

EXECUTIVE SUMMARY

MEETING DATE: September 15, 2023

HCR23-095

SUBJECT: Final Bond Authorization and Tax Equity and Fiscal Responsibility Act Hearing and Resolution for Iris at San Ysidro Apartments

COUNCIL DISTRICT: 8

ORIGINATING DEPARTMENT: Real Estate

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

REQUESTED ACTION:

Authorize the issuance of tax-exempt Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds, in the aggregate amount not to exceed \$31,500,000 and taxable bonds in an amount not to exceed \$9,000,000 to fund Iris at San Ysidro, LP's acquisition and new construction of Iris at San Ysidro Apartments, a new transit-oriented development at 1663 Dairy Mart Road, San Ysidro, CA 92173. The development will consist of 99 units that will remain affordable for 55 years for households with income of 25 percent to 60 percent of San Diego's Area Median Income (AMI), of which 15 units will be permanent supportive housing for families experiencing homelessness, and one unrestricted manager's unit.

EXECUTIVE SUMMARY OF KEY FACTORS:

- On June 10, 2022, the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) approved taking preliminary steps to authorize the issuance of up to \$35,000,000 of tax-exempt Multifamily Housing Revenue Bonds to finance the acquisition and new construction of Iris at San Ysidro.
- On May 10, 2023, the California Debt Limit Allocation Committee (CDLAC) approved a \$31,500,000 tax-exempt bonds allocation, and the California Tax Credit Allocation Committee (CTCAC) approved a 4 percent tax credits allocation.
- The development will consist of 42 one-bedroom, 32 two-bedroom and 26 three-bedroom apartments, including one unrestricted manager's unit.
- The Housing Commission has awarded 25 Project-Based Housing Vouchers to this development for families with income at or below 30 percent of San Diego's Area Median Income (\$41,350 per year for a four-person household).
- Residents will be provided access to electric vehicle charging station spaces, bike racks and bike lockers at both the development site and the nearby trolley station. In addition to the trolley, the site is served by a Metropolitan Transit System bus line and features easy connections to nearby health and wellness facilities, senior centers and neighborhood eateries.
- Nine residents of two single-family homes currently on the property will be relocated pursuant to a relocation plan conforming to CDLAC and state regulations.
- All residents will have access to a range of organized community activities, including social events and celebrations, health and wellness classes, and financial education.
- Residents referred as part of the County of San Diego's No Place Like Home program will be directed to mental and health services provided by the County of San Diego Behavior Health Services. San Ysidro Health will provide outreach and engagement within at Iris at San Ysidro to provide options for residents age 55 and older for the San Diego Program of All-Inclusive Care for the Elderly (PACE).
- National Community Renaissance (National CORE), an award-winning, nonprofit, is the developer.
- Iris at San Ysidro has an estimated total development cost of \$66,290,153 (\$662,902 per unit).



REPORT

DATE ISSUED: September 7, 2023

REPORT NO: HCR23-095

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of September 15, 2023

SUBJECT: Final Bond Authorization and Tax Equity and Fiscal Responsibility Act Hearing and Resolution for Iris at San Ysidro Apartments

COUNCIL DISTRICT: 8

A Tax Equity and Fiscal Responsibility Act (TEFRA) hearing is scheduled to be heard by the San Diego Housing Commission (Housing Commission) Board of Commissioners on September 15, 2023, 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 this hearing not take place and instead be heard by the Housing Authority and City Council by giving notice to the Housing Commission's President & Chief Executive Officer, or designee, within seven days of the date of this notice.

REQUESTED ACTION

Authorize the issuance of tax-exempt Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds, in the aggregate amount not to exceed \$31,500,000 and taxable bonds in an amount not to exceed \$9,000,000 to fund Iris at San Ysidro, LP's acquisition and new construction of Iris at San Ysidro Apartments, a new transit-oriented development at 1663 Dairy Mart Road, San Ysidro, CA 92173. The development will consist of 99 units that will remain affordable for 55 years for households with income of 25 percent to 60 percent of San Diego's Area Median Income (AMI), of which 15 units will be permanent supportive housing for families experiencing homelessness, and one unrestricted manager's unit.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions and recommend that the Housing Authority of the City of San Diego (Housing Authority) and San Diego City Council (City Council) take the following actions:

Housing Commission Board

- 1) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing approving the Housing Authority's issuance of a tax-exempt Multifamily Housing Revenue Bonds in an amount not to exceed \$31,500,000 to fund Iris at San Ysidro, LP's acquisition and new construction of Iris at San Ysidro, a new affordable rental housing development at 1663 Dairy Mart Road, San Ysidro, CA 92173, which will consist of 99 units that will remain affordable for 55 years for households with income of 25 percent to 60 percent of San Diego's Area Median Income (AMI), including 15 units through the County of San Diego's No Place Like Home program reserved for individuals with a serious mental illness who are at risk of homelessness or experiencing homelessness or chronic homelessness, and one unrestricted manager's unit.

