village, LP	Variable	(4)	6/30/2025 *	9,981,077
County of San Diego NPLHP	Santa Fe Senior Village, LP	0.00%	(1)	12/31/2079	5,125,000
County of San Diego	Santa Fe Senior Village, LP	3.00%	(1)	12/31/2079	3,312,500
City of Vista	Santa Fe Senior Village, LP	3.00%	(1)	12/31/2079	500,000
NCRC (HCD Grant)	Woods Family Housing Ptrs, LP	0.00%	(1)	1/1/2066	2,465,846
LACDC - HOME funds	Woods Family Housing Ptrs, LP	3.00%	(1)	9/10/2063	2,047,376
LACDC - Industry funds	Woods Family Housing Ptrs, LP	3.00%	(1)	9/10/2063	1,249,201
California Community Reinvestment Corp.	Woods Family Housing Ptrs, LP	8.50%	\$ 10,765	11/1/2043	1,213,595
LACDC - CDBG funds	Woods Family Housing Ptrs, LP	3.00%	(1)	9/10/2063	1,000,000
LACDC - First District Loan	Woods Family Housing Ptrs, LP	3.00%	(1)	9/10/2063	1,000,000
LACDC - Maravilla funds	Woods Family Housing Ptrs, LP	3.00%	(1)	9/10/2063	1,000,000

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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
Greystone Servicing	NCRC / Arbor Villas Apts	3.96%	\$ 26,906	11/1/2049	\$ 5,108,743
NCRC	Rialto Housing Partners, LP	5.00%	\$ 28,187	1/26/2028	2,255,000
City of San Bernardino - HOME	Rialto Housing Partners, LP	3.00%	(1)	1/14/2054	1,000,000
City of Oceanside	Oceanside Senior Hsg Ptrs, LP	3.00%	(1)	7/20/2063	3,772,340
JPMorgan Chase Bank	Oceanside Senior Hsg Ptrs, LP	5.08%	\$ 4,956	10/1/2038	589,937
City of Rialto Housing Authority	Inland Valley Hsg Ptrs, LP	3.00%	(1)	8/1/2061	14,054,480
CA Dept. of Hsg and Community Development	Inland Valley Hsg Ptrs, LP	3.00%	(2)	7/30/2064	8,362,659
County of San Bernardino - HOME	Inland Valley Hsg Ptrs, LP	3.00%	(1)	6/14/2060	3,000,000
US Bank, N.A.	Inland Valley Hsg Ptrs, LP	5.97%	\$ 15,408	8/1/2038	1,891,446
JPMorgan Chase Bank	NCRC / Clark Manor	4.93%	\$ 7,833	8/1/2033	661,059
City of Long Beach	NCRC / Clark Manor	4.00%	(1)	6/1/2058	550,000
City of Corona Redevelopment Agency	Corona de Oro Apts. LP	3.00%	(1)	3/1/2055	4,725,000
Berkadia	Corona de Oro Apts. LP	7.25%	\$ 8,784	7/1/2032	613,502
City of Corona - HOME	Corona de Oro Apts. LP	1.00%	\$ 1,499	9/1/2055	149,900
County of Riverside	Corona de Oro Apts. LP	3.00%	(1)	12/31/2089	936,679
SCHDC Bridge Loan	NCRC / Corona del Rey Apts	6.00%	(4)	9/8/2027	7,450,000
County of Riverside - ARPA	NCRC / Corona del Rey Apts	3.00%	(1)	12/31/2078	4,750,000
City of Corona Redevelopment Agency	NCRC / Corona del Rey Apts	0.00%	(1)	5/1/2051	347,936
County of Riverside	NCRC / Corona del Rey Apts	3.00%	\$ 1,304	7/1/2028	53,128
City of Escondido	Cobblestone Apartments, LP	2.98%	(1)	8/1/2073	3,168,027
Pacific Western Bank	Cobblestone Apartments, LP	5.00%	\$ 10,678	9/1/2050	1,840,127
CA Dept. of Hsg and Community Development	Cobblestone Apartments, LP	3.00%	(1)	3/1/2058	1,345,219
Escondido Hsg Partners, LP - seller carryback	Cobblestone Apartments, LP	2.95%	(1)	8/31/2073	191,334
Riverside County Redev. Agency	Desert Meadows Hsg Partners, LP	0.25%	(1)	8/16/2066	7,698,385
CA Dept. of Hsg and Community Development	Desert Meadows Hsg Partners, LP	3.00%	(2)	4/1/2069	5,954,244
Union Bank of California - AHP	Desert Meadows Hsg Partners, LP	0.00%	(3)	1/1/2067	790,000
Town of Yucca Valley	Yucca Valley Senior Hsg Ptrs, LP	0.50%	(1)	4/1/2068	2,925,000
San Bernardino County	Yucca Valley Senior Hsg Ptrs, LP	3.00%	(1)	12/12/2069	1,622,830
AHP Funds	Yucca Valley Senior Hsg Ptrs, LP	0.00%	(3)	1/15/2030	1,180,000
Bonneville Mortgage	Yucca Valley Senior Hsg Ptrs, LP	4.21%	\$ 3,664	2/1/2056	763,575
City of Downey	Downey Housing Partners, LP	3.00%	(1)	2/4/2068	4,550,000
Housing Authority County of Los Angeles	Downey Housing Partners, LP	3.00%	(1)	2/1/2070	2,386,720
JPMorgan Chase Bank	Downey Housing Partners, LP	5.88%	\$ 13,201	9/10/2045	1,883,154
City of Downey	Downey Housing Partners, LP	3.00%	(1)	2/4/2068	450,000
County of Los Angeles - Industry Funds	Normandie Senior Hsg Ptrs, LP	0.00%	(1)	3/15/2065	5,344,801
County of Los Angeles - HOME	Normandie Senior Hsg Ptrs, LP	3.00%	(1)	3/15/2065	1,989,155

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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 Infill Grant Loan	Normandie Senior Hsg Ptrs, LP	0.00%	(1)	1/1/2065	\$ 1,033,418
CDC - County of Los Angeles	Normandie Senior Hsg Ptrs, LP	6.75%	\$ 4,865	10/1/2040	606,600
CDC - County of LA Homeless & Hsg Program	Normandie Senior Hsg Ptrs, LP	3.00%	(1)	6/1/2067	600,000
City of Rancho Cucamonga Redev. Agency	East Rancho Verde Hsg Ptrs, LP	1.50%	(1)	6/27/2060	6,500,000
JPMorgan Chase Bank	East Rancho Verde Hsg Ptrs, LP	5.13%	\$ 8,717	10/1/2040	1,132,404
Cnty of San Bernardino, Dept of Comm Dev & Hsg	East Rancho Verde Hsg Ptrs, LP	3.00%	(3)	3/11/2063	1,100,000
City of Fontana	Fontana II Hsg Ptrs, LP	1.00%	(1)	2/1/2059	2,500,000
California Community Reinvestment Corp.	Fontana II Hsg Ptrs, LP	6.75%	\$ 8,821	12/1/2036	821,586
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	1,135,000
Bank of the West - AHP	Fontana III Hsg Ptrs, LP	0.00%	(3)	3/22/2061	350,000
City of Rancho Cucamonga Redev. Agency	Malvern Housing Partners, LP	1.00%	(1)	4/15/2056	3,801,209
County of San Bernardino	Malvern Housing Partners, LP	3.00%	\$ 2,218	12/1/2022	400,000
City of Hawthorne	NCRC / Hawthorne Terrace	3.00%	(1)	10/1/2059	1,998,855
JPMorgan Chase Bank	NCRC / Hawthorne Terrace	5.55%	\$ 11,142	10/1/2029	1,030,000
City of Hawthorne	NCRC / Hawthorne Terrace	Variable	(1)	10/1/2059	250,000
NCRC	Hope Through Access	0.00%	(1)	(c)	2,000,000
Citizens Business Bank	Victorville Housing Ptrs, LP	5.75%	\$ 9,510	1/3/2033	1,564,115
City of Victorville	Victorville Housing Ptrs, LP	3.00%	(1)	9/2/2057	794,602
City of Escondido	Escondido Senior Hsg Ptrs, LP	5.32%	(1)	12/6/2075	3,051,230
City of Escondido	Escondido Senior Hsg Ptrs, LP	3.00%	(1)	12/6/2075	1,948,770
California Community Reinvestment Corp.	Escondido Senior Hsg Ptrs, LP	7.37%	\$ 12,460	11/1/2041	1,450,505
NCRC	Escondido Senior Hsg Ptrs, LP	0.00%	(1)	2/5/2065	650,959
City of Escondido	Escondido Senior Hsg Ptrs, LP	3.00%	(1)	5/19/2065	500,000
SCHDC of Orange (AHP-JPMorgan)	Escondido Senior Hsg Ptrs, LP	0.00%	(1)	4/1/2067	500,000
NCRC	Escondido Senior Hsg Ptrs, LP	0.00%	(1)	2/5/2065	400,000
Citizens Business Bank	Santa Fe Springs Hsg Ptrs, LP	5.37%	\$ 54,756	1/1/2033	9,399,156
City of Oceanside	Oceanside Housing Ptrs, LP	3.00%	(1)	6/21/2061	6,244,000
CA Dept. of Hsg and Community Development	Oceanside Housing Ptrs, LP	3.00%	(1)	5/21/2064	4,151,008
MuniMae TE Bond Subsidiary, LLC	Oceanside Housing Ptrs, LP	6.50%	\$ 25,772	5/1/2049	3,775,458
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
Citibank, N.A.	Avenida Serra Hsg Partners, LP	5.48%	\$ 2,314	9/1/2044	387,227
Citibank, N.A. - subordinate loan	Avenida Serra Hsg Partners, LP	1.00%	(1)	10/1/2070	187,249
California Housing Finance Agency	SCHDC / Mountainside Apts	7.25%	\$ 44,171	9/21/2026	907,193
City of Oceanside	Mission Cove Family I Hsg, LP	0.00%	(3)	10/4/2072	5,900,000

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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
City of Oceanside	Mission Cove Family I Hsg, LP	3.00%	(1)	10/4/2072	\$ 4,405,348
Citibank, N.A.	Mission Cove Family I Hsg, LP	1.00%	(3)	4/1/2071	1,340,606
California Housing Finance Agency	Mission Cove Family I Hsg, LP	3.00%	(1)	3/1/2071	943,470
Wells Fargo Bank	Mission Cove Family I Hsg, LP	0.00%	(3)	9/1/2073	890,000
Citibank, N.A.	Mission Cove Family I Hsg, LP	5.54%	\$ 4,555	10/1/2038	527,340
City of Oceanside - ground lease loan	Mission Cove Family II Hsg, LP	0.00%	(1)	4/1/2072	4,819,204
City of Oceanside	Mission Cove Family II Hsg, LP	3.00%	(1)	5/1/2073	4,147,253
Bank of America	Mission Cove Family II Hsg, LP	5.26%	\$ 14,255	5/1/2035	2,536,269
NCRC - AHP	Mission Cove Family II Hsg, LP	0.00%	(1)	3/30/2072	317,101
City of Riverside	Riverside Housing Ptrs, LP	3.00%	(1)	7/1/2059	4,496,135
CA Dept. of Hsg and Community Development	Riverside Housing Ptrs, LP	3.00%	(2)	3/31/2061	2,930,000
US Bank, N.A.	Riverside Housing Ptrs, LP	6.21%	\$ 9,779	7/1/2036	1,000,210
Federal Home Funds	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	7/26/2067	1,475,397
City of Pasadena	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	4/15/2065	1,417,273
Agency IV - First 5 LA	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	3/10/2072	931,437
CDC - County of Los Angeles	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	3/10/2072	895,726
Inclusionary Housing Fund	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	7/26/2067	646,077
AHP Funds	Mar Vista Union Hsg Ptrs, LP	0.00%	(3)	7/1/2070	300,000
CA Dept. of Hsg and Community Development	UC Housing Partners, LP	3.00%	(2)	7/5/2062	6,382,879
CA Statewide Communities Development Authority	UC Housing Partners, LP	5.60%	\$ 23,618	8/1/2037	2,578,559
Brookfield University Commons, LLC	UC Housing Partners, LP	2.00%	(3)	11/30/2059	1,463,164
County of Riverside Redevelopment Agency	Mission Village Senior Hsg, LP	3.00%	(1)	9/15/2064	10,472,118
US Bank, N.A.	Mission Village Senior Hsg, LP	5.89%	\$ 17,893	3/3/2040	2,188,909
AHP Funds	Mission Village Senior Hsg, LP	0.00%	(3)	3/3/2065	500,000
California Housing Finance Agency	SCHDC / Monterey Village	7.25%	\$ 34,791	10/1/2026	714,544
Victorville Redevelopment Agency	NCRC / Northgate Village	3.00%	(1)	12/15/2035	5,239,812
California Housing Finance Agency	NCRC / Northgate Village	6.00%	\$ 33,444	10/10/2034	2,975,526
CDC - County of Los Angeles - HOME	Bell Housing Ptrs, LP	3.00%	(1)	3/15/2033	1,886,091
Housing Authority County of Los Angeles	Bell Housing Ptrs, LP	3.00%	(1)	3/15/2033	1,000,000
JPMorgan Chase Bank	Bell Housing Ptrs, LP	6.25%	\$ 8,441	1/1/2034	700,683
JPMorgan Chase Bank - AHP	Bell Housing Ptrs, LP	0.00%	(3)	1/1/2034	240,000
Citibank, N.A.	Savi Ranch II Hsg Ptrs, LP	5.70%	\$ 16,901	7/1/2035	2,678,913
City of Yorba Linda Redevelopment Agency	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/1/2072	2,415,321
City of Yorba Linda	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/1/2072	2,000,000
California Housing Finance Agency	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/1/2072	1,699,143
County of Orange	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/7/2072	1,504,100

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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
Pacific Western Bank - AHP	Savi Ranch II Hsg Ptrs, LP	0.00%	(3)	6/7/2072	\$ 530,000
Orange County Housing Authority	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/7/2074	140,200
Wells Fargo Bank	Waterman Gardens Ptrs 1, LP	3.65%	\$ 35,164	10/1/2057	8,066,881
Wells Fargo Bank	Waterman Gardens Ptrs 1, LP	0%	(1)	(a)	762,000
City of San Bernardino - HOME	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)	622,819
City of Yorba Linda	Savi Ranch Housing Ptrs, LP	3.00%	(1)	3/1/2066	6,212,314
Citibank, N.A.	Savi Ranch Housing Ptrs, LP	5.40%	\$ 17,242	7/10/2033	2,968,354
NCRC	Savi Ranch Housing Ptrs, LP	0.00%	(3)	9/1/2071	680,000
Citibank, N.A. - subordinate loan	Savi Ranch Housing Ptrs, LP	1.00%	(1)	4/1/2070	550,000
CDC - City of West Covina	Promenade Housing Ptrs, LP	2.82%	(1)	4/1/2072	6,056,621
Bank of the West	Promenade Housing Ptrs, LP	4.83%	\$ 20,284	5/5/2054	3,836,773
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, LP - seller carryback	Parkside SD Apartments, LP	3.80%	(1)	6/30/2055	2,699,411
Pacific Western Bank	Parkside SD Apartments, LP	5.00%	\$ 13,532	3/1/2037	2,511,394
San Diego Housing Commission	Parkside SD Apartments, LP	3.00%	(1)	11/16/2056	1,725,528
Citibank, N.A.	Paseo Del Oro Apartments, LP	5.09%	\$ 35,042	4/1/2035	6,430,561
San Marcos Hsg Partners, LP – seller carryback	Paseo Del Oro Apartments, LP	4.50%	(1)	3/23/2073	4,801,338
City of San Marcos	Paseo Del Oro Apartments, LP	3.00%	(1)	12/31/2073	3,465,670
County of San Diego	Paseo Del Oro Apartments, LP	5.98%	(3)	3/23/2073	1,497,051
Fontana Housing Authority	Fontana IV Hsg Ptrs, LP	0.25%	(1)	6/30/2065	6,834,539
California Community Reinvestment Corp	Fontana IV Hsg Ptrs, LP	6.50%	\$ 13,896	9/1/2040	1,897,035
City of Bell Community Dev. Commission	Bell Gardens Hsg Partners, LP	3.00%	(1)	4/1/2060	3,812,203
City of Los Angeles - HOME	Bell Gardens Hsg Partners, LP	3.00%	(1)	3/15/2063	2,785,367
Citizens Business Bank	Bell Gardens Hsg Partners, LP	5.75%	\$ 10,578	1/3/2033	1,740,979
Housing Authority County of Los Angeles	Bell Gardens Hsg Partners, LP	3.00%	(1)	3/15/2063	1,500,000
Bank of the West - AHP	Bell Gardens Hsg Partners, LP	0.00%	(1)	3/15/2064	284,000
City of Cathedral City Redev. Agency	Cathedral Family Hsg Ptrs, LP	2.00%	(1)	4/19/2066	4,006,162
County of Riverside - HOME	Cathedral Family Hsg Ptrs, LP	1.00%	(1)	4/19/2066	1,250,000
NCRC	Cathedral Family Hsg Ptrs, LP	0.00%	(1)	1/1/2065	638,471
Federal Home Loan Bank - AHP	Cathedral Family Hsg Ptrs, LP	0.00%	(3)	4/6/2067	590,000
California Community Reinvestment Corp.	Cathedral Family Hsg Ptrs, LP	7.25%	\$ 3,355	3/1/2028	482,762
JPMorgan Chase Bank	NCRC / Rancho Verde Apts	5.16%	\$ 11,206	4/1/2047	1,734,728
JPMorgan Chase Bank	NCRC / Rancho Verde Apts	2.75%	\$ 21,696	4/1/2025	87,487
NCRC - seller carryback	Renaissance Village Hsg Ptrs, LP	3.06%	(1)	7/1/2069	9,198,872

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7. Mortgages and notes payable, net (continued)

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Greystone	Renaissance Village Hsg Ptrs, LP	5.60%	\$ 25,971	1/1/2035	\$ 3,978,665
NCRC	Renaissance Village Hsg Ptrs, LP	3.06%	(1)	3/31/2030	650,812
NCRC	Renaissance Village Hsg Ptrs, LP	3.06%	(1)	7/1/2069	400,000
County of San Bernardino	Renaissance Village Hsg Ptrs, LP	3.14%	(1)	7/8/2049	273,303
City of Montclair Redevelopment Agency	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, N.A.	Montclair Family Hsg Ptrs, LP	7.73%	\$ 9,802	11/1/2037	985,542
Wells Fargo Bank	EMI Housing Partners, LP	0.00%	(1)	10/1/2055	2,869,900
City of Montclair	EMI Housing Partners, LP	3.00%	(1)	4/22/2069	682,119
AHP Funds	EMI Housing Partners, LP	0.00%	(1)	3/1/2044	158,357
CA Dept. of Hsg and Community Development	Santee Apts, LP	3.00%	(2)	12/1/2058	4,844,952
NCRC - bond financing	Santee Apts, LP	4.75%	(1)	8/1/2037	4,043,858
Community Development Commission	Santee Apts, LP	3.00%	(1)	3/15/2055	3,016,248
County of San Diego	Santee Apts, LP	3.00%	(1)	7/15/2077	890,762
County of San Diego	Santee Apts, LP	3.00%	(1)	12/1/2055	240,000
City of Rancho Cucamonga	HB Housing Partners LP	3.00%	(3)	3/11/2029	9,000,000
California Housing Finance Agency	HB Housing Partners LP	5.30%	\$ 8,330	12/20/2037	945,175
San Antonio Gateway Housing Corp	Montclair Senior Hsg Ptrs, LP	0.00%	(3)	3/1/2066	10,604,000
City of Montclair Redevelopment Agency	Montclair Senior Hsg Ptrs, LP	3.00%	(1)	7/29/2063	1,528,280
California Housing Finance Agency	SCHDC / Sycamore Springs Apts	7.25%	\$ 30,186	9/3/2026	619,975
Citibank, N.A.	Palmdale Senior Hsg Ptrs, LP	5.65%	\$ 14,476	12/1/2026	2,224,502
City of Palmdale Redevelopment Agency	Palmdale Senior Hsg Ptrs, LP	3.00%	(1)	4/25/2056	1,000,000
City of Palmdale - HOME	Palmdale Senior Hsg Ptrs, LP	3.00%	(1)	4/25/2056	750,000
AHP Funds	Palmdale Senior Hsg Ptrs, LP	0.00%	(3)	1/31/2066	600,000
Citibank, N.A.	SVSM Apartments, LP	5.09%	\$ 85,499	10/1/2050	15,783,525
Autumn Ridge Apts, LP - seller carryback	SVSM Apartments, LP	0%	(1)	3/31/2073	6,609,821
San Marcos Redevelopment Agency	SVSM Apartments, LP	3.00%	(1)	12/31/2073	5,467,067
City of Los Angeles - HOME	Eagle Rock Hsg Partners, LP	4.45%	(1)	12/31/2063	2,325,360
CA Dept. of Hsg and Community Development	Eagle Rock Hsg Partners, LP	3.00%	(2)	6/1/2066	1,708,526
NHDC Tres Lomas, LP - seller carryback	Eagle Rock Hsg Partners, LP	4.45%	(1)	12/12/2069	692,428
US Bank (EastWest Bank)	Eagle Rock Hsg Partners, LP	8.00%	\$ 4,243	6/1/2039	433,235
San Diego Redevelopment Agency	Ken Tal Senior Partners, LP	3.00%	(1)	10/30/2059	5,216,424
San Diego Housing Commission	Ken Tal Senior Partners, LP	5.00%	\$ 1,691	12/1/2034	186,645
Rialto Housing Authority	Citrus Grove Hsg Ptrs, LP	0.00%	(1)	5/10/2065	6,800,703
Rialto Housing Authority	Citrus Grove Hsg Ptrs, LP	0.00%	(1)	5/10/2065	1,492,973
CCRC (Wells Fargo bond trustee)	Citrus Grove Hsg Ptrs, LP	6.25%	\$ 5,110	6/1/2041	630,412

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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
Rialto Housing Authority	Citrus Grove Hsg Ptrs, LP	0.00%	(1)	5/10/2065	\$ 333,037
City of Montclair	Mills Family Housing, LP	3.00%	(1)	8/4/2064	4,283,084
County of San Bernardino	Mills Family Housing, LP	3.00%	(1)	8/15/2066	2,000,000
California Community Reinvestment Corp.	Mills Family Housing, LP	7.50%	\$ 5,943	9/1/2041	679,127
NCRC	Vista Dunes Housing Ptrs, LP	4.88%	(1)	10/30/2062	5,200,000
NCRC	Vista Dunes Housing Ptrs, LP	1.00%	(1)	12/1/2062	2,101,689
US Bank, N.A.	Vista Dunes Housing Ptrs, LP	6.90%	\$ 7,788	11/1/2038	833,065
City of Rancho Cucamonga Redev. Agency	Rancho Workforce Housing, LP	2.39%	(1)	9/1/2063	25,868,857
California Community Reinvestment Corp.	Rancho Workforce Housing, LP	6.04%	\$ 51,996	10/1/2040	7,400,692
City of Fontana	Fontana Hsg Ptrs, LP	3.00%	(1)	6/30/2059	1,002,187
Citizens Business Bank	Fontana Hsg Ptrs, LP	5.75%	\$ 5,662	1/3/2033	932,084
AHP Funds	Fontana Hsg Ptrs, LP	0.00%	(3)	9/1/2033	500,000
Pacific Western Bank	Vista del Sol Apartments, LP	4.00%	\$ 31,815	2/1/2054	8,235,768
Community Dev. Commission of National City	Vista del Sol Apartments, LP	3.00%	(1)	12/31/2073	6,952,661
Copper Hills Apartments, LP - seller carryback	Vista del Sol Apartments, LP	5.00%	(1)	12/31/2074	2,500,000
CA Dept. of Hsg and Community Development	Vista Terraza Hsg Partners, LP	3.00%	(2)	5/7/2062	7,000,302
Western Pacific Housing	Vista Terraza Hsg Partners, LP	4.68%	(1)	4/14/2060	4,673,244
US Bank, N.A.	Vista Terraza Hsg Partners, LP	5.81%	\$ 25,343	5/10/2037	2,777,039
PNC Bank	Val 9 Housing Partners, LP	3.47%	\$ 41,791	11/1/2056	9,448,706
County of San Bernardino	Val 9 Housing Partners, LP	3.00%	(3)	3/1/2070	1,500,000
Housing Authority of San Bernardino	Val 9 Housing Partners, LP	3.00%	(3)	8/31/2070	810,000
Wells Fargo Bank	Val 9 Housing Partners, LP	0.00%	(3)	12/1/2071	750,000
City of San Bernardino	Val 9 Housing Partners, LP	3.00%	(3)	9/30/2071	500,000
City of Palmdale Redevelopment Agency	Courson Senior Partners, LP	3.00%	(1)	12/12/2060	2,850,000
CA Dept. of Hsg and Community Development	Courson Senior Partners, LP	3.00%	(1)	6/30/2062	2,341,584
California Community Reinvestment Corp.	Courson Senior Partners, LP	6.25%	\$ 6,773	4/1/2039	773,751
FHLB-AHP California Community	Courson Senior Partners, LP	0.00%	(3)	1/31/2039	350,000
City of San Marcos	Westlake Housing Partners, LP	3.00%	(1)	12/31/2071	13,330,252
CitiBank, N.A.	Westlake Housing Partners, LP	5.87%	\$ 3,930	6/2/2030	612,099
NCRC - AHP	Westlake Housing Partners, LP	0.00%	(1)	4/1/2069	480,000
City of San Marcos	Richmar Housing Partners, LP	3.00%	(1)	12/31/2071	3,397,973
Berkadia	Richmar Housing Partners, LP	5.12%	\$ 5,764	9/3/2049	971,103
City of San Marcos	Richmar Housing Partners, LP	3.00%	(1)	12/4/2068	385,288
Wells Fargo Bank - construction	Orchard View Senior, LP	Variable	(4)	6/22/2025 *	13,577,113
City of Buena Park	Orchard View Senior, LP	3.00%	(3)	(d)	2,000,000
County of Orange	Orchard View Senior, LP	3.00%	(3)	(d)	1,259,848

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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 Finance Trust	Orchard View Senior, LP	3.00%	(1)	10/1/2082	\$ 792,060
City of Rancho Cucamonga	Day Creek Senior Hsg Partners, LP	2.91%	(1)	12/31/2074	4,896,303
JPMorgan Chase Bank	Day Creek Senior Hsg Partners, LP	5.16%	\$ 11,586	12/14/2039	2,174,865
Century Housing Corporation - AHP	Day Creek Senior Hsg Partners, LP	0.00%	(3)	12/31/2074	1,390,000
City of Rancho Cucamonga	Day Creek Senior Hsg Ptrs 2, LP	3.00%	(1)	10/28/2075	5,700,000
City of Rancho Cucamonga - seller carryback	Day Creek Senior Hsg Ptrs 2, LP	2.91%	(1)	10/28/2075	2,803,697
JPMorgan Chase Bank	Day Creek Senior Hsg Ptrs 2, LP	5.16%	\$ 8,059	8/1/2056	1,512,740
Century Housing Corporation - AHP	Day Creek Senior Hsg Ptrs 2, LP	0.00%	(3)	12/31/2074	490,000
City of San Diego	NCRC Encanto, LP	4.00%	(1)	12/6/2074	6,250,000
Bank of America	NCRC Encanto, LP	5.73%	\$ 21,399	8/1/2036	3,671,363
San Diego Housing Commission	NCRC Encanto, LP	4.00%	(1)	6/30/2074	1,060,000
NCRC - AHP	NCRC Encanto, LP	0.00%	(3)	8/30/2073	650,000
City of San Diego	NCRC SYSV, LP	3.00%	(1)	11/30/2073	5,000,000
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	760,000
Pacific Western Bank	NCRC SYSV, LP	5.50%	\$ 1,583	7/1/2038	280,204
City of Glendale	LINC-CORE Hsg Ptrs-Glendale, LP	3.00%	(1)	(d)	7,485,944
Century Housing Corporation	LINC-CORE Hsg Ptrs-Glendale, LP	5.68%	\$ 12,403	7/1/2037	2,158,848
City of Glendale Housing Authority	LINC-CORE Hsg Ptrs-Glendale, LP	3.00%	(1)	(d)	1,814,056
City National Bank	LINC-CORE Hsg Ptrs-Glendale, LP	0.00%	(3)	3/12/2073	650,000
Century Housing Corporation - AHP	Virginia Holt Housing, LP	3.00%	(3)	3/21/2074	14,729,325
US Bank, N.A.	Virginia Holt Housing, LP	4.57%	\$ 15,699	11/22/2038	3,164,521
Ontario Housing Authority	Virginia Holt Housing, LP	3.00%	(1)	4/1/2074	2,000,000
Ontario Housing Authority	Virginia Holt Housing, LP	3.00%	(1)	4/1/2074	1,556,493
JPMorgan Chase Bank	Waterman Gardens Ptrs 2, LP	3.57%	\$ 82,553	11/30/2040	19,259,628
CA Dept. of Hsg and Community Development	Waterman Gardens Ptrs 2, LP	3.00%	(1)	2/28/2083	17,422,714
Housing Authority of San Bernardino	Waterman Gardens Ptrs 2, LP	3.00%	(1)	9/30/2074	2,210,593
County of San Bernardino	Waterman Gardens Ptrs 2, LP	3.00%	(1)	9/30/2074	1,878,875
City of San Bernardino	Waterman Gardens Ptrs 2, LP	3.00%	(1)	9/30/2074	971,832
HACSB Land Loan	Waterman Gardens Ptrs 2, LP	2.21%	(1)	9/30/2074	970,000
Dignity Health	Waterman Gardens Ptrs 2, LP	2.00%	(1)	11/1/2028	832,433
City of San Bernardino - HOME	Waterman Gardens Ptrs 2, LP	3.00%	(1)	9/30/2074	537,747
City of Huntington Beach	AFH NCRC Beach Blvd, LP	3.00%	(4)	(d)	2,400,000
County of Riverside	NCRC Beaumont LP	3.00%	(1)	6/3/2079	3,715,511
JPMorgan Chase Bank - construction	NCRC Beaumont LP	Variable	(4)	7/20/2026	1,006,625
Housing Authority of Riverside	Grace Vista Affordable Apts	3.00%	(1)	8/1/2078	1,500,000

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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
Housing Authority of Riverside - seller carryback	Grace Vista Affordable Apts	3.00%	(1)	8/1/2078	\$ 352,000
CA Dept. of Hsg and Community Development	NCRC Placentia, LLC	0.00%	(7)	10/18/2079	17,415,777
Century Housing Corporation	NCRC Placentia, LLC	4.57%	\$ 31,068	11/1/2041	6,498,705
CA Dept. of Hsg and Community Development	NCRC Placentia, LLC	3.00%	(2)	10/31/2079	4,806,018
California Housing Finance Agency	NCRC Placentia, LLC	3.00%	(1)	6/1/2077	2,519,696
Century Housing Corporation - AHP	NCRC Placentia, LLC	3.00%	(3)	11/1/2041	960,000
Orange County Housing Finance Trust	NCRC Placentia, LLC	3.00%	(1)	6/1/2077	792,060
County of Orange	NCRC Placentia, LLC	3.00%	(1)	6/1/2077	500,000
Bank of America - Loan A	LINC-CORE Fairview Metro, LP	4.69%	\$21,436	4/1/2039	4,332,528
Bank of America - Loan B	LINC-CORE Fairview Metro, LP	4.49%	\$35,166	4/1/2038	4,227,854
LACDA (measure H)	LINC-CORE Fairview Metro, LP	3.00%	(1)	12/17/2076	3,971,620
LACDA Measure H	LINC-CORE Fairview Metro, LP	3.00%	(1)	12/17/2076	2,630,021
LACDA (MHHP)	LINC-CORE Fairview Metro, LP	3.00%	(1)	12/17/2076	1,882,534
LACDA (Prop A)	LINC-CORE Fairview Metro, LP	0.00%	(1)	12/17/2076	1,380,690
County of San Diego	Iris at San Ysidro, LP	3.00%	(4)	10/31/2080	7,461,238
City of San Diego	Iris at San Ysidro, LP	3.00%	(1)	12/31/2081	4,500,000
San Diego Housing Commission	Iris at San Ysidro, LP	4.00%	(3)	7/31/2081	1,725,000
Wells Fargo - construction	Iris at San Ysidro, LP	Variable	(4)	5/8/2026	1,464,166
NCRC - bond financing	NCRC Mountain View, LLC	4.50%	(3)	4/13/2027	4,870,736
Center for Independent Living	Golden Pierce Hsg Partners, LP	4.07%	\$ 29,541	1/1/2043	6,995,161
NCRC	Golden Pierce Hsg Partners, LP	0.00%	(1)	12/31/2080	3,483,798
City of Riverside	Golden Pierce Hsg Partners, LP	3.00%	(1)	1/31/2077	1,000,000
Housing Authority of the City of Riverside	Golden Pierce Hsg Partners, LP	3.00%	(1)	1/31/2077	1,000,000
NCRC - AHP	Golden Pierce Hsg Partners, LP	0.00%	(1)	7/3/2078	500,000
CA Dept. of Hsg and Community Development	Golden Pierce Hsg Partners, LP	3.00%	(2)	12/9/2079	9,362,680
JPMorgan Chase Bank - construction	NCRC NSV, LP	Variable	(3)	8/5/2025 *	13,705,803
County of San Diego	NCRC NSV, LP	0.00%	(3)	4/7/2077	6,750,000
San Diego Housing Commission	NCRC NSV, LP	4.00%	(1)	12/31/2078	3,163,500
NCRC - AHP	NCRC NSV, LP	0.00%	(1)	12/5/2076	730,000
California Community Reinvestment Corp.	Linc-CORE San Pedro Lofts, LP	4.20%	\$ 38,389	2/1/2059	8,350,099
City of Los Angeles	Linc-CORE San Pedro Lofts, LP	4.00%	(1)	12/15/2077	6,000,000
LINC Community Development Corp	Linc-CORE San Pedro Lofts, LP	1.31%	(1)	12/31/2078	5,838,044
NCRC	Linc-CORE San Pedro Lofts, LP	1.31%	(1)	12/31/2078	5,838,044
Rialto Housing Authority	Rialto Metrolink South Hsg Ptrs, LP	0.25%	(1)	3/30/2077	4,550,000
Rialto Housing Authority	Rialto Metrolink South Hsg Ptrs, LP	0.25%	(1)	6/30/2077	3,030,000
California Community Reinvestment Corp.	Rialto Metrolink South Hsg Ptrs, LP	5.27%	\$ 9,768	8/1/2039	1,756,879

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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
County of San Bernardino	Rialto Metrolink South Hsg Ptrs, LP	3.00%	(3)	3/15/2077	\$ 1,567,518
City of San Marcos	Richmar Station San Marcos, LP	3.00%	(1)	2/4/2068	4,148,010
CA Dept. of Hsg and Community Development	Legacy Square, LP	3.00%	(2)	1/16/2079	15,000,000
California Community Reinvestment Corp.	Legacy Square, LP	3.80%	\$ 19,610	2/1/2042	4,498,718
CA Dept. of Hsg and Community Development	Legacy Square, LP	3.00%	(1)	12/15/2079	3,125,262
California Housing Finance Agency	Legacy Square, LP	3.00%	(1)	2/1/2076	1,514,240
City of San Marcos	VS Phase 1, LP	3.00%	(1)	12/31/2078	9,861,219
Wells Fargo Bank	VS Phase 1, LP	4.36%	\$ 37,054	8/1/2058	7,842,171
County of San Diego	VS Phase 1, LP	3.00%	(1)	3/18/2078	5,504,285
California Housing Finance Agency	VS Phase 1, LP	3.00%	(1)	4/1/2076	1,067,000
San Diego HHS Agency	VS Phase 1, LP	3.00%	(1)	12/31/2078	345,288
San Marcos Redevelopment Agency	West Mission Partners, LLC	3.00%	(1)	5/1/2031	1,320,000
NCRC - Seller Carryback	CP Senior Apartments, LP	3.00%	(1)	7/22/2075	13,447,000
CA Dept. of Hsg and Community Development	CP Senior Apartments, LP	3.00%	(1)	7/1/2079	7,712,905
JPMorgan Chase Bank	CP Senior Apartments, LP	3.81%	\$ 27,613	11/11/2041	6,357,938
County of Riverside	CP Senior Apartments, LP	3.00%	(1)	5/5/2079	2,000,000
NCRC	CP Senior Apartments, LP	2.25%	(1)	7/1/2075	1,165,125
City of San Diego	Rose Creek Village, LP	3.00%	(1)	(b)	4,000,000
City of San Marcos	VS Phase 2, LP	0.00%	(1)	12/31/2081	8,706,268
Housing Authority of the City of Los Angeles	One San Pedro Phase I, LP	4.00%	(1)	(d)	3,579,250
Housing Authority of the City of Los Angeles	One San Pedro Phase I, LP	4.00%	(1)	(d)	2,500,000
Wells Fargo Bank	One San Pedro Phase I, LP	Variable	(4)	4/1/2027	831,545
City of Yorba Linda	VP2 Apartments, LP	3.00%	(1)	7/22/2064	12,726,406
JPMorgan Chase Bank - construction	VP2 Apartments, LP	Variable	(4)	5/29/2026	7,137,642
Subtotal					\$ 1,456,695,526
Less: intercompany notes eliminated upon consolidation					(112,601,987)
Consolidated subtotal					1,344,093,539
Less: unamortized debt issuance costs					(10,113,321)
Mortgages and notes payable, net					<u>\$ 1,333,980,218</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.

(6) Interest due June 1 and December 1 each year.

(7) Forgivable 20 years following the first disbursement.

* Management has plans to, or is in the process of, refinancing or extending the loan prior to maturity. See also Note 17.

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7. Mortgages and notes payable, net (continued)

Debt issuance costs are being amortized to interest expense over the term of the loans. For the year ended December 31, 2024, the effective interest rate was 3.19%. During 2024, amortization expense for debt issuance costs was \$1,764,137.

As mentioned in Note 1, during 2022, NCRC closed on \$100,000,000 of Taxable Bonds, Series 2022 (Social Bonds) (the “Bonds”). The sales price of the Bonds was \$98,986,523, representing the principal amount of the bonds net of underwriting costs and fees. As of December 31, 2024, \$14,783,960 of Bond proceeds have not yet been loaned out and are held as available-for-sale securities (see Note 2). For the year ended December 31, 2024, interest expense on the Bonds was \$3,270,000.

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

2025	\$ 196,171,650
2026	18,231,111
2027	11,497,344
2028	6,937,217
2029	6,238,887
Thereafter	<u>1,105,017,330</u>
Total	<u>\$ 1,344,093,539</u>

Over the next two years, maturities listed above includes approximately \$169,500,000 in construction loans that are expected to be converted to permanent financing or otherwise refinanced with permanent financing. See also Note 17.

8. Net assets with donor restrictions

Note Payable La Quinta Redevelopment Agency

During 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, LP (an entity in which NCRC holds a general partner interest through an affiliate) executed 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, LP 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, LP 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.

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8. Net assets with donor restrictions (continued)

Note Payable La Quinta Redevelopment Agency (continued)

On February 10, 2015, the loan was re-conveyed and will be amortized over the remaining compliance period of the Vista Dunes property. 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, 2024, \$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, 2024, NCRC has a balance of net assets with donor restrictions of \$4,078,990 attributable to the loan forgiveness.

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, 2024, \$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, 2024, NCRC has a balance of net assets with donor restrictions of \$1,448,899 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 Redevelopment Agency of the City of Rancho Cucamonga (the “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, 2024, \$429,293 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, 2024, NCRC has a balance of net assets with donor restrictions of \$35,212,201 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. 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. Over time, the Pledge Agreement was amended to satisfy certain requirements of the Redevelopment Agency.

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8. Net assets with donor restrictions (continued)

Pledge Agreement grant (continued)

The Redevelopment Agency successor agency is the City of Rancho Cucamonga, and continued funding of the Pledge Agreement grant is included in the Redevelopment Agency's Enforceable Obligation Payment Schedule.

For the year ended December 31, 2024, the Redevelopment Agency funded \$339,200 under the Pledge Agreement, which is included as an increase in net assets with donor restrictions on the accompanying consolidated statement of changes in net assets. 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, 2024, \$334,519 of net assets with donor restrictions were released to net assets without donor restrictions, and NCRC has a balance of net assets with donor restrictions of \$2,770,650 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 National CORE. 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, 2024, \$1,048,591 was contributed by NCRC and subsidiaries 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, 2024, accrued retirement plan payables totaled \$1,202,005 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 project-based housing assistance payments to four Housing Affiliates 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, 2024, the affiliates received \$3,288,983 under these agreements, which is included in rental income on the accompanying consolidated statement of activities.

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11. Related party transactions

In the ordinary course of business, NCRC has significant related party transactions with its wholly-owned subsidiaries and its 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 developer fees, construction contractor's fees, 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, 2024, such amounts due totaled \$854,890.

From time-to-time, NCRC advances funds to NCRDC, NCRF and NCRT to cover operating deficits. The advances are unsecured and due on demand. As of December 31, 2024, such advances to NCRDC, NCRF and NCRT totaled \$3,200,247, \$2,787,654, and \$9,666,105, respectively, which are included in advances due from affiliates on the accompanying consolidated statement of financial position. NCRDC's, NCRF's, and NCRT's management have 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, 2024.

General and administrative expense allocation

NCRC allocates 5% and 2% of its general and administrative expenses to NCRDC and NCRF, respectively. The allocation is based on a combination of total organization head count and total properties managed by each organization.

12. 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, 2024, 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, 2024, no amounts were due under these guarantees.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

12. Guarantees (continued)

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, 2024, no amounts were due under these guarantees.

13. 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.

14. Bargain purchase

Pursuant to the Asset Purchase Agreement dated August 9, 2024 (the "Acquisition Date"), CORE Venture Hotel, LLC (the Hotel) acquired 100% of the equity interest of an unrelated limited liability company for total purchase consideration of approximately \$20,857,000, which includes cash, and the settlement of certain of the seller's debt obligations. The acquisition gave NCRC control of an existing 309-room hotel in Ontario, California, expanding into the hospitality industry.

The transaction was accounted for as a business combination under ASC 805, *Business Combinations* ("ASC 805") and the Hotel was determined to be the accounting acquirer. Pursuant to ASC 805, the accounting acquirer accounts for business combinations by recognizing the identifiable net assets acquired and liabilities assumed. Acquisition costs related to business combinations are expensed as incurred. The acquirer also recognizes and measures any goodwill acquired or gain on bargain purchase, when applicable. The estimated purchase price is allocated to (i) the acquired tangible assets and liabilities assumed and (ii) any identified intangible assets. The bargain purchase gain, resulting from the purchase of the net assets of the Hotel at less than fair value, is associated with the hotel being purchased out of receivership from an unrelated party, and is included in other changes on the accompanying consolidated statement of activities.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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14. Bargain purchase (continued)

The following table presents the estimated fair value of the net assets acquired on the Acquisition Date:

Cash consideration paid	\$ 20,180,178
Assumed debt	<u>676,891</u>
Total consideration paid	<u>\$ 20,857,069</u>
<u>Assets</u>	
Land	\$ 6,519,566
Personal property	1,528,293
Building	<u>20,414,743</u>
Identifiable assets acquired	28,462,602
Less: bargain purchase gain	<u>(7,605,533)</u>
Purchase price	<u>\$ 20,857,069</u>

The balance sheet, results of operations, and certain footnote disclosures for the Hotel have been condensed or omitted in these consolidated financial statements. Such information is adequate to ensure the information presented is not materially misleading. However, this condensed financial information should be read in conjunction with the Hotel's separately audited financial statements and notes thereto, for the year ended December 31, 2024.

15. Sale of rental property with common control

In 2021, wholly-owned subsidiary Villa Serena Apartments, LP sold 60 units of its 136-unit apartment complex to VS Phase 1, LP. On May 30, 2024, Villa Serena Apartments, LP sold the rest of its assets to VS Phase 2, LP for total consideration of \$3,390,202. The buyer is a Housing Affiliate. 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 complex and certain assets and liabilities, which resulted in an excess common control of \$290,170 for 2024, with a total of \$2,434,697 that is included in net assets on the accompanying supplemental schedules and eliminated upon consolidation.