Housing Authority

- 1) Authorize the issuance of tax-exempt Multifamily Housing Revenue Bonds in an aggregate amount not to exceed \$31,500,000 and taxable bonds in an amount not to exceed \$9,000,000 to fund Iris at San Ysidro, LP's acquisition and new construction of Iris at San Ysidro, a new affordable rental housing development at 1663 Dairy Mart Road, San Ysidro, CA 92173, which will consist of 99 units that will remain affordable for 55 years for households with income of 25 percent to 60 percent of San Diego's Area Median Income (AMI), including 15 units through the County of San Diego's No Place Like Home program reserved for individuals with a serious mental illness who are at risk of homelessness or experiencing homelessness or chronic homelessness, and one unrestricted manager's unit.
- 2) Authorize the Housing Commission'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 the General Counsel of the Housing Authority and of the Housing Commission and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel. Housing Commission staff will notify the Housing Authority and the City Attorney's Office about any subsequent amendments or modifications to the transaction, and other required documents, including amendments to any documents.

City Council

- 1) Adopt a Tax Equity and Fiscal Responsibility Act resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount not to exceed \$31,500,000 to facilitate the development of Iris at San Ysidro, a new affordable rental housing development at 1663 Dairy Mart Road, San Ysidro, CA 92173, which will consist of 99 units that will remain affordable for 55 years for households with income of 25 percent to 60 percent of San Diego's Area Median Income (AMI), including 15 units through the County of San Diego's No Place Like Home program reserved for individuals with a serious mental illness who are at risk of homelessness or experiencing homelessness or chronic homelessness,, and one unrestricted manager's unit.

SUMMARY

Table 1 –Development Details

Address	1663 Dairy Mart Road, San Ysidro, CA 92173
Council District	District 8
Community Plan Area	San Ysidro Community Planning Group
Developer	National Community Renaissance of California (National CORE)
Development Type	New construction
Construction Type	Type V-A (four stories)
Parking Type	Surface (104 parking spaces)

Local Amenities	<p><u>Mass Transit:</u> Transit-Oriented Development (TOD). Iris Trolley station is 0.5 mile from the property.</p> <p><u>Grocery:</u> Pancho Villa Mercado (0.3 mile from the property)</p> <p><u>Schools:</u> Southwest Middle School (0.8 mile from the property)</p>
Housing Type	Affordable Multifamily, including units set aside for permanent supportive housing
Accessibility	Wheelchair accessibility in 10 percent of the units, and 4 percent of the units accessible to residents with visual and/or hearing impairments.
Lot Size	1.66 acres
Units	100 (99 units restricted/affordable)
Density	60.2/acre (100 units ÷ 1.66 acres = 60.24 per acre)
Unit Mix	42 one-bedroom, 32 two-bedroom, 26 three-bedroom
Gross Building Area	115,424 square feet.
Net Rentable Area	80,813 square feet.
Project Based Housing Vouchers (PBV)	25 PBVs for low-income families earning up to 30% AMI
Affordable Units in Service by Council District	Council District 8 includes 3,992 affordable rental housing units currently in service, which represents 15.6 percent of the 25,527 affordable rental housing units in service citywide.

Background

On June 10, 2022, the Housing Commission Board held a TEFRA hearing and approved taking preliminary steps to authorize the issuance of up to \$35,000,000 of tax-exempt Multifamily Housing Revenue Bonds to finance the acquisition and new construction of Iris at San Ysidro Apartments (Report No. HCR22-086; Resolution No. HC-1959). If bonds are not issued within 12 months of the TEFRA hearing, a new TEFRA hearing is required.

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

On May 10, 2023, the California Debt Limit Allocation Committee (CDLAC) approved a \$31,500,000 tax-exempt bonds allocation, and the California Tax Credit Allocation Committee (CTCAC) approved a 4 percent tax credits allocation.