On September 6, 2024, wholly-owned subsidiary Yorba Linda Housing Partners, LP sold its 76-unit apartment complex to VP2 Apartments, LP for total consideration of \$23,123,124. The buyer is a Housing Affiliate. The buyer acquired the entire building complex and certain assets and liabilities. Yorba Linda Housing Partners, LP recognized gain upon sale of \$2,046,793, which is included in other changes on the accompanying supplemental schedules and eliminated upon consolidation.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 partner 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. Subsequent events

Subsequent events have been evaluated through June 26, 2025, which is the date the financial statements were available to be issued. The following is a summary of significant transactions through June 26, 2025:

- Effective January 1, 2025, NCRC is the managing general partner with control over the following partnerships that were previously accounted for as equity investments (Note 2), such that these entities and their affordable housing rental properties will consolidate with NCRC going forward:

For-profit housing investment	Controlling general partner	%
9010 Tobias Owner, LP	enCORE 9010 Tobias, LLC	0.004%
8503 Tobias Owner, LP	enCORE 8503 Tobias, LLC	0.004%
6706 Hayvenhurst Owner, LP	enCORE 6706 Hayvenhurst, LLC	0.004%
15125 Saticoy Owner, LP	enCORE 15125 Saticoy, LLC	0.004%
21205-21215 Saticoy Owner, LP	enCORE 21205-21215 Saticoy, LLC	0.004%
14732 Blythe Owner, LP	enCORE 14732 Blythe, LLC	0.004%
14612-14654 Blythe Owner, LP	enCORE 14612-14654 Blythe, LLC	0.004%
Orion and Langdon, LP	enCORE Orion and Langdon, LLC	0.004%

- On May 30, 2025, NCRC received an A+ credit rating from Standard & Poor's (S&P) Global Ratings.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

17. Subsequent events (continued)

- As reported in Note 7, the following loans were to mature during 2025, or have otherwise had a refinance from construction loan to permanent loan:

Lender	Secured Entity	Principal (Note 7)	Original Maturity Date	Extended Maturity or Other
JP Morgan Chase Bank – construction loan	3rd & Dangler, LP	\$ 35,768,179	1/10/2025	Converted to \$5,194,849 permanent loan with 7/10/2042 maturity
Capital One, NA – construction loan	Santa Fe Senior Village, LP	9,981,077	6/30/2025	Exercised extension of maturity date to 10/31/2025



SUPPLEMENTARY INFORMATION CONSOLIDATING SCHEDULES

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2024

	National Community Renaissance of California (corporate only)	CORE Hotel Venture, LLC	Hope Through Housing Foundation	Wholly-Owned Rental Housing	Eliminating Entries	National Community Renaissance of California
ASSETS						
Cash and cash equivalents	\$ 24,675,528	\$ 5,303,573	\$ 2,803,887	\$ 13,986,333	\$ -	\$ 46,769,321
Reserve for security deposits held in trust	-	-	-	2,534,413	-	2,534,413
Restricted cash	1,804,206	-	-	22,884,502	-	24,688,708
Investments in available-for-sale securities	14,888,968	-	-	-	-	14,888,968
Accounts receivable, net	6,363,937	98,219	287,098	3,893,655	-	10,642,909
Prepaid expenses	1,052,727	195,945	2,216	762,665	-	2,013,553
Advance due from affiliates, net	71,567,754	-	1,045,171	566,024	(39,635,062)	33,543,887
Notes and interest receivable	64,188,432	-	1,103,038	74,703,858	(34,286,926)	105,708,402
Project development costs receivable	953,550	-	-	-	-	953,550
Developer fee receivable	21,043,608	-	-	289,870	(1,540,007)	19,793,471
Equity investments in partnerships	47,005,860	-	-	5,559,897	(21,504,987)	31,060,770
Lease right-of-use assets	-	-	-	3,990,509	-	3,990,509
Property, equipment and improvements, net	26,123,115	28,278,315	402,316	311,164,664	(6,122,480)	359,845,930
Deferred costs, net	-	-	-	14,245	-	14,245
Interest rate swap	-	-	-	-	-	-
Total assets	\$ 279,667,685	\$ 33,876,052	\$ 5,643,726	\$ 440,350,635	\$ (103,089,462)	\$ 656,448,636
LIABILITIES AND NET ASSETS						
Accounts payable	\$ 2,814,245	\$ 315,209	\$ 428,381	\$ 8,614,058	(6,982,612)	\$ 5,189,281
Accounts payable - construction	1,432,099	-	-	2,608,718	-	4,040,817
Security deposits	-	-	-	2,441,086	-	2,441,086
Accrued expenses	3,863,691	311,743	291,285	839,448	-	5,306,167
Deferred revenue	13,993,955	77,682	-	778,660	-	14,850,297
Lease right-of-use liability	-	-	-	-	-	-
Accrued interest	40,019	6,716	-	69,512,113	(2,936,373)	66,622,475
Mortgages and notes payable, net	131,053,915	4,996,588	-	286,081,915	(31,350,553)	390,781,865
Due to affiliates	2,520,246	571,261	-	32,458,773	(32,652,450)	2,897,830
Developer fee payable	5,289,979	-	-	1,540,007	(1,540,007)	5,289,979
Total liabilities	161,008,149	6,279,199	719,666	404,874,778	(75,461,995)	497,419,797
Net assets						
Net assets without donor restrictions, controlling	87,312,160	27,596,853	2,780,724	22,109,384	(26,603,036)	113,196,085
Net assets without donor restrictions, non-controlling	-	-	-	-	-	-
Total net assets without donor restrictions	87,312,160	27,596,853	2,780,724	22,109,384	(26,603,036)	113,196,085
Net assets with donor restrictions	31,347,376	-	2,143,336	13,366,473	(1,024,431)	45,832,754
Total net assets	118,659,536	27,596,853	4,924,060	35,475,857	(27,627,467)	159,028,839
Total liabilities and net assets	\$ 279,667,685	\$ 33,876,052	\$ 5,643,726	\$ 440,350,635	\$ (103,089,462)	\$ 656,448,636

	Housing Affiliates	Eliminating Entries	Consolidated Total
\$	\$ 24,056,752	\$ -	\$ 70,826,073
	3,534,700	-	6,069,113
	42,258,743	-	66,947,451
	-	-	14,888,968
	2,834,208	-	13,477,117
	1,363,901	-	3,377,454
	295,362	(17,330,353)	16,508,896
	513,400	(97,069,080)	9,152,722
	-	-	953,550
	-	(18,678,857)	1,114,614
	45,426	(22,308,751)	8,797,445
	54,769,765	-	58,760,274
	1,433,041,707	(139,562,939)	1,653,324,698
	2,904,531	-	2,918,776
	683,569	-	683,569
\$	\$ 1,566,302,064	\$ (294,949,980)	\$ 1,927,800,720
\$	\$ 4,691,889	(2,314,331)	\$ 7,566,839
	35,899,790	-	39,940,607
	3,423,318	-	5,864,404
	1,408,510	-	6,714,677
	746,040	-	15,596,337
	15,271,435	-	15,271,435
	104,639,994	(19,017,078)	152,245,391
	1,024,449,787	(81,251,434)	1,333,980,218
	18,175,580	(15,175,058)	5,898,352
	17,195,589	(21,018,836)	1,466,732
	1,225,901,932	(138,776,737)	1,584,544,992
	20,434,770	(179,591,566)	(45,960,711)
	319,965,362	23,418,323	343,383,685
	340,400,132	(156,173,243)	297,422,974
	-	-	45,832,754
	340,400,132	(156,173,243)	343,255,728
\$	\$ 1,566,302,064	\$ (294,949,980)	\$ 1,927,800,720

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF ACTIVITIES - SUPPLEMENTAL SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2024

	Net Assets without Donor Restrictions									
	National Community Renaissance of California (corporate only)	CORE Hotel Venture, LLC	Hope Through Housing Foundation	Wholly-Owned Rental Housing	Eliminating Entries	National Community Renaissance of California	Housing Affiliates	Eliminating Entries	Net Assets with Donor Restrictions	Consolidated Total
REVENUE AND OTHER INCOME										
Rental revenue, net of vacancy	\$ 846,910	\$ -	\$ -	\$ 47,226,391	\$ -	\$ 48,073,301	\$ 63,457,652	\$ -	\$ -	\$ 111,530,953
Other rental revenue	-	-	284,009	3,083,102	-	3,367,111	1,572,380	-	-	4,939,491
Social service fee income	-	-	3,077,497	-	(920,187)	2,157,310	-	(1,895,851)	-	261,459
Consulting, development and partnership fees	36,490,582	-	-	1,073,719	(8,905,479)	28,658,822	242,379	(27,386,190)	-	1,515,011
Management fees	7,546,596	-	-	-	(2,923,508)	4,623,088	-	(3,669,931)	-	953,157
Grants and contributions, including release of net assets with donor restrictions	480,633	-	4,567,494	10,115,731	-	15,163,858	95,595	-	(1,208,744)	14,050,709
Contributions of nonfinancial assets	-	-	352,364	-	(284,009)	68,355	-	-	-	68,355
Interest income	6,316,730	-	57,907	2,961,627	(923,945)	8,412,319	574,176	(4,044,650)	-	4,941,845
Other income	772,777	-	11,658	295,404	-	1,079,839	-	-	-	1,079,839
Hotel revenues	-	1,347,216	-	-	-	1,347,216	-	-	-	1,347,216
Total revenue and other income	52,454,228	1,347,216	8,350,929	64,755,974	(13,957,128)	112,951,219	65,942,182	(36,996,622)	(1,208,744)	140,688,035
PROGRAM EXPENSES										
Contracted program services - Hope Through Housing	-	-	1,262,587	-	-	1,262,587	-	-	-	1,262,587
Lease expense	-	-	284,009	-	(284,009)	-	874,745	-	-	874,745
Payroll	-	-	3,667,605	7,212,055	-	10,879,660	10,410,255	-	-	21,289,915
Utilities	-	-	4,701	6,389,255	-	6,393,956	7,631,999	-	-	14,025,955
Repairs and maintenance	-	-	1,530	10,709,908	-	10,711,438	10,450,677	-	-	21,162,115
Legal and other professional services	-	-	167,601	-	-	167,601	-	-	-	167,601
Insurance	-	-	7,625	2,778,365	-	2,785,990	3,170,622	-	-	5,956,612
Taxes	-	-	-	1,433,500	-	1,433,500	1,639,363	-	-	3,072,863
Interest expense	-	-	-	10,064,413	(923,945)	9,140,468	30,805,941	(3,207,884)	-	36,738,525
Depreciation and amortization expense	-	-	19,519	12,382,521	(174,400)	12,227,640	36,740,197	(2,985,600)	-	45,982,237
Other program expenses	-	-	1,158,366	-	-	1,158,366	-	(46,767)	-	1,111,599
Total program expenses	-	-	6,573,543	50,970,017	(1,382,354)	56,161,206	101,723,799	(6,240,251)	-	151,644,754
MANAGEMENT AND GENERAL EXPENSES										
General and administrative	4,493,537	-	788,774	3,151,688	-	8,433,999	4,628,642	-	-	13,062,641
Lease expense	27,362	-	-	63,556	-	90,918	-	-	-	90,918
Payroll	25,745,058	-	361,977	-	120,000	26,227,035	-	-	-	26,227,035
Utilities	341,581	-	-	-	-	341,581	-	-	-	341,581
Repairs and maintenance	1,164,103	-	-	-	-	1,164,103	-	-	-	1,164,103
Property management fees	19,695	-	-	8,526,123	(8,364,093)	181,725	7,411,595	(6,158,148)	-	1,435,172
Legal and other professional services	4,073,350	-	29,785	775,351	-	4,878,486	1,604,096	-	-	6,482,582
Insurance	323,970	-	-	-	-	323,970	-	-	-	323,970
Taxes	128,276	-	-	-	-	128,276	-	-	-	128,276
Interest expense	4,845,136	-	-	-	-	4,845,136	-	-	-	4,845,136
Depreciation and amortization expense	962,316	-	-	-	-	962,316	-	-	-	962,316
Other expenses	1,421,636	-	-	76,935	-	1,498,571	246,919	-	-	1,745,490
Hotel operating expenses	-	2,971,099	-	-	(120,000)	2,851,099	-	-	-	2,851,099
Total management and general expenses	43,546,020	2,971,099	1,180,536	12,593,653	(8,364,093)	51,927,215	13,891,252	(6,158,148)	-	59,660,319
FUNDRAISING EXPENSES										
Payroll	-	-	276,738	-	-	276,738	-	-	-	276,738
Fundraising events	45,552	-	294,632	38	-	340,222	-	-	-	340,222
Total fundraising expenses	45,552	-	571,370	38	-	616,960	-	-	-	616,960
Total expenses	43,591,572	2,971,099	8,325,449	63,563,708	(9,746,447)	108,705,381	115,615,051	(12,398,399)	-	211,922,033
Changes in net assets from operations	\$ 8,862,656	\$ (1,623,883)	\$ 25,480	\$ 1,192,266	\$ (4,210,681)	\$ 4,245,838	\$ (49,672,869)	\$ (24,598,223)	\$ (1,208,744)	\$ (71,233,998)
OTHER CHANGES										
Realized gains - Available-for-sale securities, net	-	-	-	-	-	-	-	-	1,584,446	1,584,446
Unrealized losses - Available-for-sale securities	-	-	-	-	-	-	-	-	(23,905)	(23,905)
Unrealized gains - common control purchases/sales	-	-	-	2,046,793	-	2,046,793	-	(2,046,793)	-	-
Unrealized gain - bargain purchase	-	7,605,533	-	-	-	7,605,533	-	-	-	7,605,533
Forgiveness of debt income (loss)	-	-	-	113,847	-	113,847	(288,048)	-	-	(174,201)
Total other changes	\$ -	\$ 7,605,533	\$ -	\$ 2,160,640	\$ -	\$ 9,766,173	\$ (288,048)	\$ (2,046,793)	\$ 1,560,541	\$ 8,991,873
Changes in net assets	\$ 8,862,656	\$ 5,981,650	\$ 25,480	\$ 3,352,906	\$ (4,210,681)	\$ 14,012,011	\$ (49,960,917)	\$ (26,645,016)	\$ 351,797	\$ (62,242,125)

see report of independent auditors

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS - SUPPLEMENTAL SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2024

	National Community Renaissance of California (corporate only)	CORE Hotel Venture, LLC	Hope Through Housing Foundation	Wholly-Owned Rental Housing	Eliminating Entries	National Community Renaissance of California	Housing Affiliates	Eliminating Entries	Consolidated Total
NET ASSETS									
Controlling interest									
Without donor restrictions, beginning of year	\$ 78,449,504	\$ -	\$ 2,755,244	\$ 23,172,630	\$ (2,254,924)	\$ 102,122,454	\$ 15,903,635	\$ (149,643,633)	\$ (31,617,544)
Contributions	-	21,615,203	-	-	(21,615,203)	-	3,531,204	(3,531,204)	-
Distributions	-	-	-	(1,477,772)	1,477,772	-	(228,287)	228,287	-
Transfer of previously affiliate to wholly-owned	-	-	-	(2,938,380)	-	(2,938,380)	2,938,380	-	-
Changes in net assets without donor restrictions	8,862,656	5,981,650	25,480	3,352,906	(4,210,681)	14,012,011	(1,710,162)	(26,645,016)	(14,343,167)
Without donor restrictions, end of year	<u>\$ 87,312,160</u>	<u>\$ 27,596,853</u>	<u>\$ 2,780,724</u>	<u>\$ 22,109,384</u>	<u>\$ (26,603,036)</u>	<u>\$ 113,196,085</u>	<u>\$ 20,434,770</u>	<u>\$ (179,591,566)</u>	<u>\$ (45,960,711)</u>
Controlling interest									
With donor restrictions, beginning of year	\$ 30,238,429	\$ -	\$ 2,437,178	\$ 13,829,781	\$ (1,024,431)	\$ 45,480,957	\$ -	\$ -	\$ 45,480,957
Increase in net assets with donor restrictions	-	-	1,538,479	339,200	-	1,877,679	-	-	1,877,679
Release of net assets with donor restrictions	(451,594)	-	(1,832,321)	(802,508)	-	(3,086,423)	-	-	(3,086,423)
Realized gains - Available-for-sale securities, net	1,584,446	-	-	-	-	1,584,446	-	-	1,584,446
Unrealized gains - Available-for-sale securities	(23,905)	-	-	-	-	(23,905)	-	-	(23,905)
With donor restrictions, end of year	<u>\$ 31,347,376</u>	<u>\$ -</u>	<u>\$ 2,143,336</u>	<u>\$ 13,366,473</u>	<u>\$ (1,024,431)</u>	<u>\$ 45,832,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,832,754</u>
Non-controlling interest									
Without donor restrictions, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 258,137,949	\$ 23,418,323	\$ 281,556,272
Contributions	-	-	-	-	-	-	111,195,973	-	111,195,973
Distributions	-	-	-	-	-	-	(1,117,805)	-	(1,117,805)
Changes in net assets without donor restrictions	-	-	-	-	-	-	(48,250,755)	-	(48,250,755)
Without donor restrictions, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 319,965,362</u>	<u>\$ 23,418,323</u>	<u>\$ 343,383,685</u>

see report of independent auditors

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF INCOME (EBITDA) (Non-GAAP) - SUPPLEMENTAL SCHEDULE *
FOR THE YEAR ENDED DECEMBER 31, 2024

	Net Assets without Donor Restrictions										
	National Community Renaissance of California (corporate only)	CORE Hotel Venture, LLC	Hope Through Housing Foundation	Wholly-Owned Rental Housing	Eliminating Entries	National Community Renaissance of California	Housing Affiliates	Eliminating Entries	Net Assets with Donor Restrictions	Consolidated Total	
REVENUE AND OTHER INCOME											
Rental revenue, net of vacancy	\$ 846,910	\$ -	\$ -	\$ 47,226,391	\$ -	\$ 48,073,301	\$ 63,457,652	\$ -	\$ -	\$ 111,530,953	
Other rental revenue	-	-	284,009	3,083,102	-	3,367,111	1,572,380	-	-	4,939,491	
Social service fee income	-	-	3,077,497	-	(920,187)	2,157,310	-	(1,895,851)	-	261,459	
Consulting, development and partnership fees	36,490,582	-	-	1,073,719	(8,905,479)	28,658,822	242,379	(27,386,190)	-	1,515,011	
Management fees	7,546,596	-	-	-	(2,923,508)	4,623,088	-	(3,669,931)	-	953,157	
Grants and contributions, including release of net assets with donor restrictions	480,633	-	4,567,494	10,115,731	-	15,163,858	95,595	-	(1,208,744)	14,050,709	
Contributions of nonfinancial assets	-	-	352,364	-	(284,009)	68,355	-	-	-	68,355	
Other income	772,777	-	11,658	295,404	-	1,079,839	-	-	-	1,079,839	
Hotel revenues	-	1,347,216	-	-	-	1,347,216	-	-	-	1,347,216	
Total revenue and other income	46,137,498	1,347,216	8,293,022	61,794,347	(13,033,183)	104,538,900	65,368,006	(32,951,972)	(1,208,744)	135,746,190	
PROGRAM EXPENSES											
Contracted program services - Hope Through Housing	-	-	1,262,587	-	-	1,262,587	-	-	-	1,262,587	
Lease expense	-	-	284,009	-	(284,009)	-	874,745	-	-	874,745	
Payroll	-	-	3,667,605	7,212,055	-	10,879,660	10,410,255	-	-	21,289,915	
Utilities	-	-	4,701	6,389,255	-	6,393,956	7,631,999	-	-	14,025,955	
Repairs and maintenance	-	-	1,530	10,709,908	-	10,711,438	10,450,677	-	-	21,162,115	
Legal and other professional services	-	-	167,601	-	-	167,601	-	-	-	167,601	
Insurance	-	-	7,625	2,778,365	-	2,785,990	3,170,622	-	-	5,956,612	
Taxes	-	-	-	1,159,193	-	1,159,193	1,584,858	-	-	2,744,051	
Other program expenses	-	-	1,158,366	-	-	1,158,366	-	(46,767)	-	1,111,599	
Total program expenses	-	-	6,554,024	28,248,776	(284,009)	34,518,791	34,123,156	(46,767)	-	68,595,180	
MANAGEMENT AND GENERAL EXPENSES											
General and administrative	4,493,537	-	788,774	3,151,688	-	8,433,999	4,628,642	-	-	13,062,641	
Lease expense	27,362	-	-	63,556	-	90,918	-	-	-	90,918	
Payroll	25,745,058	-	361,977	-	120,000	26,227,035	-	-	-	26,227,035	
Utilities	341,581	-	-	-	-	341,581	-	-	-	341,581	
Repairs and maintenance	1,164,103	-	-	-	-	1,164,103	-	-	-	1,164,103	
Property management fees	19,695	-	-	8,526,123	(8,364,093)	181,725	7,411,595	(6,158,148)	-	1,435,172	
Legal and other professional services	4,073,350	-	29,785	775,351	-	4,878,486	1,604,096	-	-	6,482,582	
Insurance	323,970	-	-	-	-	323,970	-	-	-	323,970	
Taxes	90,580	-	-	-	-	90,580	-	-	-	90,580	
Other expenses	1,421,636	-	-	76,935	-	1,498,571	246,919	-	-	1,745,490	
Hotel operating expenses	-	2,691,775	-	-	(120,000)	2,571,775	-	-	-	2,571,775	
Total management and general expenses	37,700,872	2,691,775	1,180,536	12,593,653	(8,364,093)	45,802,743	13,891,252	(6,158,148)	-	53,535,847	
FUNDRAISING EXPENSES											
Payroll	-	-	276,738	-	-	276,738	-	-	-	276,738	
Fundraising events	45,552	-	294,632	38	-	340,222	-	-	-	340,222	
Total fundraising expenses	45,552	-	571,370	38	-	616,960	-	-	-	616,960	
Total expenses	37,746,424	2,691,775	8,305,930	40,842,467	(8,648,102)	80,938,494	48,014,408	(6,204,915)	-	122,747,987	
NET INCOME (LOSS) (EBITDA)	\$ 8,391,074	\$ (1,344,559)	\$ (12,908)	\$ 20,951,880	\$ (4,385,081)	\$ 23,600,406	\$ 17,353,598	\$ (26,747,057)	\$ (1,208,744)	\$ 12,998,203	
DEPRECIATION AND AMORTIZATION											
Depreciation expense	(962,316)	(279,324)	(19,519)	(12,368,572)	174,400	(13,455,331)	(36,470,839)	2,985,600	-	(46,940,570)	
Amortization expense	-	-	-	(13,949)	-	(13,949)	(269,358)	-	-	(283,307)	
Depreciation and amortization expense	(962,316)	(279,324)	(19,519)	(12,382,521)	174,400	(13,469,280)	(36,740,197)	2,985,600	-	(47,223,877)	
OTHER CHANGES											
Realized gains - Available-for-sale securities, net	-	-	-	-	-	-	-	-	1,584,446	1,584,446	
Unrealized losses - Available-for-sale securities	-	-	-	-	-	-	-	-	(23,905)	(23,905)	
Unrealized gains - common control purchases/sales	-	-	-	2,046,793	-	2,046,793	-	(2,046,793)	-	-	
Unrealized gains - bargain purchase	-	7,605,533	-	-	-	7,605,533	-	-	-	7,605,533	
Forgiveness of debt income (loss)	-	-	-	113,847	-	113,847	(288,048)	-	-	(174,201)	
Total other changes	\$ -	\$ 7,605,533	\$ -	\$ 2,160,640	\$ -	\$ 9,766,173	\$ (288,048)	\$ (2,046,793)	\$ 1,560,541	\$ 8,991,873	
INCOME (LOSS) BEFORE INTEREST AND TAXES	7,428,758	5,981,650	(32,427)	10,729,999	(4,210,681)	19,897,299	(19,674,647)	(25,808,250)	351,797	(25,233,801)	
INTEREST											
Interest income	6,316,730	-	57,907	2,961,627	(923,945)	8,412,319	574,176	(4,044,650)	-	4,941,845	
Interest expense	(4,845,136)	-	-	(10,064,413)	923,945	(13,985,604)	(30,805,941)	3,207,884	-	(41,583,661)	
Interest, net	1,471,594	-	57,907	(7,102,786)	-	(5,573,285)	(30,231,765)	(836,766)	-	(36,641,816)	
TAXES											
Franchise tax fees	(37,696)	-	-	(274,307)	-	(312,003)	(54,505)	-	-	(366,508)	
CHANGES IN NET ASSETS	\$ 8,862,656	\$ 5,981,650	\$ 25,480	\$ 3,352,906	\$ (4,210,681)	\$ 14,012,011	\$ (49,960,917)	\$ (26,645,016)	\$ 351,797	\$ (62,242,125)	