The Development

The Iris at San Ysidro is a proposed 100-unit, new construction, affordable, transit-oriented, family development with a permanent supportive housing component. Once completed, it will consist of 42 one-bedroom, 32 two-bedroom and 26 three-bedroom apartments, including one unrestricted manager's unit. The Housing Commission has awarded the developer, National Community Renaissance of California (National CORE) 25 Project-Based Housing Vouchers (PBV) for families with income at or

below 30 percent of San Diego's Area Median Income (AMI, currently \$41,350 per year for a four-person household. These tenants will be selected from the Housing Commission's PBV waiting list and will receive supportive services from Hope through Housing Foundation, Casa Familiar and San Ysidro Health. Pursuant to restrictions from a County of San Diego "No Place Like Home" (NPLH) third-party loan, 15 of the one-bedroom units at Iris at San Ysidro will be set aside as permanent supportive housing for adults experiencing chronic homelessness, at risk of chronic homelessness, or at risk of homelessness with a serious mental illness, with income up to 25 percent of AMI, currently \$27,550 per year for a two-person household. The Department of Housing and Community Development (HCD) has awarded a (Capitalized Operating Subsidy Reserve) COSR for these units.

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

The development will be at 1663 Dairy Mart Road in the San Ysidro Community Plan Area and within a half mile of the Iris Trolley Station (see Attachment 1 Site Map) – qualifying the site as part of the City's Transit Priority Area. The development is designed to function as a pedestrian-friendly housing option ideal for working people and households interested in using public transportation and related sustainable alternatives as part of their transportation plan. Developers are incorporating several features designed to help connect residents to public transportation, such as bike racks or lockers. Residents will be provided access to electric vehicle charging station spaces, bike racks and bike lockers at both the development site and the nearby trolley station. In addition to the trolley, the site is served by a Metropolitan Transit System bus line and features easy connections to nearby health and wellness facilities, senior centers and neighborhood eateries.

The Property

National CORE holds a purchase option for the development site at 1663 Dairy Mart Road in San Ysidro (Attachment 1 - Site Map). The 1.66-acre, triangular lot is currently improved with two single-family homes and a large storage building. The development plan calls for all existing structures to be razed and all current residents to be relocated, subject to a relocation plan conforming to the relevant CDLAC and State regulations. On June 30, 2023, the developer received its Final Relocation Plan from Overland, Pacific & Cutler, LLC. This plan provides relocation assistance services to the tenant households.

Services

Iris at San Ysidro residents will have access to a range of dedicated permanent supportive housing and general community services. Residents referred as part of the County of San Diego's NPLH program will be directed to mental and health services provided by the County of San Diego Behavior Health Services. 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. In partnership with the Hope Through Housing Foundation (HTHF), a National CORE-affiliated nonprofit, Casa Familiar will provide on-site, drop-in free social services to assist residents with income taxes,

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translations/interpretations, immigration/naturalization forms, assistance with medical, social security and SSI applications and renewals, and other financial opportunities services and social service referrals.

Additionally, as agreed within the partnership Memorandum of Understanding (MOU), San Ysidro Health (SYH) will provide outreach and engagement within at Iris at San Ysidro to provide options for residents age 55 and older for the San Diego Program of All-Inclusive Care for the Elderly (PACE). Once enrolled, each eligible resident will be provided supportive and case management services to assist in maintaining housing stability and overall wellness. The services may be offered and delivered to residents on-site at the development or at the nearby south county PACE Services location. SYH will also offer a variety of free programs to educate residents on how to manage their conditions, improve their health, and stay healthy.

Developer's Request

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

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

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

Prevailing Wages

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

Appraisal

An appraisal of the subject site with an effective date of October 20, 2021, valued the property at \$6,000,000. The developer obtained the appraisal, conducted by Kinetic Valuation Group.

Relocation

The developer plans to demolish three existing buildings, consisting of a storage building and two residential buildings, which occupies a total of 9 residents. In accordance with state and federal relocation regulations, the developer will provide relocation assistance to all nine residents. The developer has obtained a Relocation Plan to provide relocation assistance services to the current tenants of Iris at San Ysidro. The Relocation Plan was prepared by Overland, Pacific & Cutler, LLC.