* This schedule is indented 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 American (non-GAAP).

see report of independent auditors

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
DECONSOLIDATING STATEMENT OF FINANCIAL POSITION - RENTAL HOUSING - SUPPLEMENTAL SCHEDULE (UNAUDITED)
DECEMBER 31, 2024

	Consolidated Total	CORE Hotel Venture, LLC	Hope Through Housing Foundation	Eliminating Entries	Consolidated NCRC Rental Housing
ASSETS					
Cash and cash equivalents	\$ 70,826,073	\$ 5,303,573	\$ 2,803,887	\$ -	\$ 62,718,613
Reserve for security deposits held in trust	6,069,113	-	-	-	6,069,113
Restricted cash	66,947,451	-	-	-	66,947,451
Investments in available-for-sale securities	14,888,968	-	-	-	14,888,968
Accounts receivable, net	13,477,117	98,219	287,098	-	13,091,800
Prepaid expenses	3,377,454	195,945	2,216	-	3,179,293
Advance due from affiliates, net	16,508,896	-	1,045,171	(1,662,267)	17,125,992
Notes and interest receivable	9,152,722	-	1,103,038	-	8,049,684
Project development costs receivable	953,550	-	-	-	953,550
Developer fee receivable	1,114,614	-	-	-	1,114,614
Equity investments in partnerships	8,797,445	-	-	(21,615,203)	30,412,648
Lease right-of-use assets	58,760,274	-	-	-	58,760,274
Property, equipment and improvements, net	1,653,324,698	28,278,315	402,316	-	1,624,644,067
Deferred costs, net	2,918,776	-	-	-	2,918,776
Interest rate swap	683,569	-	-	-	683,569
Total assets	\$ 1,927,800,720	\$ 33,876,052	\$ 5,643,726	\$ (23,277,470)	\$ 1,911,558,412
LIABILITIES AND NET ASSETS					
Accounts payable	\$ 7,566,839	\$ 315,209	\$ 428,381	(92,602)	\$ 6,915,851
Accounts payable - construction	39,940,607	-	-	-	39,940,607
Security deposits	5,864,404	-	-	-	5,864,404
Accrued expenses	6,714,677	311,743	291,285	-	6,111,649
Deferred revenue	15,596,337	77,682	-	-	15,518,655
Lease right-of-use liability	15,271,435	-	-	-	15,271,435
Accrued interest	152,245,391	6,716	-	-	152,238,675
Mortgages and notes payable, net	1,333,980,218	4,996,588	-	-	1,328,983,630
Due to affiliates	5,898,352	571,261	-	(1,616,432)	6,943,523
Developer fee payable	1,466,732	-	-	-	1,466,732
Total liabilities	1,584,544,992	6,279,199	719,666	(1,709,034)	1,579,255,161
Net assets					
Net assets without donor restrictions, controlling	(45,960,711)	27,596,853	2,780,724	(21,568,436)	(54,769,852)
Net assets without donor restrictions, non-controlling	343,383,685	-	-	-	343,383,685
Total net assets without donor restrictions	297,422,974	27,596,853	2,780,724	(21,568,436)	288,613,833
Net assets with donor restrictions	45,832,754	-	2,143,336	-	43,689,418
Total net assets	343,255,728	27,596,853	4,924,060	(21,568,436)	332,303,251
Total liabilities and net assets	\$ 1,927,800,720	\$ 33,876,052	\$ 5,643,726	\$ (23,277,470)	\$ 1,911,558,412

see report of independent auditors

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
DECONSOLIDATING STATEMENT OF ACTIVITIES - RENTAL HOUSING - SUPPLEMENTAL SCHEDULE (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024

		Net Assets without Donor Restrictions			HTHF Net Assets with Donor Restrictions	Consolidated NCRC Rental Housing
	Consolidated Total	CORE Hotel Venture, LLC	Hope Through Housing Foundation	Eliminating Entries		
REVENUE AND OTHER INCOME						
Rental revenue, net of vacancy	\$ 111,530,953	\$ -	\$ -	\$ -	\$ -	\$ 111,530,953
Other rental revenue	4,939,491	-	284,009	-	-	4,655,482
Social service fee income	261,459	-	3,077,497	(2,816,038)	-	-
Consulting, development and partnership fees	1,515,011	-	-	-	-	1,515,011
Management fees	953,157	-	-	-	-	953,157
Grants and contributions, including release of net assets with donor restrictions	14,050,709	-	4,567,494	-	(293,842)	9,777,057
Contributions of nonfinancial asset:	68,355	-	352,364	(284,009)	-	-
Interest income	4,941,845	-	57,907	-	-	4,883,938
Other income	1,079,839	-	11,658	-	-	1,068,181
Hotel revenues	1,347,216	1,347,216	-	-	-	-
Total revenue and other income	140,688,035	1,347,216	8,350,929	(3,100,047)	(293,842)	134,383,779
PROGRAM EXPENSES						
Contracted program services - Hope Through Housing	1,262,587	-	1,262,587	-	-	-
Lease expense	874,745	-	284,009	(284,009)	-	874,745
Payroll	21,289,915	-	3,667,605	-	-	17,622,310
Utilities	14,025,955	-	4,701	-	-	14,021,254
Repairs and maintenance	21,162,115	-	1,530	-	-	21,160,585
Legal and other professional services	167,601	-	167,601	-	-	-
Insurance	5,956,612	-	7,625	-	-	5,948,987
Taxes	3,072,863	-	-	-	-	3,072,863
Interest expense	36,738,525	-	-	-	-	36,738,525
Depreciation and amortization expense	45,982,237	-	19,519	-	-	45,962,718
Other program expenses	1,111,599	-	1,158,366	(46,767)	-	-
Total program expenses	151,644,754	-	6,573,543	(330,776)	-	145,401,987
MANAGEMENT AND GENERAL EXPENSES						
General and administrative	13,062,641	-	788,774	-	-	12,273,867
Lease expense	90,918	-	-	-	-	90,918
Payroll	26,227,035	-	361,977	120,000	-	25,745,058
Utilities	341,581	-	-	-	-	341,581
Repairs and maintenance	1,164,103	-	-	-	-	1,164,103
Property management fees	1,435,172	-	-	(2,816,038)	-	4,251,210
Legal and other professional services	6,482,582	-	29,785	-	-	6,452,797
Insurance	323,970	-	-	-	-	323,970
Taxes	128,276	-	-	-	-	128,276
Interest expense	4,845,136	-	-	-	-	4,845,136
Depreciation and amortization expense	962,316	-	-	-	-	962,316
Other expenses	1,745,490	-	-	-	-	1,745,490
Hotel operating expenses	2,851,099	2,971,099	-	(120,000)	-	-
Total management and general expenses	59,660,319	2,971,099	1,180,536	(2,816,038)	-	58,324,722
FUNDRAISING EXPENSES						
Payroll	276,738	-	276,738	-	-	-
Fundraising events	340,222	-	294,632	-	-	45,590
Total fundraising expenses	616,960	-	571,370	-	-	45,590
Total expenses	211,922,033	2,971,099	8,325,449	(3,146,814)	-	203,772,299
Changes in net assets from operations	\$ (71,233,998)	\$ (1,623,883)	\$ 25,480	\$ 46,767	\$ (293,842)	\$ (69,388,520)
OTHER CHANGES						
Realized gains - Available-for-sale securities, net	1,584,446	-	-	-	-	1,584,446
Unrealized losses - Available-for-sale securities	(23,905)	-	-	-	-	(23,905)
Unrealized gains - common control purchases/sales	-	-	-	-	-	-
Unrealized gain - bargain purchase	7,605,533	7,605,533	-	-	-	-
Forgiveness of debt income (loss)	(174,201)	-	-	-	-	(174,201)
Total other changes	\$ 8,991,873	\$ 7,605,533	\$ -	\$ -	\$ -	\$ 1,386,340
Changes in net assets	\$ (62,242,125)	\$ 5,981,650	\$ 25,480	\$ 46,767	\$ (293,842)	\$ (68,002,180)

see report of independent auditors

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
DECONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS - RENTAL HOUSING - SUPPLEMENTAL SCHEDULE (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Consolidated Total	CORE Hotel Venture, LLC	Hope Through Housing Foundation	Eliminating Entries	Consolidated NCRC Rental Housing
NET ASSETS					
Controlling interest					
Without donor restrictions, beginning of year	\$ (31,617,544)	\$ -	\$ 2,755,244	\$ -	\$ (34,372,788)
Contributions	-	21,615,203	-	(21,615,203)	-
Changes in net assets without donor restrictions	(14,343,167)	5,981,650	25,480	46,767	(20,397,064)
Without donor restrictions, end of year	<u>\$ (45,960,711)</u>	<u>\$ 27,596,853</u>	<u>\$ 2,780,724</u>	<u>\$ (21,568,436)</u>	<u>\$ (54,769,852)</u>
With donor restrictions, beginning of year	\$ 45,480,957	\$ -	\$ 2,437,178	\$ -	\$ 43,043,779
Increase in net assets with donor restrictions	1,877,679	-	1,538,479	-	339,200
Release of net assets with donor restrictions	(3,086,423)	-	(1,832,321)	-	(1,254,102)
Realized gains - Available-for-sale securities, net	1,584,446	-	-	-	1,584,446
Unrealized gains - Available-for-sale securities	(23,905)	-	-	-	(23,905)
With donor restrictions, end of year	<u>\$ 45,832,754</u>	<u>\$ -</u>	<u>\$ 2,143,336</u>	<u>\$ -</u>	<u>\$ 43,689,418</u>
Non-controlling interest					
Without donor restrictions, beginning of year	\$ 281,556,272	\$ -	\$ -	\$ -	\$ 281,556,272
Contributions	111,195,973	-	-	-	111,195,973
Distributions	(1,117,805)	-	-	-	(1,117,805)
Changes in net assets without donor restrictions	(48,250,755)	-	-	-	(48,250,755)
Without donor restrictions, end of year	<u>\$ 343,383,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,383,685</u>

see report of independent auditors



SUPPLEMENTARY INFORMATION REQUIRED BY THE UNIFORM GUIDANCE

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Agreement Number	Total Federal (and non- federal) Expenditures
U.S. Department of Housing and Urban Development:			
San Antonio Gateway Housing Corporation (NCRC) passed through to: Montclair Senior Housing Partners, LP			
Supportive Housing for the Elderly (Section 202)	14.157	N/A	\$ 10,604,000
<i>Subtotal of 14.157</i>			<i>10,604,000</i>
passed through from: City of Los Angeles HCID and Union Station Homeless Services			
COVID-19: Emergency Solutions Grant Program	14.231	2020PHK51-NC1A-D 2020PHK42-NC1A-E	197,851 55,695
<i>Subtotal of 14.231</i>			<i>253,546</i>
passed through from: Long Beach Affordable Housing Coalition, Inc. County of Riverside			
HOME Investment Partnerships Program - Loans	14.239	N/A	616,958
<i>Subtotal of 14.239</i>			<i>616,958</i>
Total U.S. Department of Housing and Urban Development			11,474,504
U.S. Department of the Treasury:			
passed through from: California Department of Housing and Community Development and City of Los Angeles			
COVID-19: Coronavirus Relief Fund - Loans	21.019	N/A	17,470,000 *
<i>Subtotal of 21.019</i>			<i>17,470,000</i>
passed through from: County of Riverside, California			
COVID-19: Coronavirus State and Local Fiscal Recovery Funds - Loan	21.027	N/A	4,750,000
<i>Subtotal of 21.027</i>			<i>4,750,000</i>
Total U.S. Department of the Treasury			22,220,000
Total expenditures of federal (and non-federal) awards			\$ 33,694,504

*includes indeterminate federal amounts (see Note 3)

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
FOR THE YEAR ENDED DECEMBER 31, 2024

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”) and subsidiaries under programs of the federal government for the year ended December 31, 2024. 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 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed. Assistance Listing numbers (“AL No.”) are provided when available. The Organization elected not to use the 10% de minimis indirect cost rate.

3. Outstanding federal loans and grants

The following represents the amount of outstanding loans and grants identified by AL No. AL No. with the prefix 14 are provided by U.S. Department of Housing and Urban Development, and AL No. with the prefix 21 are provided by U.S. Department of the Treasury, and are included in the Schedule.

AL No.	Program title	Funds received in 2024	Prior year funds with continuing compliance requirements	Total outstanding funds December 31, 2024
14.157	Supportive Housing for the Elderly (Section 202) - Loan	\$ -	\$ 10,604,000	\$ 10,604,000
14.231	Emergency Solutions Grant Programs - Grants	253,546	1,071,686	1,325,232
14.239	HOME Investment Partnerships Program - Loans	-	616,958	603,128
21.019	Coronavirus Relief Fund - Loans	-	17,470,000	17,470,000
20.027	Coronavirus State and Local Fiscal Recovery Funds - Loan	4,750,000	-	4,750,000

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

3. Outstanding federal loans and grants (continued)

No. HOME units	Project	Pass-through entity	AL No.	Outstanding loan balance as of December 31, 2024
11	Clark	Long Beach Affordable Housing Coalition, Inc.	14.239	\$ 550,000
11	Corona del Rey	County of Riverside	14.239	53,128
61*	Corona del Rey	County of Riverside	21.027	4,750,000
83		Total of HOME Investments Partnership Program compliance funds		<u>\$ 5,353,128</u>

* 61 units are funded with Coronavirus State and Local Fiscal Recovery Funds (the ARPA units) but rent and income limits are to follow HOME program requirements.

No. Homekey units	Project	Pass-through entity	AL No.	Grant funds expended as of December 31, 2024
49	Titta Inn	City of Los Angeles	14.231	\$ 589,761
52	Super 8	City of Los Angeles	14.231	735,471
101		Total of Emergency Solutions Grant Program – Grant expenditures		<u>\$ 1,325,232</u>

No. Homekey units	Project	Pass-through entity	AL No.	Outstanding loan balance as of December 31, 2024
49	Titta Inn **	City of Los Angeles	21.019	\$ 8,580,000
52	Super 8 **	City of Los Angeles	21.019	8,890,000
101		Total of Coronavirus Relief Fund – Loans		<u>\$ 17,470,000</u>

** Coronavirus Relief Funds may include non-federal amounts; however, such amounts are indeterminate:

The loans received by the Titta Inn and Super 8 projects consist of Homekey Program funding by HCD, passed-through to the City of Los Angeles and the Housing Authority of the City of Los Angeles, who then passed-through to the Organization. The HCD Homekey Program funds are derived from the Coronavirus Relief Fund established by the federal Coronavirus Aid, Relief, and Economic Security Act of 2020 (Public Law 116-136), and, to a lesser extent, the California State General Fund (non-federal).

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, 2024, 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 June 26, 2025.

Report on 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 in 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 or significant deficiencies may exist that were not identified.

Report on Compliance

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 that are required to be reported under *Government Auditing Standards*.

Other Matters

We noted certain matters that we are required to report to management of National Community Renaissance of California in a separate written communication. These matters are described in our management letter dated June 26, 2025

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 "Novogradac & Company LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
June 26, 2025



NOVOGRADAC
& COMPANY LLP®

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE
FOR THE MAJOR PROGRAMS 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 the Major Federal Programs

Opinion on the Major Federal Programs

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 National Community Renaissance of California's major federal programs for the year ended December 31, 2024. 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.

In our opinion, National Community Renaissance of California complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Programs

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of National Community Renaissance of California and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of National Community Renaissance of California's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to National Community Renaissance of California's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on National Community Renaissance of California's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about National Community Renaissance of California's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding National Community Renaissance of California's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of National Community Renaissance of California's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 National Community Renaissance of California's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
June 26, 2025

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.157	Supportive Housing for the Elderly (Section 202)
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	<u> \$1,010,835 </u>
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Auditee qualified as low-risk auditee?	<u> x </u> Yes	<u> </u> No
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NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

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, 2024

There were no prior year audit findings.

National Community Renaissance of California

AND SUBSIDIARIES

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

December 31, 2023

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**

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Report of Independent Auditors

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

Opinion

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, 2023, 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.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of National Community Renaissance of California and Subsidiaries as of December 31, 2023, 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.

Basis for Opinion

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 of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of National Community Renaissance of California and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Changes in Accounting Principles

As discussed in Note 2 to the consolidated financial statements, National Community Renaissance of California and Subsidiaries adopted accounting standards changes related to accounting and disclosure for leasing arrangements. Our opinion is not modified with respect to those matters.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Community Renaissance of California and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omission, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 National Community Renaissance of California and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Community Renaissance of California and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary 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, consolidating 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.

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 Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. 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 June 27, 2024, on our consideration of National Community Renaissance of California and Subsidiaries' 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 and Subsidiaries' 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 and Subsidiaries' 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
June 27, 2024

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	National Community Renaissance of California	Housing Affiliates	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 46,249,011	\$ 19,798,322	\$ -	\$ 66,047,333
Reserve for security deposits held in trust	2,314,173	3,137,300	-	5,451,473
Restricted cash	23,560,466	36,889,240	-	60,449,706
Investments in available-for-sale securities	37,815,052	-	-	37,815,052
Accounts receivable, net	5,215,233	3,739,514	-	8,954,747
Prepaid expense	2,257,066	875,828	-	3,132,894
Advance due from affiliates, net	19,980,897	343,679	(17,848,707)	2,475,869
Notes and interest receivable	105,178,484	501,841	(88,329,700)	17,350,625
Project development costs receivable	953,550	-	-	953,550
Developer fee receivable	15,505,669	-	(14,261,866)	1,243,803
Equity investments in partnerships	29,575,083	45,426	(20,925,904)	8,694,605
Lease right-of-use assets	1,460,555	55,050,413	-	56,510,968
Property, equipment and improvements, net	322,277,362	1,272,968,221	(100,621,320)	1,494,624,263
Deferred costs, net	28,194	2,436,774	-	2,464,968
Interest rate swap	-	741,677	-	741,677
	<u>\$ 612,370,795</u>	<u>\$ 1,396,528,235</u>	<u>\$ (241,987,497)</u>	<u>\$ 1,766,911,533</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 3,208,473	\$ 4,075,034	\$ (2,738,040)	\$ 4,545,467
Accounts payable - construction	5,693,509	35,559,317	-	41,252,826
Security deposits payable	2,214,869	3,097,295	-	5,312,164
Accrued expenses	4,138,198	1,057,132	-	5,195,330
Deferred revenue	8,082,890	547,358	(2,166,660)	6,463,588
Lease right-of-use liability	-	18,437,014	-	18,437,014
Accrued interest	63,327,606	88,960,111	(11,004,066)	141,283,651
Mortgages and notes payable, net	375,505,029	938,396,794	(71,683,282)	1,242,218,541
Due to affiliates	2,591,775	15,941,873	(15,110,667)	3,422,981
Developer fee payable	5,035	16,414,723	(13,059,472)	3,360,286
Total liabilities	<u>464,767,384</u>	<u>1,122,486,651</u>	<u>(115,762,187)</u>	<u>1,471,491,848</u>
Net assets				
Without donor restriction, controlling	102,122,454	15,903,635	(149,643,633)	(31,617,544)
Without donor restriction, non-controlling	-	258,137,949	23,418,323	281,556,272
Total net assets without donor restrictions	<u>102,122,454</u>	<u>274,041,584</u>	<u>(126,225,310)</u>	<u>249,938,728</u>
Net assets with donor restrictions	<u>45,480,957</u>	<u>-</u>	<u>-</u>	<u>45,480,957</u>
Total net assets	<u>147,603,411</u>	<u>274,041,584</u>	<u>(126,225,310)</u>	<u>295,419,685</u>
Total liabilities and net assets	<u>\$ 612,370,795</u>	<u>\$ 1,396,528,235</u>	<u>\$ (241,987,497)</u>	<u>\$ 1,766,911,533</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, 2023

	National Community Renaissance of California	Housing Affiliates	Net Assets with donor restrictions	Eliminations	Total
REVENUE AND OTHER INCOME					
Rental income, net of vacancy	\$ 45,170,648	\$ 54,850,305	\$ -	\$ -	\$ 100,020,953
Other rental income	1,514,031	1,297,986	-	-	2,812,017
Social service fee income	1,818,233	-	-	(1,818,233)	-
Consulting, development and partnership fees	26,275,272	392,982	-	(21,545,512)	5,122,742
Management fees	4,124,825	-	-	(3,480,397)	644,428
Grants and contributions, including release of net assets with donor restrictions	5,438,620	2,449,327	(142,801)	-	7,745,146
Contributions of nonfinancial assets	571,464	-	-	(288,862)	282,602
Interest income	11,500,246	350,790	-	(10,535,429)	1,315,607
Other income	1,975,782	-	-	-	1,975,782
Total revenue and other income	98,389,121	59,341,390	(142,801)	(37,668,433)	119,919,277
EXPENSES					
Program services	51,928,411	86,956,169	-	(5,240,859)	133,643,721
Management and general	44,034,378	11,975,630	-	(5,501,290)	50,508,718
Fundraising expenses	601,505	-	-	-	601,505
Total expenses	96,564,294	98,931,799	-	(10,742,149)	184,753,944
Changes in net assets from operations	1,824,827	(39,590,409)	(142,801)	(26,926,284)	(64,834,667)
OTHER CHANGES					
Realized gains - Available-for-sale securities, net	-	-	1,160,110	-	1,160,110
Unrealized gains - Available-for-sale securities	-	-	128,913	-	128,913
Total other changes	-	-	1,289,023	-	1,289,023
Changes in net assets before non-controlling interest	1,824,827	(39,590,409)	1,146,222	(26,926,284)	(63,545,644)
Less: attributable to non-controlling interest	-	(38,571,352)	-	-	(38,571,352)
Changes in net assets, controlling interest	<u>\$ 1,824,827</u>	<u>\$ (1,019,057)</u>	<u>\$ 1,146,222</u>	<u>\$ (26,926,284)</u>	<u>\$ (24,974,292)</u>

see accompanying notes

National Community Renaissance of California and Wholly-Owned Subsidiaries				Housing Affiliates	
	Program Services	Management and General	Fundraising Expense	Program Services	Management and General
	\$	\$	\$	\$	\$
EXPENDITURES					
General and administrative					
Contracted program services - Hope Through Housing					
Housing	1,525,452	-	-	-	-
Lease expense	288,862	276,424	-	338,239	(288,862)
Fundraising events	-	-	360,163	-	-
Payroll	9,692,269	22,353,933	241,342	8,870,417	-
Utilities	5,834,244	400,497	-	6,619,621	-
Repairs and maintenance	10,235,853	986,651	-	10,577,288	-
Property management fees	-	171,087	-	-	(5,501,290)
Legal and other professional services	162,757	4,614,670	-	-	-
Insurance	2,086,523	194,719	-	-	-
Taxes	1,285,903	191,069	-	2,082,681	-
Interest expense	9,048,837	4,481,065	-	1,111,077	-
Depreciation and amortization expense	10,711,124	786,731	-	25,951,829	(2,673,997)
Other expenses	1,056,587	2,929,710	-	31,405,017	(2,278,000)
				398,560	-
Total expenditures	\$ 51,928,411	\$ 44,034,378	\$ 601,505	\$ 86,956,169	\$ (10,742,149)
					\$ 184,753,944

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**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Controlling</u>	<u>Non-Controlling</u>	<u>Total</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS			
Net (deficit) assets without donor restrictions, January 1, 2023	\$ (6,643,252)	\$ 242,529,063	\$ 235,885,811
Contributions	-	78,327,226	78,327,226
Distributions	-	(728,665)	(728,665)
Changes in net assets	<u>(24,974,292)</u>	<u>(38,571,352)</u>	<u>(63,545,644)</u>
Balance at December 31, 2023	<u>\$ (31,617,544)</u>	<u>\$ 281,556,272</u>	<u>\$ 249,938,728</u>
NET ASSETS WITH DONOR RESTRICTIONS			
Net assets with donor restrictions January 1, 2023	\$ 44,334,735	\$ -	\$ 44,334,735
Grant income - Pledge agreement grant	339,200	-	339,200
Grant and contribution income - Hope Through Housing	2,001,378	-	2,001,378
Release of donor restrictions	(2,483,379)	-	(2,483,379)
Realized gains - Available-for-sale securities, net	1,160,110	-	1,160,110
Unrealized gains - Available-for-sale securities	<u>128,913</u>	<u>-</u>	<u>128,913</u>
Balance at December 31, 2023	<u>\$ 45,480,957</u>	<u>\$ -</u>	<u>\$ 45,480,957</u>

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE CORPORATION
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	\$ (63,545,644)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Contributions of nonfinancial assets	(282,602)
Forgiveness by lender	(1,502,820)
Bad debts	3,499,703
Interest expense - debt issuance costs	810,215
Write-off of debt issuance costs from debt extinguishment	505,383
Depreciation and amortization	40,624,872
Amortization of operating lease right-of-use liability	219,791
Unrealized gains - available-for-sale securities	(128,913)
Unrealized gain - interest rate swap	(741,677)
(Increase) decrease in assets:	
Accounts receivable	101,059
Prepaid expenses	(321,440)
Advance due from affiliates	2,159,195
Developer fee receivable	6,273
Investments	(1,295,859)
Notes and interest receivable	(10,049,369)
Operating lease right-of-use assets (ground leases)	307,650
Increase (decrease) in liabilities:	
Accounts payable	(1,276,695)
Accrued expenses	(331,084)
Security deposits payable	565,242
Deferred revenue	5,619,692
Operating lease right-of-use liabilities (ground leases)	10,668,177
Accrued interest	28,251,666
Developer fee payable	1,242,279
Net cash provided by operating activities	<u>15,105,094</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of available-for-sale securities	(2,260,286)
Sales of available-for-sale securities	20,910,706
Purchases of property, equipment and improvements	(189,755,436)
Payment of deferred costs	(806,713)
Net cash used in investing activities	<u>(171,911,729)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Payment of accounts payable - construction	(28,030,700)
Payment of right-of-use finance leases (ground leases)	(3,325,000)
Principal payments of mortgages and notes payable	(140,489,166)
Proceeds from mortgages and notes payable	283,267,649
Payment of debt issuance costs	(1,105,385)
Net payment of funds due to affiliates	(178,105)
Payment of syndication costs	(163,500)
Capital contributions	78,325,644
Capital distributions	(728,665)
Net cash provided by financing activities	<u>187,572,772</u>

NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH 30,766,137

CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR 101,182,375

CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR \$ 131,948,512

Cash and cash equivalents	\$ 66,047,333
Tenant security deposits	5,451,473
Restricted cash	60,449,706
Total cash, cash equivalents and restricted cash	<u>\$ 131,948,512</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid for interest - expensed	<u>\$ 10,057,725</u>
Cash paid for interest - capitalized	<u>\$ 8,912,061</u>

SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:

Increase in property, equipment and improvements from accounts payable - construction	<u>\$ 40,637,134</u>
Increase in property, equipment and improvements from accrued interest capitalized	<u>\$ 691,442</u>
Decrease in notes payable from forgiveness by lender	<u>\$ 1,502,820</u>
Disposal of fully amortized debt issuance costs	<u>\$ 747,012</u>

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. Organization and nature of operations

National Community Renaissance of California (“NCRC”) 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, bonds, and rent subsidies for qualifying very-low, low- and moderate-income tenants.

NCRC has an economic relationship with National Community Renaissance Development Corporation (“NCRDC”) and National Community Renaissance of Florida Inc. (“NCRF”), both non-profit organizations, which have some overlapping board of director members and shares facilities with NCRC, but do not consolidate with NCRC. NCRC provides back-office support to NCRDC and NCRF. NCRC has provided voluntary operating advances to NCRDC and NCRF. NCRC, NCRDC, NCRF and their respective consolidated subsidiaries and affiliates are collectively known as National Community Renaissance, or National CORE.

On August 9, 2021, NCRC received an A+ credit rating from Standard & Poor’s (S&P) Global Ratings. On February 9, 2022, NCRC closed on \$100,000,000 of Taxable Bonds, Series 2022 (Social Bonds) (the “Bonds”). NCRC is using the Bond proceeds to continue its mission of owning, developing and managing high-quality affordable rental housing. See also Note 7.

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:

- Count On Us Foundation
- 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 Rancho Cucamonga

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. Organization and nature of operations (continued)

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

- Monterey Village Apartments
- Mountainside Apartments
- Sycamore Springs Apartments

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

Projects and subsidiaries which are owned 100% by NCRC, either directly or through wholly-owned subsidiaries, as of December 31, 2023 are as follows:

Affordable housing properties:

- | | |
|---|---|
| ● Arbor Villas Apartments, LLC | ● Northgate Village Apartments |
| ● Bell Gardens Housing Partners, LP | ● Palmdale Senior Housing Partners, LP |
| ● Bell Housing Partners, LP | ● Rancho Verde Village Apartments |
| ● Clark Manor Apartments | ● Rialto Housing Partners, LP |
| ● Corona de Oro Apartments, LP | ● Riverside Housing Partners, LP |
| ● Corona del Rey Apartments | ● Santa Fe Springs Housing Partners, LP |
| ● Courson Senior Partners, LP | ● Santee Apartments, LP |
| ● Escondido Senior Housing Partners, LP | ● UC Housing Partners, LP |
| ● Hawthorne Terrace Apartments | ● Victorville Housing Partners, LP |
| ● Inland Valley Housing Partners, LP | ● Villa Serena Apartments, LP |
| ● La Sierra 34, LLC | ● Vista Terraza II Apartments |
| ● Malvern Housing Partners, LP | ● Vista Terraza Housing Partners, LP |
| ● Mills Family Housing Partners, LP | ● West Mission Housing Partners, LLC |
| ● Montclair Family Housing Partners, LP | ● Yorba Linda Housing Partners, LP |
| ● NCRC Interim Spring Valley, LLC | |

Under development:

- | | |
|-------------------------------------|-------------------------------------|
| ● Beaumont I | ● Pasadena C2 Senior Apartments, LP |
| ● Grace Vista Affordable Apartments | ● Rancho San Pedro |
| ● NCRC Murrieta Senior Housing, LP | ● Richmar Station San Marcos, LP |
| ● NCRC Placentia, LLC | ● SGNTR VC, LLC |
| ● NCRC Prisma, LP | ● Villa Serena Phase 2 |
| ● Newhall Mission Village | ● Waterman Specific Plan |
| ● Palm Avenue Station TOD | |

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. Organization and nature of operations (continued)

Permanent supportive housing properties:

- NCRC Super 8, LLC
- NCRC Titta Inn, LLC

Seller carryback loans:

- Autumn Ridge Apartments, LP
- Bolt Housing Partners, LP
- Copper Hills Housing Partners, LP
- Escondido Housing Partners, LP
- Executive Lodge Apartments, LP
- NCRC Mountain View, LLC
- 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 Managing General Partner 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 Ptrs MGP, LLC
- enCORE 14612-14654 Blythe, LLC
- enCORE 14732 Blythe, LLC
- enCORE 15125 Saticoy, LLC
- enCORE 21205-21215 Saticoy, LLC
- enCORE 6706 Hayvenhurst, LLC
- enCORE 8503 Tobias, LLC
- enCORE 9010 Tobias, LLC
- enCORE Orion and Langdon, LLC
- Mission Cove Family I MGP, LLC
- National CORE Newhall Ave. Hsg MGP, LLC
- NCR Jordan Bayou, LLC
- NCRC AM GP, LLC
- NCRC CS GP, LLC
- NCRC Dangler, LLC
- NCRC EG MGP, LLC
- NCRC Fairview MGP, LLC
- NCRC Glendale GP, LLC
- NCRC Golden Pierce, LLC
- NCRC Greenbrier, LLC
- NCRC ISY GP, LLC
- NCRC Lake Forest, LLC
- NCRC Legacy MGP, LLC
- NCRC Mariposa LLC
- NCRC Murrieta Family MGP, LLC
- NCRC NSV GP, LLC
- NCRC Ontario GP, LLC
- NCRC Pioneer GP LLC
- NCRC Pomona Veterans, LLC
- NCRC Prisma GP LLC
- NCRC Rose Creek GP, LLC
- NCRC San Pedro MGP, LLC
- NCRC Santa Fe SV LLC
- NCRC Valley Seniors MGP, LLC
- NCRC VDP, LLC
- Orchard View Senior GP, LLC
- PC2 Seniors GP, LLC
- San Ysidro Senior Village GP, LLC
- Val 9 MGP, LLC
- VS Phase 1 GP, LLC
- Waterman Gardens Partners 1 MGP, LLC
- WG Partners 2 MGP, LLC

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 entities that hold general partner and managing member interests:

For-profit housing affiliate	General partner	GP %
3rd & Dangler, LP	NCRC Dangler, LLC	0.01%
AMCAL Veterans Park Fund, LP	NCRC Pomona Veterans, LLC	0.01%
AFH NCRC Beach Blvd LP	NCRC	50.00%
Anaheim Midway, LP	NCRC AM GP, LLC	0.01%
Avenida Serra Housing Partners, LP	Avenida Serra Hsg Ptrs GP, LLC	0.01%
Avenida Serra Hsg Ptrs GP, LLC	SCHDC of Orange	79.00%
Cathedral Family Housing Ptrs, LP	River Canyon GP, LLC	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%
Cudahy Senior Apartments, LP	NCRC CS GP, LLC	0.005%
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%
Encanto Gateway, LP	NCRC	0.01%
Fontana Housing Partners, LP **	SCHDC of Orange	0.012%
Fontana II Housing Partners, LP ***	SCHDC of Orange	0.005%
Fontana III Housing Partners, LP ***	SCHDC of Orange	0.005%
Fontana IV Housing Partners, LP	SCHDC of Orange	0.005%
Golden Pierce Housing Partners, LP	NCRC Golden Pierce, LLC	0.009%
Greenbrier Village, LP	NCRC	0.0051%
HB Housing Partners, LP	SCHDC of Inland Empire	0.005%
Iris at San Ysidro, LP	NCRC	0.01%
Ivy Valley Housing Partners LP	NCRC Valley Seniors MGP, LLC	0.005%
Ken-Tal Senior Housing Partners, LP	SCHDC of Orange	0.005%
Legacy Square, LP	NCRC Legacy MGP, LLC	0.008%
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 Pioneer, LP	NCRC Pioneer GP, LLC	0.005%
LINC-CORE San Pedro Lofts, LP	NCRC	0.005%

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. Organization and nature of operations (continued)

For-profit housing affiliate	General partner	GP %
Mar Vista Union Housing Partners, LP	SCHDC of Los Angeles	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 Senior Housing Partners, LP	San Antonio Gateway Hsg Corp	0.01%
NCRC Encanto, LP	NCRC	0.01%
NCRC Lake Forest, LP	NCRC Lake Forest, LLC	0.01%
NCRC Murrieta Family Housing LP	NCRC Murrieta Family MGP, LLC	0.01%
NCRC NSV, LP	NCRC NSV GP, LLC	0.01%
NCRC SYSV, LP	San Ysidro Senior Village GP, LLC	0.01%
Normandie Senior Housing Ptrs, 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%
Oceanside Senior Housing, LP	SCHDC of Orange	0.01%
Orchard View Senior LP	Orchard View Senior GP, LP	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 Metrolink South Housing Partners, LP	CORE Rialto Metro South MGP, LLC	0.0005%
Richmar Housing Partners, LP	SCHDC of Orange	0.01%
Rose Creek Village LP	NCRC Rose Creek GP, LLC	0.0051%
Santa Fe Senior Village, LP	NCRC Santa Fe SV, LLC	50.00%
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 Ptrs 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	0.01%
Vista Dunes GP, LLC	SCHDC of Inland Empire	75.00%

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. Organization and nature of operations (continued)

For-profit housing affiliate	General partner	GP %
VS Phase 1, LP	VS Phase 1 GP, LLC	0.01%
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	0.01%
Woods Family Hsg Ptrs GP, LLC	SCHDC of Los Angeles	79.00%
Yucca Valley Senior Housing Ptrs, LP	SCHDC of Inland Empire	0.01%

** NCRC also owns the 99.98% limited partner interest in this Housing Affiliate.

*** NCRC also owns the 99.99% limited partner interest in this Housing Affiliate.

Grey highlighted entities in the tables 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.

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.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

2. Summary of significant accounting policies (continued)

Basis of presentation (continued)

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.

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.

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.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

2. Summary of significant accounting policies (continued)

Investments in available-for-sale securities

Investments are stated at fair value in the accompanying consolidated statement of financial position. Investment sales and purchases are recorded on a trade-date basis. Realized gains or losses on the sale of marketable securities are calculated using the average cost method. Interest income is recorded when earned and dividends are recorded on the ex-dividend date. Unrealized gains and losses represent the change in the fair market value of the individual investments for the year or since the acquisition date if acquired during the year. Realized and unrealized gains and losses are included in the accompanying consolidated statement of activities.

Investments consist of bond proceeds not yet loaned out (see Notes 1 and 7). The investments' realized and unrealized gains are classified as net assets with donor restrictions on the accompany statement of activities. Investments are made according to the finance policy adopted by NCRC's Board of Directors. The guidelines provide for investment in equities, fixed income, and other securities with performance measured against appropriate indices. Outside advisors are utilized by the organization for the purpose of providing investment and consulting advice.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

Fair value measurements

NCRC applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

- Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Unobservable inputs that reflect NCRC's own assumptions.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

2. Summary of significant accounting policies (continued)

Fair value measurements (continued)

The fair values of securities available-for-sale are determined by obtaining quoted prices on nationally recognized securities exchanges. If quoted prices are not available, fair values are measured using matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities, or other model-based valuation techniques requiring observable inputs other than quoted prices such as yield curve, prepayment speeds, and default rates.

Effective in 2023, AMCAL Veterans Park Fund, LP, a consolidated Housing Affiliate, entered into an interest swap agreement with its mortgage lender. The interest rate swap has a notional amount of \$5,707,554 and terminates June 1, 2038. The fair value of the interest rate swap is based on notional amounts, interest rates, maturity date and other contract terms. The fair values of interest rate swap contracts are valued using a third-party.

Level 1 securities include U.S. treasury securities and mutual funds that are traded on an active exchange or by dealers or brokers in active over-the-counter markets. The fair value of these securities is determined by quoted prices on an active exchange or over-the-counter market. Level 2 securities primarily include mortgage-backed securities, collateralized mortgage obligations, U.S. government agency securities and municipal bonds, and interest rate swaps in markets that are active.

The following tables present NCRC's assets that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of December 31, 2023:

	December 31, 2023			
	Level 1	Level 2	Level 3	Fair Value Measurements
Assets				
Money market funds	\$ 802,991	\$ -	\$ -	\$ 802,991
Fixed income	-	37,012,062	-	37,012,062
Interest rate swap	-	741,677	-	741,677
Total assets	<u>\$ 802,991</u>	<u>\$ 37,753,739</u>	<u>\$ -</u>	<u>\$ 38,556,730</u>

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 tenant accounts receivable. As of December 31, 2023, the balance of the allowance for doubtful accounts was \$90,399. Bad debts expense for tenant receivables for the year ended December 31, 2023 was \$3,499,703, which includes \$1,572,481 of bad debts stemming from the COVID-19 pandemic that were transferred from various wholly-owned properties to NCRC.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

2. Summary of significant accounting policies (continued)

Advances due from affiliates

Advances due from affiliates, which includes fees receivable, 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, 2023, the allowance for doubtful accounts was \$112,269, which eliminates upon consolidation.

Notes receivable and allowance for credit losses (after the adoption of ASU 2016-13 effective January 1, 2023)

Notes receivable are measured at amortized cost basis and presented at the amount expected to be collected, net of deferred loan origination fees and unearned discounts, as applicable. NCRC records an allowance for credit losses based on losses expected to arise over the contractual term of the financial asset. Assets are written off when NCRC deems the loan receivable to be uncollectable. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, which do not exceed the aggregate of previous write-offs, are included in determining the allowance account. As of December 31, 2023, the allowance for credit losses was \$0.

In developing estimates for expected credit losses, management considers historical loss information updated for current conditions and reasonable and supportable forecasts that affect expected collectability using a probability-of-default method. Management considers factors such as the borrower's financial condition, the borrower's ability to make scheduled interest or principal payments based on the current and forecasted direction of the economic and business environment, the remaining payment terms of the loan, the remaining time to maturity, and the value of underlying collateral. Although management uses many factors to estimate credit losses, because of uncertainties associated with local economic conditions, collateral values, and future cash flows, it is reasonably possible that a material change could occur in the allowance for credit loan losses in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Loans that are 90 days or more past due, based on the contractual terms of the note, are classified on nonaccrual status. Uncollectable interest previously accrued is charged off, or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received and the principal balance is believed to be collectable. A loan previously classified on nonaccrual status will resume accruing interest based on the contractual terms of the loan when payments on the loan become current. There were no loans on nonaccrual status at December 31, 2023.

There are no deferred loan origination fees or unearned discounts. Intercompany notes receivable and notes payable are eliminated upon consolidation.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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2. Summary of significant accounting policies (continued)

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, 2023, \$805,326 of project development costs were expensed.

Equity investments in partnerships

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 in Housing Partnership Network Group Insurance Initiative (see Note 5), and the following:

For-profit housing investment	Non-controlling partner/member	%
Anaheim Revitalization III Partners, LP	SCHDC of Los Angeles	0.005%
Anaheim Revitalization IV Partners, 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 1 MGP, LLC	0.004%
Hermosa Village Phase II Hsg Ptrs, LP	NCRC Hermosa Village II MGP, LLC	0.002%
ANF Family Partners II, LP	SCHDC of Los Angeles (via South PACE GP, LLC)	0.0021%
MHP Jordan Bayou, LLC	NCR Jordan Bayou, LLC	25.00%
Jordan Bayou Developer, LLC	NCRC	25.00%
9010 Tobias Owner, LP	enCORE 9010 Tobias, LLC	0.004%
8503 Tobias Owner, LP	enCORE 8503 Tobias, LLC	0.004%
6706 Hayvenhurst Owner, LP	enCORE 6706 Hayvenhurst, LLC	0.004%
15125 Saticoy Owner, LP	enCORE 15125 Saticoy, LLC	0.004%
21205-21215 Saticoy Owner, LP	enCORE 21205-21215 Saticoy, LLC	0.004%
14732 Blythe Owner, LP	enCORE 14732 Blythe, LLC	0.004%
14612-14654 Blythe Owner, LP	enCORE 14612-14654 Blythe, LLC	0.004%
Orion and Langdon, LP	enCORE Orion and Langdon, LLC	0.004%

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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2. Summary of significant accounting policies (continued)

Equity investments in partnerships (continued)

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 2023.

Leases

NCRC determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of and to obtain substantially all of the economic benefits from the use of an asset for a period of time in exchange for consideration.

Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activity. Operating and finance lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Generally, NCRC's ground lease right-of-use assets are recorded at the fair market value of the land leased, with the lease payment prepaid in full at the commencement date. Otherwise, NCRC uses its incremental borrowing rate at the commencement date in determining the present value of lease payments.