Accessibility

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

Project Sustainability

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

Development Team

The developer is National CORE. The proposed borrower will be Iris at San Ysidro L.P., which will have National CORE as its General Partner and Wells Fargo Community Lending & Investing as its tax credit investor limited partner (Attachment 2 – Organization Chart). National CORE is an award-winning nonprofit corporation headquartered in Rancho Cucamonga, California. It was established in 1992. National CORE has more than 10,000 rental units under ownership in four states, including 6,700 rental units in Southern California. It is a vertically integrated company with in-house construction and property management. National CORE has acted as the developer on previous affordable housing developments that utilized Housing Commission loans. National CORE is in full compliance on its previous Housing Commission loans. Based upon the developer's past experience and performance, Housing Commission staff has determined that the developer has the capacity to successfully complete the proposed Iris at San Ysidro development.

The proposed borrower will be Iris at San Ysidro L.P., which will include NCRC ISY GP LLC as its Managing General Partner, and Wells Fargo Community Lending & Investing as the tax credit investor limited partner (Attachment 2 – Organization Chart).

Table 2 Development Team Summary

ROLE	FIRM/CONTACT
Developer	National Community Renaissance of California (National CORE)
Owner/Borrower	Iris at San Ysidro, LP
Managing General Partner	NCRC ISY GP LLC
Tax Credit Investor Limited Partner	Wells Fargo Community Lending & Investing
Architect	Studio E Architects
General Contractor	National CORE
Property Management	National CORE
Construction and Permanent Lender	Wells Fargo Community Lending & Investing
Tenant Services Providers	Hope Through Housing First (All residents)

	Casa Familiar (All Residents)
	County of San Diego Behavior Health Services (NPLH)

FINANCING STRUCTURE

Iris at San Ysidro has an estimated total development cost of \$66,290,153 (\$662,902 per 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 below.

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

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts	Per Unit
Bond Financed Perm Loan	\$9,323,557	Acquisition Costs / Closing	\$6,968,377	\$69,684
City of San Diego EDD	5,000,000	Architecture/ Fees & Permits	1,495,000	14,950
SDHC Loan	2,300,000	Hard Costs	40,185,205	401,852
County of SD IHTF	5,000,000	Indirect Construction/ Legal	2,930,199	29,302
County of SD COSR	2,211,075	Developer's Fee	6,800,000	68,000
RTCIP/DIF Fee Waiver	431,100	Rent-Up Costs/ Reserves/ COSR	2,900,915	29,009
4 percent (CTCAC) tax credit equity	33,264,788	Financing Costs	5,010,457	50,105
NPLH Funds	3,290,265			
Deferred developer fee	5,469,368			
Total Development Cost	\$66,290,153	Total Development Cost (TDC)	\$66,290,153	\$662,902

Iris at San Ysidro's \$662,902 development cost per unit is due to various factors, such as:

- The use of 25 U.S. Department of Housing and Urban Development PBVs. The utilization of these vouchers requires the project to pay federal prevailing wages, which adds approximately 20% or \$5.2 million to the property's construction costs.
- Construction costs inflation has significantly increased (approximately 15%) in the past two years due to market conditions that have increased the demand for construction materials at the national level, resulting in significant price increases.
- Escalation of interest rates (approximately 4 percent in past 10 months). In early 2022, interest rates were in the 3-4 percent range, and, most recently, they are now averaging between 6 and 7 percent.
- Necessary increase in the contingency budget to compensate for increasing interest and construction costs.
- Volatility in the insurance market has increased the insurance costs.

The Housing Commission's \$2,300,000 residual receipts loan will be funded with \$2,300,000 from the City of San Diego's Inclusionary Fund, which the Housing Commission administers. The final determination of Housing Commission funding sources will be made by the Housing Commission's President and CEO, or designee, contingent upon budget availability.

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

Developer's Fee

\$6,800,000	Gross Developer's Fee
- 5,469,368	(minus) Contributed GP Equity
\$1,330,632	Net Cash paid from Development Sources

On April 25, 2017, the Housing Authority approved the "Request for Approval of Updated Developer Fees" (Report No. HAR17-011; Resolution No. HA-1727). That report approved certain developer fee guidelines for multifamily loans and bonds issuances. Attachment 1 to that report stated: "Developer Fee [for] 4% tax credits, in project costs: 15% eligible basis...." The proposed developer fee, complies with the HAR17-011 "Request for Approval of Updated Developer Fees" guidelines approved by the Housing Authority on April 25, 2017.