The operating and finance lease right-of-use assets includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that NCRC will exercise that option. NCRC has elected the practical expedient of not separating components from nonlease components. The lease agreements generally do not contain any material residual value guarantees or material restrictive covenants. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease right-of-use assets and liabilities as of December 31, 2023 consist of the following ground leases with unrelated party lessors:

Operating Property Lessee	Commence- ment	Term (years)	Classification	Asset	Liability
Anaheim Midway, LP	2022	55	Finance	\$ 7,200,000	\$ -
LINC-CORE Pioneer, LP	2022	78	Finance	12,400,000	-
AFH NCRC Beach Blvd LP	2022	75	Finance	10,800,000	10,800,000
Golden Pierce Housing Ptrs, LP	2022	90	Finance	3,181,018	-
NCRC NSV, LP	2022	90	Finance	3,586,506	-
Linc-CORE San Pedro Lofts, LP	2022	67	Finance	5,875,000	5,875,000
NCRC Murrieta Family Hsg, LP	2023	65	Finance	3,325,000	-
Total finance leases				46,367,524	16,675,000
Mission Cove Family I	2016	99	Operating	5,478,282	-
Waterman Gardens Ptrs 1, LP	2016	75	Operating	936,251	-
Bell Housing Partners, LP	2005	60	Operating	1,460,555	-
Ken-Tal Senior Partners, LP	2005	65	Operating	1,473,753	1,519,968
LINC-CORE Fairview Metro	2019	66	Operating	794,603	242,046
Total operating leases				10,143,444	1,762,014
Grand total				\$ 56,510,968	\$ 18,437,014

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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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.

Buildings are generally depreciated over their estimated useful lives of 40 years under the straight-line method. Land improvements are depreciated over their estimated useful life of 15-20 years under the straight-line method. Furniture and equipment are generally depreciated over their useful life of 5-10 years under the straight-line method. Computer equipment and vehicles are depreciated over their estimated useful lives of 3 and 5 years, respectively, under the straight-line method. Depreciation expense for the year ended December 31, 2023 was \$40,383,906.

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 2023.

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, 2023 was \$234,901. The deferred costs consist of the following as of December 31, 2023:

Tax credit fees	\$ 4,482,511
Accumulated amortization	<u>(2,017,543)</u>
Deferred costs, net	<u>\$ 2,464,968</u>

Derivatives and hedging activities – interest rate swap

Derivatives that do not qualify for the hedge accounting are adjusted to fair value through income. If the derivative is a hedge instrument, depending on the nature of the hedge transaction, the changes in the fair value of derivative instrument are either offset against the earnings of the hedged item or recognized in other comprehensive income (loss) in net assets until the hedged item is recognized in earnings. The ineffective portion of a derivative hedge instrument is immediately recognized in earnings. A Housing Affiliate is a party to a derivative financial instrument for the purpose of limiting its exposure to interest rate fluctuations through the use of interest rate swaps. Derivatives are held only for the purpose of hedging or limiting such risks, not for speculation. As of December 31, 2023, none of the organization's derivative financial instruments qualify as hedges.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
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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 for tenant leases and tenant charges

NCRC's wholly-owned subsidiaries and affiliates are the lessors of affordable housing rental projects and account for tenant leases as operating leases. At the commencement of an operating lease, no income is recognized; subsequently, lease payments received are recognized on a straight-line basis. 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.

Revenue resulting from special events, fees charged by the organization, and other income is recognized when performance obligations are met. Property management fee income is earned monthly based on the applicable management agreements.

Contractor fees

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

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, developer fees are earned based on how they are defined to be earned per the applicable development agreement, which in most cases is upon completion and delivery of units. Upon construction completion, any 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. Developer fees determined subsequently to be uncollectible will be converted to capital.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

2. Summary of significant accounting policies (continued)

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 14.

Contributions - private donations

Contributions of cash or other financial assets are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities as net assets released from restrictions.

Contributions of nonfinancial assets – in-kind donations

For the year ended December 31, 2023, \$288,862 of contributed nonfinancial assets was for rents whereby Hope Through Housing Foundation leases a portion of NCRC's facilities at no charge and then subleases the space to unrelated parties at fair market rents for use as preschool or daycare facilities. This amount is recognized as contributions of nonfinancial assets on the accompanying consolidated statement of activities and corresponding rent expense on the accompanying consolidated statement of functional expenses, and is eliminated upon consolidation.

For the year ended December 31, 2023, \$79,044 of contributions consist of contributed household goods, food, school supplies, toys, gift cards and sporting event tickets. These donations are recorded at estimated fair value based on wholesale values that would be received for selling similar products or goods in the United States at the date of donation. Most of these donations are unrestricted. Donor restrictions, if applicable, include restrictions on use at a specific rental apartment community and/or restriction on use for a specific program. Contributed nonfinancial assets are generally utilized in the same year of donation, whereby the donor restriction expires in the same year of donation.

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.

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2. Summary of significant accounting policies (continued)

Income taxes (continued)

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, including considerations of time and effort. Payroll expenses are allocated based on time and effort. In general, NCRC's corporate expenses and subsidiaries' rental property management fees are management and general; fundraising expenses are incurred by NCRC corporate and Hope Through Housing Foundation; and ordinary operating expenses of subsidiaries' affordable rental properties are program expenses.

Change in accounting principle

In June 2016, the Financial Accounting Standards Board issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments to provide financial statement users with improved information about expected credit losses on financial assets, as well as improve users' ability to understand the realizability of assets held at each reporting period.

NCRC adopted ASU 2016-13 effective January 1, 2023, and any necessary adjustment was recognized through a cumulative effect adjustment to retained earnings as of the effective date. With respect to measuring expected credit losses for NCRC's accounts and loans receivable, ASU 2016-13 did not have a material impact on the financial statements.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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3. Liquidity and availability of financial assets

The following represents NCRC's financial assets at December 31, 2023:

Financial assets at yearend:

Cash and cash equivalents	\$ 66,047,333
Restricted cash, including security deposits	65,901,179
Investments in available-for-sale securities	37,815,052
Accounts receivable, net	<u>8,954,747</u>
Total financial assets	178,718,311

Less amounts not available to be used within one year for general expenditures:

Investments in available-for-sale securities restricted for use for affordable housing loans	(37,815,052)
Net assets with donor restrictions	<u>(2,437,178)</u>

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

\$ 138,466,081

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 at least 90 days of operating expenses. In addition to these liquid funds, NCRC has an available line of credit in the amount of up to \$20,000,000, of which \$9,400,000 has been drawn as of December 31, 2023.

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 \$3,233,910 held in escrow in connection with various purchase and sales agreements as of December 31, 2023.

A summary of the restricted cash balances as of December 31, 2023 is as follows:

Operating reserves	\$ 18,619,020
Replacement reserves	22,218,880
Other reserves and escrows	8,288,068
Tax and insurance reserves	11,014,164
Residual receipts reserves	<u>309,574</u>
Total restricted cash	<u>\$ 60,449,706</u>

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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5. Equity 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, 2023. The investment is accounted for under the equity method of accounting and the investment has been recorded at cost. As of December 31, 2023, the investment balance was \$697,815.

Investments also includes \$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. Additionally, during 2022, \$800,000 was paid in total to acquire the limited partner interests in ten Housing Affiliates from various unrelated parties. During 2023, \$1,150,000 was paid in total to acquire the limited partner interests in two Housing Affiliates from an unrelated party. These amounts were paid outside the partnerships, and as such, the amounts do not eliminate upon consolidation.

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, 2023:

Land	\$ 168,470,192
Buildings and improvements	1,478,555,413
Furniture, fixtures and equipment	52,113,466
Construction in progress	<u>227,218,515</u>
Subtotal	1,926,357,586
Less: accumulated depreciation	<u>(431,733,323)</u>
Total property, equipment and improvements, net	<u>\$ 1,494,624,263</u>

Office building purchase and lease

On November 18, 2022, NCRC purchased a 74,000 square foot, three story office property for \$18,250,000 from an unrelated party, for use as NCRC's corporate offices. Concurrent with the sale, the seller leased back 55,000 square feet, which was reduced to 25,000 square feet by March 2023. The operating lease is for five years, with two 2-year options to extend. For the year ended December 31, 2023, rental income of \$909,171 was earned and is included in rental income on the accompanying consolidated statement of activities. Future expected lease income over the next four years is as follows:

2024	\$ 777,027
2025	787,172
2026	810,965
2027	<u>693,980</u>
Total	<u>\$ 3,069,144</u>

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7. Mortgages and notes payable, net

Mortgages and notes payable are as follows as of December 31, 2023:

Lender	Secured Entity	Interest rate	Monthly principal and int or other repymt terms	Maturity	2023 Principal balance
Bank of New York Mellon Trust Co. (Bond Trustee)	NCRC	3.27%	(6)	12/1/2032	\$ 100,000,000
Citizens Business Bank	NCRC	4.70%	\$ 62,411	11/9/2032	11,682,168
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 - line of credit	NCRC	Variable	(4)	10/15/2024*	9,400,000
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
The Robert Wood Johnson Foundation	NCRC	2.00%	(4)	8/5/2028	500,000
Wells Fargo Bank	NCRC	2.00%	(4)	4/29/2028	1,500,000
City National Bank - AHP	NCRC (Note for Mission Cove II)	0.00%	(3)	3/30/2072	590,000
Bank of America California - AHP	NCRC (Note for Golden Pierce))	0.00%	(3)	7/3/2078	500,000
Clearinghouse Community Development - AHP	NCRC (Note for Nestor Senior)	0.00%	(3)	4/7/2079	730,000
NCRC	SCHDC of Inland Empire	6.00%	(4)	5/19/2025	7,103,289
Dept. of Housing and Urban Development	San Antonio Gateway Hsg Corp	0.00%	(3)	3/1/2066	10,604,000
Los Angeles County Development Authority	3rd & Dangler, LP	3.00%	(3)	6/2/2078	5,342,447
Los Angeles County Development Authority	3rd & Dangler, LP	3.00%	(3)	6/2/2078	1,416,800
JP Morgan Chase Bank - construction	3rd & Dangler, LP	Variable	(4)	12/10/2024*	23,548,891
East West Bank - construction	Anaheim Midway, LP	4.55%	(4)	7/29/2024*	10,850,531
Anaheim Housing Authority	Anaheim Midway, LP	3.00%	(1)	(a)	2,450,995
Anaheim Housing Authority	Anaheim Midway, LP	3.00%	(1)	(a)	3,574,800
Anaheim Housing Authority	Anaheim Midway, LP	2.25%	(1)	(a)	7,200,000
Anaheim Housing Authority	Anaheim Midway, LP	3.00%	(1)	(a)	1,362,652
Chase Commercial Term Lending	NCRC Interim Spring Valley	5.09%	\$ 12,852	10/31/2032	3,302,691
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
CA Statewide Communities Development Authority	Murrieta Family Housing, LP	variable	(3)	11/30/2025	57,501
Murrieta Housing Authority	Murrieta Family Housing, LP	3.00%	(3)	(d)	3,641,910
Murrieta Housing Authority	Murrieta Family Housing, LP	3.00%	(3)	(d)	3,325,000
County of Riverside	Murrieta Family Housing, LP	Variable	(3)	(d)	2,260,492
NCRC	Murrieta Family Housing, LP	0.00%	(3)	(d)	791,368
City of Los Angeles	NCRC Titta Inn, LLC	0.00%	(3)	7/16/2025	8,580,000
JP Morgan Chase Bank – construction	Ivy Valley Housing Partners, LP	Variable	(4)	2/13/2024*	6,980,434
County of San Diego	Ivy Valley Housing Partners, LP	Variable	(3)	(b)	6,248,628
County of San Diego	Ivy Valley Housing Partners, LP	0.00%	(7)	12/5/2043	59,438
City of Escondido	Ivy Valley Housing Partners, LP	3.00%	(1)	(b)	3,600,000
City of Los Angeles	NCRC Super 8, LLC	0.00%	(3)	12/21/2025	8,890,000
MUFG Union Bank	Veterans Park Fund, LP	1.70%	(3)	5/1/2037	10,395,089
Los Angeles County Development Authority	Veterans Park Fund, LP	3.00%	(3)	5/1/2078	3,150,000
Los Angeles County Development Authority	Veterans Park Fund, LP	3.00%	(3)	5/1/2078	2,000,000

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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DECEMBER 31, 2023**

7. Mortgages and notes payable, net (continued)

Lender	Secured Entity	Interest rate	Monthly principal and int or other repymt terms	Maturity	2023 Principal balance
Hsg Authority of the City of Glendale (Measure S)	Linc-CORE Pioneer, LP	3.00%	(3)	(d)	\$ 25,274,476
California Housing Finance Agency	Linc-CORE Pioneer, LP	1.00%	(4)	12/29/2025	3,403,753
NCRC	Linc-CORE Pioneer, LP	0.00%	(3)	12/31/2080	615,094
LINC Housing Corporation	Linc-CORE Pioneer, LP	0.00%	(3)	12/31/2080	615,094
Bank of America	Linc-CORE Pioneer, LP	3.00%	(1)	12/29/2077	2,000,000
County of San Diego	Greenbrier Village, LP	0.00%	(4)	2/28/2080	5,317,339
JP Morgan Chase Bank	Greenbrier Village, LP	300.00%	(3)	2/6/2044	1,845,655
City of Oceanside	Greenbrier Village, LP	3.00%	(1)	12/31/2079	3,118,753
City of Lake Forest	NCRC Lake Forest, LP	Variable	(3)	(b)	3,700,000
Orange County Housing Authority	NCRC Lake Forest, LP	Variable	(3)	(b)	915,256
California Housing Finance Agency	NCRC Lake Forest, LP	3.00%	(1)	(b)	1,259,848
Wells Fargo Bank - construction	NCRC Lake Forest, LP	Variable	(4)	12/21/2025*	24,171,304
City of San Diego	Encanto Gateway, LP	3.00%	(1)	12/31/2083	4,717,524
County of San Diego	Santa Fe Senior Village, LP	3.00%	(3)	12/31/2079	3,825,000
County of San Diego NPLHP	Santa Fe Senior Village, LP	0.00%	(3)	12/31/2079	102,138
Capital One, NA	Santa Fe Senior Village, LP	Variable	(4)	6/30/2025	2,222,638
CCRC	Woods Family Housing Ptrs, LP	8.50%	\$ 10,765	11/1/2043	1,238,457
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%	\$ 26,906	11/1/2049	5,226,759
NCRC	Rialto Housing Partners, LP	5.00%	\$ 28,188	1/26/2028	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	618,642
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	1,959,285
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	720,857
Berkadia Commercial Mort.	Corona de Oro Apts. LP	7.25%	\$ 8,784	7/1/2032	672,103
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

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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	2023 Principal balance
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	66,958
SCHDC Bridge Loan	NCRC / Corona del Rey	6.00%	(4)	5/19/2025	7,103,289
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 - Seller Carryback	Cobblestone Apartments, LP	2.95%	(1)	8/1/2073	191,334
Pacific Western Bank	Cobblestone Apartments, LP	5.00%	\$ 10,678	9/1/2050	1,873,790
California HCD	Desert Meadows Hsg Partners, LP	3.00%	(2)	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	775,135
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	1,927,511
CDC - County of LA Homeless & Hsg Program	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%	\$ 4,865	10/1/2040	623,408
County of Los Angeles - Home Funds	Normandie Senior Hsg Ptrs, LP	3.00%	(1)	3/1/2065	1,989,155
County of Los Angeles - Industry Funds	Normandie Senior Hsg Ptrs, LP	0.00%	(1)	3/1/2065	5,388,834
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
County of San Bernardino	East Rancho Verde Hsg Ptrs, LP	3.00%	(3)	3/1/2065	1,100,000
JPMorgan Chase Bank	East Rancho Verde Hsg Ptrs, LP	5.13%	\$ 8,717	10/1/2040	1,177,646
California Community Reinvestment Corp	Fontana II Hsg Ptrs, LP	6.75%	\$ 8,821	12/1/2036	870,639
City of Fontana	Fontana II Hsg Ptrs, LP	1.00%	(1)	2/1/2059	2,500,000
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	1,202,000
JPMorgan Chase	Malvern Housing Partners, LP	8.06%	\$ 2,780	10/1/2026	84,260
City of Rancho Cucamonga RDA	Malvern Housing Partners, LP	1.00%	(1)	4/15/2056	3,801,209
County of San Bernardino	Malvern Housing Partners, LP	3.00%	\$ 2,218	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
JPMorgan Chase Bank	NCRC / Hawthorne Terrace	5.55%	\$ 11,142	10/1/2029	1,204,000
NCRC	Hope Through Access	0.00%	(1)	(c)	2,000,000
City of Victorville	Victorville Housing Ptrs, LP	3.00%	(1)	9/1/2057	794,602
Citizens Business Bank	Victorville Housing Ptrs, LP	5.75%	\$ 9,510	1/3/2033	1,586,500

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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	2023 Principal balance
CCRC	Escondido Senior Hsg Ptrs, LP	7.37%	\$ 12,460	11/1/2041	\$ 1,491,467
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
Citizens Business Bank	Santa Fe Springs Hsg Ptrs, LP	5.37%	\$ 54,756	1/1/2033	9,538,875
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	3,835,046
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	393,588
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	SCHDC / Mountainside Apts	7.25%	\$ 44,171	9/1/2026	1,353,745
City of Oceanside	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	552,030
Citibank, N.A.	Mission Cove Family I Hsg, LP	1.00%	(3)	4/1/2071	1,340,606
Wells Fargo Bank	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	4,405,348
California Housing Finance Agency	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	2,570,690
City of Oceanside	Mission Cove Family II Hsg, LP	3.00%	(1)	5/1/2073	4,147,253
NCRC (AHP Loan)	Mission Cove Family II Hsg, LP	0.00%	(1)	3/30/2072	372,969
City of Oceanside (Ground Lease Loan)	Mission Cove Family II Hsg, LP	0.00%	(1)	4/1/2072	4,856,217
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	1,052,602
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	2,702,490
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	2,273,517

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7. Mortgages and notes payable, net (continued)

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California Housing Finance Agency	SCHDC / Monterey Village	7.25%	\$ 34,791	10/1/2026	\$ 1,066,268
California Housing Finance Agency	NCRC / Northgate Village	6.00%	\$ 33,444	10/1/2034	3,191,242
Victorville RDA	NCRC / Northgate Village	3.00%	(1)	12/1/2035	5,114,812
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	756,282
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	1,699,143
Citi Bank	Savi Ranch II Hsg Ptrs, LP	5.70%	\$ 16,901	7/1/2035	2,727,516
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
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)	642,355
Wells Fargo Bank	Waterman Gardens Ptrs 1, LP	3.65%	\$ 35,164	10/1/2057	8,191,923
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	3,013,616
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	4.83%	\$ 20,284	5/1/2054	3,891,739
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, LP - 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	2,544,986
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	6,520,077
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	1,938,983
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
Citizens Business Bank	Bell Gardens Hsg Partners, LP	5.75%	\$ 10,578	1/3/2033	1,765,628
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

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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	2023 Principal balance
CA Community Reinvestment Corp	Cathedral Family Hsg Ptrs, LP	7.25%	\$ 3,355	3/1/2028	\$ 496,340
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%	(3)	4/1/2067	590,000
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	342,398
JPMorgan Chase Bank	NCRC / Rancho Verde Apts	5.16%	\$ 11,206	4/1/2025	1,776,981
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	4,061,227
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
NCRC - Seller Carryback	Renaissance Village Hsg Ptrs, LP	3.06%	(1)	7/1/2069	9,198,872
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	1,024,501
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
NCRC - bond financing	Santee Apts, LP	4.75%	(1)	8/1/2037	4,112,896
California HCD	Santee Apts, LP	3.00%	(2)	12/1/2058	4,844,952
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
County of San Diego	Santee Apts, LP	3.00%	(1)	7/15/2077	804,658
California Housing Finance Agency	HB Housing Partners LP	5.30%	\$ 8,330	12/20/2037	993,636
City of Rancho Cucamonga	HB Housing Partners LP	3.00%	(3)	3/11/2029	9,000,000
City of Montclair Redevelopment Agency	Montclair Senior Hsg Ptrs, LP	3.00%	(1)	7/1/2063	1,528,280
San Antonio Gateway Hsg Corp - Seller Carryback	Montclair Senior Hsg Ptrs, LP	0.00%	(3)	3/1/2066	10,604,000
California Housing Finance Agency	SCHDC / Sycamore Springs Apts	7.25%	\$ 30,186	9/1/2026	925,147
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	2,269,035
City of Palmdale HOME	Palmdale Senior Hsg Ptrs, LP	3.00%	(1)	6/1/2059	750,000
Cnty Redevelopment Agency, City of Palmdale	Palmdale Senior Hsg Ptrs, LP	3.00%	(1)	6/1/2059	1,000,000
Autumn Ridge Apts, LP - Seller Carryback	SVSM Apartments, LP	0%	(1)	3/31/2073	6,609,821
Citibank	SVSM Apartments, LP	5.09%	\$ 85,499	10/1/2050	16,000,309
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 - Seller Carryback	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	448,245
San Diego Housing Commission	Ken Tal Senior Partners, LP	5.00%	\$ 1,691	12/1/2034	195,626
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	2023 Principal balance
CCRC (Wells Fargo bond trustee)	Citrus Grove Hsg Ptrs, LP	6.25%	\$ 5,110	6/1/2041	\$ 651,613
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	698,708
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	866,921
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	3,602,240
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	7,558,105
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
City of Fontana	Fontana Hsg Ptrs, LP	3.00%	(1)	6/30/2059	1,002,187
Citizens Business Bank	Fontana Hsg Ptrs, LP	6.00%	\$ 5,662	1/3/2033	945,268
FHLB Affordable Housing Program	Villa Serena Apartments, LP	0.00%	(3)	5/1/2030	337,680
San Marcos RDA	Villa Serena Apartments, LP	3.00%	(1)	2/1/2027	2,458,401
NCRC	Villa Serena Apartments, LP	5.00%	\$ 5,178	3/1/2036	568,466
Community Dev. Commission of National City	Vista del Sol Apartments, LP	3.00%	(1)	12/31/2073	6,990,146
Copper Hills Apartments, LP - Seller Carryback	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	8,375,508
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	2,912,757
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	9,619,112
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
City of Palmdale RDA	Courson Senior Partners, LP	3.00%	(1)	12/1/2060	2,850,000
FHLB-AHP California Community	Courson Senior Partners, LP	0.00%	(3)	1/1/2039	350,000
Reinvestment Corporation (CCRC)	Courson Senior Partners, LP	6.25%	\$ 6,773	4/1/2039	805,578
CitiBank, N.A.	Westlake Housing Partners, LP	5.87%	\$ 3,930	6/1/2030	622,944
City of San Marcos	Westlake Housing Partners, LP	3.00%	(1)	12/31/2071	13,330,252
NCRC - AHP	Westlake Housing Partners, LP	0.00%	(1)	4/1/2069	480,000

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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	2023 Principal balance
Berkadia	Richmar Housing Partners, LP	5.12%	\$ 5,764	9/1/2049	\$ 990,023
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
City of Buena Park	Orchard View Senior, LP	3.00%	(3)	(d)	2,000,000
County of Orange	Orchard View Senior, LP	3.00%	(3)	(d)	1,259,848
Century Housing Corporation - AHP loan	Day Creek Senior Hsg Partners, LP	0.00%	(3)	10/28/2075	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	Day Creek Senior Hsg Partners, LP	5.16%	\$ 11,586	7/31/2056	2,199,109
Century Housing Corporation - AHP loan	Day Creek Senior Hsg Ptrs 2, LP	0.00%	(3)	12/31/2073	490,000
City of Rancho Cucamonga	Day Creek Senior Hsg Ptrs 2, LP	3.00%	(4)	10/28/2073	5,700,000
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	Day Creek Senior Hsg Ptrs 2, LP	5.16%	\$ 8,059	8/1/2056	1,529,603
Bank of America	NCRC Encanto, LP	5.73%	\$ 21,399	8/1/2036	3,712,948
NCRC - 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)	11/30/2073	5,000,000
Pacific Western Bank	NCRC SYSV, LP	5.50%	\$ 1,583	7/1/2038	283,450
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	760,000
Century Housing Corporation	LINC-CORE Hsg Ptrs-Glendale, LP	5.68%	\$ 12,402	6/11/2037	2,181,567
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%	(1)	(d)	7,485,944
Housing Authority - City of Glendale	LINC-CORE Hsg Ptrs-Glendale, LP	3.0%	(1)	(d)	1,814,056
US Bank	Virginia Holt Housing, LP	4.57%	\$ 15,699	11/1/2051	3,207,223
Ontario Housing Authority	Virginia Holt Housing, LP	0.00%	(1)	4/1/2074	1,556,493
Ontario Housing Authority	Virginia Holt Housing, LP	3.00%	(1)	4/1/2074	2,000,000
Century Housing Corporation - AHP loan	Virginia Holt Housing, LP	3.00%	(3)	12/31/2073	14,729,325
JP Morgan Chase Bank	Waterman Gardens Ptrs 2, LP	3.57%	\$ 82,553	11/30/2040	19,545,577
California HCD	Waterman Gardens Ptrs 2, LP	3.00%	(1)	2/28/2083	17,422,714
City of San Bernardino	Waterman Gardens Ptrs 2, LP	3.00%	(4)	9/30/2074	971,832
City of San Bernardino - HOME loan	Waterman Gardens Ptrs 2, LP	3.00%	(1)	9/30/2074	537,747
County of San Bernardino	Waterman Gardens Ptrs 2, LP	3.00%	(1)	(a)	1,878,875
Dignity Health	Waterman Gardens Ptrs 2, LP	2.00%	(1)	11/1/2028	997,838
HACSB Land Loan	Waterman Gardens Ptrs 2, LP	2.21%	(1)	9/30/2074	970,000
Housing Authority of San Bernardino	Waterman Gardens Ptrs 2, LP	3.00%	(1)	(a)	2,210,593
Housing Authority of Riverside	Grace Vista Affordable Apartments	3.00%	(1)	8/1/2078	1,500,000
Housing Authority of Riverside - Seller Carryback	Grace Vista Affordable Apartments	3.00%	(1)	8/1/2078	352,000

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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	2023 Principal balance
California Housing Finance Agency	NCRC Placentia, LLC	3.00%	\$ 6,299	6/1/2077	\$ 2,519,696
JP Morgan Chase Bank	NCRC Placentia, LLC	variable	(4)	10/8/2024	22,288,095
Orange County Housing Finance Trust	NCRC Placentia, LLC	3.00%	(1)	12/31/2080	792,060
Bank of America - Loan A	LINC-CORE Fairview Metro, LP	4.69%	\$ 21,436	4/1/2039	4,385,219
Bank of America - Loan B	LINC-CORE Fairview Metro, LP	4.49%	\$ 35,166	4/1/2038	4,454,469
LACDA (measure H)	LINC-CORE Fairview Metro, LP	3.00%	\$ 6,162	12/17/2076	3,971,620
LACDA (MHHP)	LINC-CORE Fairview Metro, LP	3.00%	\$ 4,670	12/17/2076	1,882,534
LACDA (Prop A)	LINC-CORE Fairview Metro, LP	0.00%	(1)	12/17/2076	1,380,690
LACDA Measure H	LINC-CORE Fairview Metro, LP	3.00%	(1)	12/1/2076	2,630,021
Wells Fargo - Construction	Iris at San Ysidro, LP	5.50%	(4)	12/31/2025	1,349,897
County of San Diego	Iris at San Ysidro, LP	3.00%	(4)	10/31/2080	7,461,238
NCRC - Bond financing	NCRC Mountain View, LLC	6.00%	(3)	4/13/2027	5,110,531
City of Riverside	Golden Pierce Hsg Partners, LP	3.00%	(1)	12/31/2077	1,000,000
Housing Authority of the City of Riverside	Golden Pierce Hsg Partners, LP	3.00%	(3)	12/31/2077	798,949
Bank of America	Golden Pierce Hsg Partners, LP	4.07%	(3)	2/1/2062	25,681,216
NCRC	Golden Pierce Hsg Partners, LP	0.00%	(1)	12/31/2080	533,234
NCRC - AHP	Golden Pierce Hsg Partners, LP	0.00%	(1)	7/3/2078	500,000
County of San Diego	NCRC NSV, LP	0.00%	(3)	4/7/2077	5,163,789
San Diego Housing Commission	NCRC NSV, LP	4.00%	(3)	12/31/2078	2,830,500
JP Morgan Chase Bank	NCRC NSV, LP	5.41%	(3)	8/5/2040	11,873,862
NCRC - AHP Funds	NCRC NSV, LP	0.00%	(3)	4/7/2079	730,000
City of Los Angeles	Linc-CORE San Pedro Lofts, LP	4.00%	(1)	(a)	5,398,887
Bank of America - construction	Linc-CORE San Pedro Lofts, LP	variable	(4)	1/1/2024*	31,732,337
LINC Community Development Corp	Linc-CORE San Pedro Lofts, LP	3.00%	(1)	12/31/2078	1,776,369
NCRC	Linc-CORE San Pedro Lofts, LP	3.00%	(4)	12/31/2078	1,776,369
Rialto Housing Authority	Rialto Metrolink South Hsg Ptrs, LP	variable	(4)	(e)	12,813,685
Rialto Housing Authority	Rialto Metrolink South Hsg Ptrs, LP	variable	(3)	(b)	4,550,000
Rialto Housing Authority	Rialto Metrolink South Hsg Ptrs, LP	0.25%	(1)	6/30/2077	3,030,000
Rialto Housing Authority	Rialto Metrolink South Hsg Ptrs, LP	3.00%	(3)	3/15/2077	2,025,000
City of San Marcos	Richmar Station San Marcos, LP	3.00%	(1)	2/4/2068	4,148,010
California Housing Finance Agency	Legacy Square, LP	3.00%	(1)	(a)	1,514,240
Bank of America - construction	Legacy Square, LP	variable	(1)	2/1/2056*	35,500,000
City of San Marcos	VS Phase 1, LP	0.00%	(3)	(a)	9,861,219
County of San Diego	VS Phase 1, LP	3.00%	(1)	3/18/2078	5,504,285
San Diego HHS Agency	VS Phase 1, LP	3.00%	(1)	12/31/2078	345,288
California Housing Finance Agency	VS Phase 1, LP	0.00%	(1)	(a)	1,067,000
Wells Fargo Bank	VS Phase 1, LP	4.36%	\$ 37,054	8/1/2058	7,942,512
San Marcos RDA	West Mission Partners, LLC	3.00%	(1)	5/1/2031	1,320,000

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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	2023 Principal balance
JP Morgan Chase Bank - construction	CP Senior Apartments, LP	Variable	Variable	7/22/2055*	\$ 16,418,270
NCRC	CP Senior Apartments, LP	2.25%	(1)	7/1/2075	1,603,598
NCRC	CP Senior Apartments, LP	2.25%	(1)	7/1/2075	1,165,125
NCRC - Seller Carryback	CP Senior Apartments, LP	3.00%	(1)	7/22/2075	13,447,000
Subtotal					\$ 1,354,107,441
Less: intercompany notes eliminated upon consolidation					(101,987,712)
Consolidated subtotal					1,252,119,729
Less: unamortized debt issuance costs					(9,901,188)
Mortgages and notes payable, net					<u>\$ 1,242,218,541</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.
- (6) Interest due June 1 and December 1 each year.
- (7) Interest only quarterly, principal payment at maturity.

* Management has plans to, or is in the process of, refinancing or extending the loan prior to maturity. See also Note 15.

Debt issuance costs are being amortized to interest expense over the term of the loans. For the year ended December 31, 2023, the effective interest rate was 3.11%. During 2023, amortization expense for debt issuance costs was \$1,018,676.

As mentioned in Note 1, during 2022, NCRC closed on \$100,000,000 of Taxable Bonds, Series 2022 (Social Bonds) (the "Bonds"). The sales price of the Bonds was \$98,986,523, representing the principal amount of the bonds net of underwriting costs and fees. As of December 31, 2023, \$37,686,139 of Bond proceeds have not yet been loaned out and are held as available-for-sale securities (see Note 2). For the year ended December 31, 2023, interest expense on the Bonds was \$3,270,000.

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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:

2024	\$ 88,249,853
2025	23,787,106
2026	8,561,900
2027	5,580,177
2028	7,446,583
Thereafter	<u>1,129,294,110</u>
Total	<u>\$ 1,252,119,729</u>

Over the next two years, maturities listed above include approximately \$88,000,000 in construction loans that are expected to be converted to permanent financing or otherwise refinanced with permanent financing. See also Note 15.

8. Net assets with donor restrictions

Note Payable La Quinta Redevelopment Agency

During 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, LP (an entity in which NCRC holds a general partner interest through an affiliate) executed 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, LP 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, LP 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 property. 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, 2023, \$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, 2023, NCRC has a balance of net assets with donor restrictions of \$4,192,033 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, 2023, \$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, 2023, NCRC has a balance of net assets with donor restrictions of \$1,487,112 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, 2023, \$429,293 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, 2023, NCRC has a balance of net assets with donor restrictions of \$35,641,494 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. 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 Redevelopment Agency's Enforceable Obligation Payment Schedule.

For the year ended December 31, 2023, the Redevelopment Agency funded \$339,200 under the Pledge Agreement, which is included as an increase in net assets with donor restrictions on the accompanying consolidated statement of changes in net assets. 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, 2023, \$339,200 of net assets with donor restrictions were released to net assets without donor restrictions, and NCRC has a balance of net assets with donor restrictions of \$3,105,169 attributable to the Pledge Agreement grant.

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9. Retirement plan

NCRC maintains a Voluntary 401(k) Retirement Plan that covers substantially all full-time employees of National CORE. 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, 2023, \$840,810 was contributed by NCRC and subsidiaries 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, 2023, accrued retirement plan payables totaled \$932,508 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 project-based housing assistance payments to four Housing Affiliates 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, 2023, the affiliates received \$3,005,702 under these agreements, which is included in rental income on the accompanying consolidated statement of activities.

11. Related party transactions

In the ordinary course of business, NCRC has significant related party transactions with its wholly-owned subsidiaries and its 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, 2023, such amounts due are \$353,511.

From time-to-time, NCRC advances funds to NCRDC and NCRF to cover operating deficits. The advances are unsecured and due on demand. As of December 31, 2023, such advances to NCRDC and NCRF totaled \$383,674 and \$2,445,706, respectively, which are included in advances due from affiliates on the accompanying consolidated statement of financial position. NCRDC's and NCRF's management have 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, 2023.

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11. Related party transactions (continued)

General and administrative expense allocation

NCRC allocates 5% and 2% of its general and administrative expenses to NCRDC and NCRF, respectively. The allocation is based on a combination of total organization head count and total properties managed by each organization.

12. 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, 2023, 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, 2023, 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, 2023, no amounts were due under these guarantees.

13. 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.

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14. 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 partner 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.

15. Subsequent events

Subsequent events have been evaluated through June 27, 2024, which is the date the financial statements were available to be issued. The following is a summary of significant transactions through June 27, 2024:

On May 28, 2024, NCRC received an A+ credit rating from Standard & Poor's (S&P) Global Ratings.

As reported in Note 7, the following loans were to mature during 2024, or have otherwise had a refinance from construction loan to permanent loan:

Lender	Secured Entity	Principal (Note 7)	Original Maturity Date	Extended Maturity or Other
JP Morgan Chase Bank	Ivy Valley Housing Partners, LP	6,980,434	2/13/2024	Construction loan with options to extend to 8/13/2024 and 2/13/2025
Wells Fargo Bank	NCRC Lake Forest, LP	24,171,304	12/21/2025	Converted 5/22/2024 to \$9,180,013 permanent loan and equity contributions of \$17,958,472
County of San Bernardino	Malvern Housing Partners, LP	400,000	12/1/2022	AHP loan expected to be forgiven in 2024

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

15. Subsequent events (continued)

Lender	Secured Entity	Principal (Note 7)	Original Maturity Date	Extended Maturity or Other
Bank of America	Linc-CORE San Pedro Lofts, LP	31,732,337	1/1/2024	Converted 1/1/2024 to \$8,440,000 permanent loan, \$8,123,350 other loans, and equity contribution of \$16,085,304
Bank of America	Legacy Square, LP	35,500,000	2/1/2056	Converted 1/26/2024 to \$15,000,000 permanent loan, \$3,125,262 other loans, and equity contributions of \$16,040,174
JP Morgan Chase Bank	CP Senior Apartments, LP	16,418,270	7/22/2055	Converted 5/30/2024 to \$6,400,000 permanent loan, \$9,712,905 other loans, and equity contributions of \$5,352,575

SUPPLEMENTARY INFORMATION CONSOLIDATING SCHEDULES

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2023

	National Community Renaissance of California (corporate only)	Hope Through Housing Foundation	Wholly-Owned	Eliminating Entries	National Community Renaissance of California	Housing Affiliates	Eliminating Entries	Consolidated Total
ASSETS								
Cash and cash equivalents	\$ 26,242,369	\$ 3,535,358	\$ 16,471,284	\$ -	\$ 46,249,011	\$ 19,798,322	\$ -	\$ 66,047,333
Reserve for security deposits held in trust	-	-	2,314,173	-	2,314,173	3,137,300	-	5,451,473
Restricted cash	1,662,029	-	22,801,045	(902,608)	23,560,466	36,889,240	-	60,449,706
Investments in available-for-sale securities	37,815,052	-	-	-	37,815,052	-	-	37,815,052
Accounts receivable, net	2,787,128	273,915	2,154,190	-	5,215,233	3,739,514	-	8,954,747
Prepaid expense	1,528,749	5,685	722,632	-	2,257,066	875,828	-	3,132,894
Advance due from affiliates, net	48,486,592	800,634	410,403	(29,716,732)	19,980,897	343,679	(17,848,707)	2,475,869
Notes and interest receivable	63,033,308	1,072,305	72,137,233	(31,064,362)	105,178,484	501,841	(88,329,700)	17,350,625
Project development costs receivable	953,550	-	-	-	953,550	-	-	953,550
Developer fee receivable	17,627,253	-	-	(2,121,584)	15,505,669	-	(14,261,866)	1,243,803
Equity investments in partnerships	25,627,269	-	1,464,765	2,483,049	29,575,083	45,426	(20,925,904)	8,694,605
Lease right-of-use assets	-	-	1,460,555	-	1,460,555	55,050,413	-	56,510,968
Property, equipment and improvements, net	24,682,852	393,947	302,582,178	(5,381,615)	322,277,362	1,272,968,221	(100,621,320)	1,494,624,263
Deferred costs, net	-	-	28,194	-	28,194	2,436,774	-	2,464,968
Interest rate swap	-	-	-	-	-	741,677	-	741,677
Total assets	\$ 250,446,151	\$ 6,081,844	\$ 422,546,652	\$ (66,703,852)	\$ 612,370,795	\$ 1,396,528,235	\$ (241,987,497)	\$ 1,766,911,533
LIABILITIES AND NET ASSETS								
Accounts payable	\$ 1,747,098	\$ 568,894	\$ 5,939,853	\$ (5,047,372)	\$ 3,208,473	\$ 4,075,034	\$ (2,738,040)	\$ 4,545,467
Accounts payable - construction	496,375	-	5,197,134	-	5,693,509	35,559,317	-	41,252,826
Security deposits	-	-	2,214,869	-	2,214,869	3,097,295	-	5,312,164
Accrued expenses	3,212,893	320,528	716,790	(112,013)	4,138,198	1,057,132	-	5,195,330
Deferred revenue	7,828,250	-	254,640	-	8,082,890	547,358	(2,166,660)	6,463,588
Lease right-of-use liability	-	-	-	-	-	18,437,014	-	18,437,014
Accrued interest	-	-	64,990,146	(1,662,540)	63,327,606	88,960,111	(11,004,066)	141,283,651
Mortgages and notes payable, net	126,284,875	-	279,524,584	(30,304,430)	375,505,029	938,396,794	(71,683,282)	1,242,218,541
Due to affiliates	2,188,727	-	25,072,664	(24,669,616)	2,591,775	15,941,873	(15,110,667)	3,422,981
Developer fee payable	-	-	1,633,561	(1,628,526)	5,035	16,414,723	(13,059,472)	3,360,286
Total liabilities	141,758,218	889,422	385,544,241	(63,424,497)	464,767,384	1,122,486,651	(115,762,187)	1,471,491,848
Net assets								
Net assets without donor restrictions, controlling	78,449,504	2,755,244	23,172,630	(2,254,924)	102,122,454	15,903,635	(149,643,633)	(31,617,544)
Net assets without donor restrictions, non-controlling	-	-	-	-	-	258,137,949	23,418,323	281,556,272
Total net assets without donor restrictions	78,449,504	2,755,244	23,172,630	(2,254,924)	102,122,454	274,041,584	(126,225,310)	249,938,728
Net assets with donor restrictions	30,238,429	2,437,178	13,829,781	(1,024,431)	45,480,957	-	-	45,480,957
Total net assets	108,687,933	5,192,422	37,002,411	(3,279,355)	147,603,411	274,041,584	(126,225,310)	295,419,685
Total liabilities and net assets	\$ 250,446,151	\$ 6,081,844	\$ 422,546,652	\$ (66,703,852)	\$ 612,370,795	\$ 1,396,528,235	\$ (241,987,497)	\$ 1,766,911,533

see report of independent auditors

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - SUPPLEMENTAL SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023

Net Assets without Donor Restrictions									
	National Community Renaissance of California (corporate only)	Hope Through Housing Foundation	Wholly-Owned	Eliminating Entries	National Community Renaissance of California	Housing Affiliates	Net Assets with Donor Restrictions	Eliminating Entries	Consolidated Total
REVENUE AND OTHER INCOME									
Rental revenue, net of vacancy	\$ 1,252,208	\$ -	\$ 43,918,440	\$ -	\$ 45,170,648	\$ 54,850,305	\$ -	\$ -	\$ 100,020,953
Other rental revenue	213,936	-	1,300,095	-	1,514,031	1,297,986	-	-	2,812,017
Social service fee income	-	2,698,397	-	(880,164)	1,818,233	-	-	(1,818,233)	-
Consulting, development and partnership fees	32,462,097	-	1,354,954	(7,541,779)	26,275,272	392,982	-	(21,545,512)	5,122,742
Management fees	6,746,265	-	200,054	(2,821,494)	4,124,825	-	-	(3,480,397)	644,428
Grants and contributions, including release of net assets with donor restrictions	752,389	4,681,815	4,416	-	5,438,620	2,449,327	(142,801)	-	7,745,146
Contributions of nonfinancial assets	203,558	367,906	-	-	571,464	-	-	(288,862)	282,602
Interest income	9,045,960	-	3,410,377	(956,091)	11,500,246	350,790	-	(10,535,429)	1,315,607
Other income	111,397	361,565	1,502,820	-	1,975,782	-	-	-	1,975,782
Total revenue and other income	50,787,810	8,109,683	51,691,156	(12,199,528)	98,389,121	59,341,390	(142,801)	(37,668,433)	119,919,277
PROGRAM EXPENSES									
Contracted program services - Hope Through Housing	-	1,525,452	-	-	1,525,452	-	-	-	1,525,452
Lease expense	-	288,862	-	-	288,862	338,239	-	(288,862)	338,239
Payroll	-	3,206,400	6,485,869	-	9,692,269	8,870,417	-	-	18,562,686
Utilities	-	4,459	5,829,785	-	5,834,244	6,619,621	-	-	12,453,865
Repairs and maintenance	-	6,545	10,229,308	-	10,235,853	10,577,288	-	-	20,813,141
Legal and other professional services	-	162,757	-	-	162,757	-	-	-	162,757
Insurance	-	24,588	2,061,935	-	2,086,523	2,082,681	-	-	4,169,204
Taxes	-	-	1,285,903	-	1,285,903	1,111,077	-	-	2,396,980
Interest expense	-	-	10,004,928	(956,091)	9,048,837	25,951,829	-	(2,673,997)	32,326,669
Depreciation and amortization expense	-	28,242	10,682,882	-	10,711,124	31,405,017	-	(2,278,000)	39,838,141
Other program expenses	-	1,168,856	-	(112,269)	1,056,587	-	-	-	1,056,587
Total program expenses	-	6,416,161	46,580,610	(1,068,360)	51,928,411	86,956,169	-	(5,240,859)	133,643,721
MANAGEMENT AND GENERAL EXPENSES									
General and administrative	3,300,616	723,301	2,623,905	-	6,647,822	3,748,926	-	-	10,396,748
Lease expense	236,200	-	40,224	-	276,424	-	-	-	276,424
Payroll	22,013,396	340,537	-	-	22,353,933	-	-	-	22,353,933
Utilities	400,497	-	-	-	400,497	-	-	-	400,497
Repairs and maintenance	986,651	-	-	-	986,651	-	-	-	986,651
Property management fees	57,828	-	10,220,165	(10,106,906)	171,087	6,334,995	-	(5,501,290)	1,004,792
Legal and other professional services	3,933,922	54,869	625,879	-	4,614,670	1,493,149	-	-	6,107,819
Insurance	194,719	-	-	-	194,719	-	-	-	194,719
Taxes	191,069	-	-	-	191,069	-	-	-	191,069
Interest expense	4,481,065	-	-	-	4,481,065	-	-	-	4,481,065
Depreciation and amortization expense	786,731	-	-	-	786,731	-	-	-	786,731
Other expenses	2,837,528	-	92,182	-	2,929,710	398,560	-	-	3,328,270
Total management and general expenses	39,420,222	1,118,707	13,602,355	(10,106,906)	44,034,378	11,975,630	-	(5,501,290)	50,508,718
FUNDRAISING EXPENSES									
Payroll	-	241,342	-	-	241,342	-	-	-	241,342
Fundraising events	20,071	339,763	329	-	360,163	-	-	-	360,163
Total fundraising expenses	20,071	581,105	329	-	601,505	-	-	-	601,505
Total expenses	39,440,293	8,115,973	60,183,294	(11,175,266)	96,564,294	98,931,799	-	(10,742,149)	184,753,944
Changes in net assets from operations	\$ 11,347,517	\$ (6,290)	\$ (8,492,138)	\$ (1,024,262)	\$ 1,824,827	\$ (39,590,409)	\$ (142,801)	\$ (26,926,284)	\$ (64,834,667)
OTHER CHANGES									
Realized gains - Available-for-sale securities, net	-	-	-	-	-	-	1,160,110	-	1,160,110
Unrealized gains - Available-for-sale securities	-	-	-	-	-	-	128,913	-	128,913
Total other changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,289,023	\$ -	\$ 1,289,023
Changes in net assets	\$ 11,347,517	\$ (6,290)	\$ (8,492,138)	\$ (1,024,262)	\$ 1,824,827	\$ (39,590,409)	\$ 1,146,222	\$ (26,926,284)	\$ (63,545,644)
NET ASSETS									
Controlling interest									
Without donor restrictions, beginning of year	\$ 64,591,405	\$ 2,662,986	\$ 38,124,424	\$ (7,390,045)	\$ 97,988,770	\$ 9,919,487	\$ (114,551,509)	\$ -	\$ (6,643,252)
Contributions	-	-	-	-	-	8,888,298	(8,888,298)	-	-
Distributions (partnerships)	-	-	(3,343,038)	3,343,038	-	(722,458)	722,458	-	-
Transfer of previously wholly-owned to NCRC	1,673,319	-	(1,673,319)	-	-	-	-	-	-
Transfer of previously wholly-owned to affiliate	-	-	(1,653,710)	2,816,345	1,162,635	(1,162,635)	-	-	-
Reclassification of intercompany equity to debt	-	-	-	-	-	-	-	-	-
Changes in net assets without donor restrictions	12,184,780	92,258	(8,281,727)	(1,024,262)	2,971,049	(1,019,057)	(26,926,284)	-	(24,974,292)
Without donor restrictions, end of year	\$ 78,449,504	\$ 2,755,244	\$ 23,172,630	\$ (2,254,924)	\$ 102,122,454	\$ 15,903,635	\$ (149,643,633)	\$ -	\$ (31,617,544)
With donor restrictions, beginning of year	\$ 29,401,166	\$ 2,338,630	\$ 13,619,370	\$ (1,024,431)	\$ 44,334,735	\$ -	\$ -	\$ -	\$ 44,334,735
Increase in net assets with donor restrictions	-	2,001,378	339,200	-	2,340,578	-	-	-	2,340,578
Release of net assets with donor restrictions	(451,760)	(1,902,830)	(128,789)	-	(2,483,379)	-	-	-	(2,483,379)
Realized gains - Available-for-sale securities	1,160,110	-	-	-	1,160,110	-	-	-	1,160,110
Unrealized gains - Available-for-sale securities	128,913	-	-	-	128,913	-	-	-	128,913
With donor restrictions, end of year	\$ 30,238,429	\$ 2,437,178	\$ 13,829,781	\$ (1,024,431)	\$ 45,480,957	\$ -	\$ -	\$ -	\$ 45,480,957
Non-controlling interest									
Without donor restrictions, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,110,740	\$ 23,418,323	\$ -	\$ 242,529,063
Contributions	-	-	-	-	-	78,327,226	-	-	78,327,226
Distributions	-	-	-	-	-	(728,665)	-	-	(728,665)
Changes in net assets without donor restrictions	-	-	-	-	-	(38,571,352)	-	-	(38,571,352)
Without donor restrictions, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 258,137,949	\$ 23,418,323	\$ -	\$ 281,556,272

see report of independent auditors

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF INCOME (EBITDA) (Non-GAAP) - SUPPLEMENTAL SCHEDULE *
FOR THE YEAR ENDED DECEMBER 31, 2023

	Net Assets without Donor Restrictions								
	National Community Renaissance of California (corporate only)	Hope Through Housing	Wholly-Owned	Eliminating Entries	National Community Renaissance of California	Housing Affiliates	Net Assets with Donor Restrictions	Eliminating Entries	Total
REVENUE AND OTHER INCOME									
Rental revenue, net of vacancy	\$ 1,252,208	\$ -	\$ 43,918,440	\$ -	\$ 45,170,648	\$ 54,850,305	\$ -	\$ -	\$ 100,020,953
Other rental revenue	213,936	-	1,300,095	-	1,514,031	1,297,986	-	-	2,812,017
Social service fee income	-	2,698,397	-	(880,164)	1,818,233	-	-	(1,818,233)	-
Consulting, development and partnership fees	32,462,097	-	1,354,954	(7,541,779)	26,275,272	392,982	-	(21,545,512)	5,122,742
Management fees	6,746,265	-	200,054	(2,821,494)	4,124,825	-	-	(3,480,397)	644,428
Grants and contributions, including release of net assets with donor restrictions	752,389	4,681,815	4,416	-	5,438,620	2,449,327	(142,801)	-	7,745,146
Contributions of nonfinancial assets	203,558	367,906	-	-	571,464	-	-	(288,862)	282,602
Other income	111,397	361,565	1,502,820	-	1,975,782	-	-	-	1,975,782
Total revenue and other income	41,741,850	8,109,683	48,280,779	(11,243,437)	86,888,875	58,990,600	(142,801)	(27,133,004)	118,603,670
PROGRAM EXPENSES									
Contracted program services - Hope Through Housing	-	1,525,452	-	-	1,525,452	-	-	-	1,525,452
Lease expense	-	288,862	-	-	288,862	338,239	-	(288,862)	338,239
Payroll	-	3,206,400	6,485,869	-	9,692,269	8,870,417	-	-	18,562,686
Utilities	-	4,459	5,829,785	-	5,834,244	6,619,621	-	-	12,453,865
Repairs and maintenance	-	6,545	10,229,308	-	10,235,853	10,577,288	-	-	20,813,141
Legal and other professional services	-	162,757	-	-	162,757	-	-	-	162,757
Taxes and insurance	-	24,588	3,252,621	-	3,277,209	3,143,900	-	-	6,421,109
Other program expenses	-	1,168,856	-	(112,269)	1,056,587	-	-	-	1,056,587
Total program expenses	-	6,387,919	25,797,583	(112,269)	32,073,233	29,549,465	-	(288,862)	61,333,836
MANAGEMENT AND GENERAL EXPENSES									
General and administrative	3,300,616	723,301	2,623,905	-	6,647,822	3,748,926	-	-	10,396,748
Lease expense	236,200	-	40,224	-	276,424	-	-	-	276,424
Payroll	22,013,396	340,537	-	-	22,353,933	-	-	-	22,353,933
Utilities	400,497	-	-	-	400,497	-	-	-	400,497
Repairs and maintenance	986,651	-	-	-	986,651	-	-	-	986,651
Property management fees	57,828	-	10,220,165	(10,106,906)	171,087	6,334,995	-	(5,501,290)	1,004,792
Legal and other professional services	3,933,922	54,869	625,879	-	4,614,670	1,493,149	-	-	6,107,819
Taxes and insurance	375,941	-	-	-	375,941	-	-	-	375,941
Other expenses	2,837,528	-	92,182	-	2,929,710	398,560	-	-	3,328,270
Total management and general expenses	34,142,579	1,118,707	13,602,355	(10,106,906)	38,756,735	11,975,630	-	(5,501,290)	45,231,075
FUNDRAISING EXPENSES									
Payroll	-	241,342	-	-	241,342	-	-	-	241,342
Fundraising events	20,071	339,763	329	-	360,163	-	-	-	360,163
Total fundraising expenses	20,071	581,105	329	-	601,505	-	-	-	601,505
Total expenses	34,162,650	8,087,731	39,400,267	(10,219,175)	71,431,473	41,525,095	-	(5,790,152)	107,166,416
NET INCOME (LOSS) (EBITDA)	7,579,200	21,952	8,880,512	(1,024,262)	15,457,402	17,465,505	(142,801)	(21,342,852)	11,437,254
DEPRECIATION AND AMORTIZATION									
Depreciation expense	(780,666)	(28,242)	(10,660,901)	-	(11,469,809)	(31,192,097)	-	2,278,000	(40,383,906)
Amortization expense	(6,065)	-	(21,981)	-	(28,046)	(212,920)	-	-	(240,966)
Depreciation and amortization expense	(786,731)	(28,242)	(10,682,882)	-	(11,497,855)	(31,405,017)	-	2,278,000	(40,624,872)
OTHER CHANGES									
Realized gains - Available-for-sale securities, net	-	-	-	-	-	-	1,160,110	-	1,160,110
Unrealized gains - Available-for-sale securities	-	-	-	-	-	-	128,913	-	128,913
Total other changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,289,023	\$ -	\$ 1,289,023
INCOME (LOSS) BEFORE INTEREST AND TAXES	6,792,469	(6,290)	(1,802,370)	(1,024,262)	3,959,547	(13,939,512)	1,146,222	(19,064,852)	(27,898,595)
INTEREST									
Interest income	9,045,960	-	3,410,377	(956,091)	11,500,246	350,790	-	(10,535,429)	1,315,607
Interest expense	(4,481,065)	-	(10,004,928)	956,091	(13,529,902)	(25,951,829)	-	2,673,997	(36,807,734)
Interest, net	4,564,895	-	(6,594,551)	-	(2,029,656)	(25,601,039)	-	(7,861,432)	(35,492,127)
TAXES									
Franchise tax fees	(9,847)	-	(95,217)	-	(105,064)	(49,858)	-	-	(154,922)
CHANGES IN NET ASSETS	\$ 11,347,517	\$ (6,290)	\$ (8,492,138)	\$ (1,024,262)	\$ 1,824,827	\$ (39,590,409)	\$ 1,146,222	\$ (26,926,284)	\$ (63,545,644)

* 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 American (non-GAAP).



SUPPLEMENTARY INFORMATION REQUIRED BY THE UNIFORM GUIDANCE

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Agreement Number	Total Federal (and non- federal) Expenditures
U.S. Department of Housing and Urban Development:			
passed through from: Long Beach Affordable Housing Coalition, Inc. County of Riverside			
HOME Investment Partnerships Program - Loans	14.239	N/A	\$ 630,380
<i>Subtotal of 14.239</i>			<i>630,380</i>
passed through from: City of Los Angeles HCID and Union Station Homeless Services			
COVID-19: Emergency Solutions Grant Program	14.231	2020PHK51-NC1A 2020PHK42-NC1A	47,072 38,696
passed through from: California Department of Housing and Community Development and County of Orange			
COVID-19: Emergency Solutions Grant Program	14.231	2021-HK-17099	1,701,995 *
<i>Subtotal of 14.231</i>			<i>1,787,763</i>
Total U.S. Department of Housing and Urban Development			<u>2,418,143</u>
U.S. Department of the Treasury:			
passed through from: California Department of Housing and Community Development and City of Los Angeles			
COVID-19: Coronavirus Relief Fund - Loans	21.019	N/A	17,470,000 *
Total U.S. Department of the Treasury			<u>17,470,000</u>
Total expenditures of federal (and non-federal) awards			<u>\$ 19,888,143</u>

* includes indeterminate federal amounts (see Note 3)

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
FOR THE YEAR ENDED DECEMBER 31, 2023

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”) and subsidiaries under programs of the federal government for the year ended December 31, 2023. 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 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed. Assistance Listing numbers (“AL No.”) are provided when available. The Organization elected not to use the 10% de minimis indirect cost rate.

3. Outstanding federal loans and grants

The following represents the amount of outstanding loans and grants identified by AL No. AL No. starting with 14 are provided by U.S. Department of Housing and Urban Development, and AL No. starting with 21 are provided by U.S. Department of the Treasury, and are included in the Schedule.

AL No.	Program title	Funds received in 2023	Prior year funds with continuing compliance requirements	Total outstanding funds December 31, 2023
14.239	HOME Investment Partnerships Program - Loans	\$ 0	\$ 630,380	\$ 616,958
14.231	Emergency Solutions Grant Programs - Grants	\$ 1,787,763	\$ 1,642,167	\$ 3,429,930
21.019	Coronavirus Relief Fund - Loans	\$ 0	\$ 17,470,000	\$ 17,470,000

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

3. Outstanding federal loans and grants (continued)

No. HOME units	Project	Pass-through entity	AL No.	Outstanding loan balance as of December 31, 2023
11	Clark	Long Beach Affordable Housing Coalition, Inc.	14.239	\$ 550,000
11	Corona del Rey	County of Riverside	14.239	66,958
22		Total of HOME Investments Partnership Program - Loans		<u>\$ 616,958</u>

No. Homekey units	Project	Pass-through entity	AL No.	Grant funds expended as of December 31, 2023
49	Titta Inn	City of Los Angeles	14.231	\$ 534,066
52	Super 8	City of Los Angeles	14.231	537,620
62	HB Oasis *	California Department of Housing and Community Development; County of Orange	14.231	2,358,244
163		Total of Emergency Solutions Grant Program – Grant expenditures		<u>\$ 3,429,930</u>

* includes indeterminate federal amounts

No. Homekey units	Project	Pass-through entity	AL No.	Outstanding loan balance as of December 31, 2023
49	Titta Inn *	City of Los Angeles	21.019	\$ 8,580,000
52	Super 8 *	City of Los Angeles	21.019	8,890,000
101		Total of Coronavirus Relief Fund – Loans		<u>\$ 17,470,000</u>

* includes indeterminate federal amounts

Emergency Solutions Grant Program expenditures and Coronavirus Relief Funds may include non-federal amounts, however such amounts are indeterminate:

The grant funds received by the HB Oasis project consists of Homekey Program funding by the California Department of Housing and Community Development (“HCD”), passed-through to the County of Orange, who then passed-through to the Organization. The HCD Homekey Program funds are derived from the Coronavirus State Fiscal Recovery Fund established by the federal American Rescue Plan Act of 2021 (Public Law 117-2) and, to a lesser extent, the California State General Fund (non-federal).

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

3. Outstanding federal loans and grants (continued)

The loans received by the Titta Inn and Super 8 projects consist of Homekey Program funding by HCD, passed-through to the City of Los Angeles and the Housing Authority of the City of Los Angeles, who then passed-through to the Organization. The HCD Homekey Program funds are derived from the Coronavirus Relief Fund established by the federal Coronavirus Aid, Relief, and Economic Security Act of 2020 (Public Law 116-136), and, to a lesser extent, the California State General Fund (non-federal).

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, 2023, 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 June 27, 2024.

Report on 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 in 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 or significant deficiencies may exist that were not identified.

Report on Compliance

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 that are required to be reported under *Government Auditing Standards*.

Other Matters

We noted certain matters that we are required to report to management of National Community Renaissance of California in a separate written communication. These matters are described in our management letter dated June 27, 2024

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 "Novogradac & Company LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
June 27, 2024



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

Opinion on 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, 2023. 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.

In our opinion, National Community Renaissance of California complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of National Community Renaissance of California and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of National Community Renaissance of California's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to National Community Renaissance of California's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on National Community Renaissance of California's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about National Community Renaissance of California's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding National Community Renaissance of California's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of National Community Renaissance of California's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 National Community Renaissance of California's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
June 27, 2024

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal Control over major programs:			
Material weakness(es) identified?	_____ Yes	_____ x	No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	_____ x	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	_____ x	No

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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21.019	Coronavirus Relief Fund
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Dollar threshold used to distinguish between Type A and Type B programs:	_____ \$750,000
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Auditee qualified as low-risk auditee?	_____ x	Yes	_____	No
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NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

Section II - Financial Statement Findings

There were no findings noted.

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, 2023

There were no prior year audit findings.

Attachment 6

SAN DIEGO HOUSING COMMISSION

RESOLUTION NUMBER HC-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE SAN DIEGO HOUSING COMMISSION
SETTING FORTH OFFICIAL INTENT FOR THE HOUSING
AUTHORITY OF THE CITY OF SAN DIEGO TO ISSUE
MULTIFAMILY HOUSING REVENUE BONDS OR NOTES TO
FINANCE ENCANTO GATEWAY AND AUTHORIZING
RELATED ACTIONS

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, as amended (Act), the Housing Authority of the City of San Diego (Authority) is authorized to issue revenue bonds or notes for the purpose of financing the construction and equipping of affordable multifamily rental housing and for the provision of capital improvements in connection with and determined necessary to such affordable multifamily rental housing; and

WHEREAS, National Community Renaissance of California, a California nonprofit public benefit corporation, as sponsor (Developer), has requested that the Authority issue and sell multifamily housing revenue bonds or notes (Bonds) pursuant to the Act for the purpose of making a loan to Encanto Gateway LP, a California limited partnership, or another ownership entity formed by Developer or an affiliate thereof (such limited partnership or other ownership entity, Borrower), to finance a portion of the cost of the construction and equipping of an affordable multifamily rental housing development located at 6601 Imperial Avenue, San Diego, California 92114, as more fully identified in Exhibit A hereto (Project), including functionally related and subordinate facilities thereto; and

WHEREAS, as a part of financing the Project, the Authority desires to reimburse the Borrower, but only from Bond proceeds, for expenditures (Reimbursement Expenditures) made in

connection with the Project within the period from the date 60 days prior to the date of adoption of this Resolution to the date of issuance of the Bonds; and

WHEREAS, sections 1.103-8(a)(5) and 1.150-2 of the United States Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, by its resolution HAR20-043 adopted on March 9, 2021, the Authority has delegated to the San Diego Housing Commission (Housing Commission) authority and responsibility for declaring on behalf of the Authority its intention to authorize the issuance of Bonds for the purpose of financing costs of the Project (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and conditions as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed \$16,500,000 as set forth in Exhibit A; and

WHEREAS, section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (CDLAC) for such allocation, and CDLAC has certain policies that are to be satisfied in connection with any such allocation. NOW, THEREFORE,

BE IT RESOLVED, by the San Diego Housing Commission, as follows:

Section 1. Findings and Determinations.

(a) The above recitals, and each of them, are true and correct. The Housing Commission hereby determines that it is necessary and desirable to provide financing to the Borrower for the Project (including reimbursement of the Reimbursement Expenditures) by the Authority's issuance and sale of Bonds pursuant to the Act in aggregate principal amount not to exceed \$16,500,000, as set forth in Exhibit A, subject to authorization of the issuance of the Bonds by resolution of the Authority at a meeting to be held for such purpose. The expected date of issue of the Bonds is within eighteen (18) months of the later of the date the first Reimbursement Expenditure was made and the first date the Project is placed in service and, in no event, later than three years after the date of the first Reimbursement Expenditure.

(b) Proceeds of the Bonds to be used to reimburse for Project costs are not expected to be used directly or indirectly to pay debt service with respect to any obligation or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Authority, the Housing Commission or any entity related in any manner to the Authority, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

(c) As of the date hereof, the Housing Commission has a reasonable expectation that the Authority will issue the Bonds, in part, to reimburse Project costs. This Resolution is consistent with the budgetary and financial circumstances of the Authority, as of the date hereof. The Bonds will be repaid solely from proceeds of the Bonds and amounts paid by the Borrower. No other moneys are, or are reasonably expected to be, reserved, allocated on a long-term basis,

or otherwise set aside by the Authority (or any related party) pursuant to its budget or financial policies to repay the Bonds.

Section 2. Declaration of Official Intent. This Resolution is being adopted by the Housing Commission in part for the purpose of establishing compliance with the requirements of sections 1.103-8(a)(5) and 1.150-2 of the Treasury Regulations. In such regard, the Housing Commission, for and on behalf of the Authority, hereby declares the official intent to use proceeds of the Bonds to reimburse the Reimbursement Expenditures. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, and nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority, the Housing Commission, the City of San Diego (City) or any officer or agent of the City will grant any such approval, consent or permit that may be required in connection with the construction and equipping of the Project, or that any of the Authority, the Housing Commission or the City will make any expenditure, incur any indebtedness, or proceed with the financing of the Project.

Section 3. Applications to CDLAC. The staff of the Housing Commission are hereby authorized and directed to apply to CDLAC for an allocation from the state ceiling of private activity bonds to be issued by the Authority for the Project in an amount not to exceed \$16,500,000, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, additional applications to CDLAC (if necessary), and any such actions heretofore taken by such staff are hereby ratified, approved and confirmed.

Section 4. Approval of Bond Counsel and Financial Advisor. The financing team of Anzel Galvan LLP, as bond counsel (Bond Counsel), and Ross Financial, as municipal advisor, is

approved for this Project.

Section 5. Authority of President & Chief Executive Officer of Housing Commission.

The President & Chief Executive Officer of the Housing Commission, or designee, is hereby authorized to execute all necessary documents, in a form approved by the Housing Commission's General Counsel and/or Bond Counsel, and to perform such acts as are necessary to implement the approvals provided for in this Resolution.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

EXHIBIT A

DESCRIPTION OF PROJECT

Name:	Encanto Gateway
Location:	6601 Imperial Avenue, San Diego, California 92114
Number of Units:	65 (including one manager's unit)
Maximum Bond Amount:	\$16,500,000

The foregoing Resolution is passed and adopted by the San Diego Housing Commission on August 28, 2026.

By: _____
LISA JONES, President & Chief Executive
Officer of the San Diego Housing Commission