Development Cost Key Performance Indicators

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

Table 4 - Key Performance Indicators

Development Cost Per Unit	$\$66,290,153 \div 100 \text{ units}$ =	\$662,902
Housing Commission Subsidy Per Unit	$\$2,300,000 \div 100 \text{ units}$ =	\$23,000
Land Cost Per Unit	$\$6,968,377 \div 100 \text{ units}$ =	\$69,684
Gross Building Square Foot Hard Cost	$\$40,185,205 \div 115,424$ sq. ft. =	\$348
Net Rentable Square Foot Hard Cost	$\$40,185,205 \div 80,813$ sq. ft. =	\$497

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 and target population 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 – Iris at San Ysidro	2023	100	\$66,209,153 (w/ prev. wage)	\$662,902	\$23,000	\$348
Modica	2023	94	\$58,165,819 (w/out prev. wage)	\$618,785	\$31,915	\$378
Serenade on 43rd	2023	65	\$33,784,749 (w prev. wage)	\$519,765	\$30,769	\$330
Ventana al Sur	2021	101	\$57,337,762 (w/ prev. wage)	\$567,701	\$43,564	\$512

TAX EXEMPT AND TAXABLE MULTIFAMILY HOUSING REVENUE BONDS

Proposed Housing Bonds Financing

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

On June 10, 2022, prior to submitting applications to CDLAC, the proposed development was presented to the Housing Commission. A bond inducement resolution was obtained prior to the application submittal to CDLAC.

On February 7, 2023, an application was submitted to CDLAC for a bond allocation of up to \$35,000,000. On May 10, 2023, CDLAC approved a \$31,500,000 bond allocation, and CTCAC approved an allocation of 4 percent tax credits. The developer proposes that the bonds be issued through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission’s Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego’s (City) ordinance on bonds disclosure.

The financing amount that will ultimately be set based upon development costs, revenues and interest rates prevailing at the time of the bonds issuance. The financing proceeds will be used for both construction financing and permanent financing. Attachment 4 provides a general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings.

Public Disclosure and Bond Authorization

The tax-exempt debt, in the form of the bonds/note (Bonds), will be sold through a private placement purchased directly by Wells Fargo Community Lending & Investing (Wells Fargo). Wells Fargo is a “qualified institutional buyer” within the meaning of the U.S. securities laws.

Under the private placement structure for this transaction, Wells Fargo will make a tax-exempt loan and a taxable loan to the Housing Authority pursuant to the terms of a Funding Loan Agreement among Wells Fargo, the Housing Authority, and a to-be-selected Fiscal Agent (such loans, the Funding Loan).

The Funding Loan will be evidenced by a tax-exempt series of Bonds and taxable series of Bonds, which will obligate the Housing Authority to pay Wells Fargo the amounts it receives from the Borrower, as described below. The Housing Authority and the Borrower will enter into a Borrower Loan Agreement pursuant to which the proceeds of the Funding Loan will be advanced to the Borrower. In return, the Borrower agrees to pay the Fiscal Agent amounts sufficient for the Fiscal Agent to make payments on the Bonds. The Housing Authority's obligation to make payments on the Bonds is limited to the amounts the Fiscal Agent receives from the Borrower under the Borrower Loan Agreement, and no other funds of the Housing Authority are pledged to make payments on the Bonds.

Pursuant to a forward purchase agreement, to be executed at closing among the Borrower, Wells Fargo and Freddie Mac (Permanent Lender), Wells Fargo will transfer the Bonds to the Permanent Lender at conversion to permanent financing.

The transfer of the Bonds to any subsequent purchaser, including to the Permanent Lender, will comply with Housing Commission's "Bond Issuance and Post-Issuance Compliance Policy" (policy number PO300.301). Moreover, any subsequent Bond holder will be required to represent to the Housing Authority that it is a qualified institutional buyer or institutional accredited investor, who is buying such Bonds for investment purposes and not for resale, and it has made do investigation of any material information necessary in connection with the purchase of the Bonds.

The following documents will be executed on behalf of the Housing Authority with respect to the Bonds: Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement, and certain other ancillary loan documents (including, but not limited to, an assignment of deed of trust and loan documents (Assignment) and allonges relating to the promissory notes that evidence the loan of Bond proceeds to the Borrower). At the time of docketing, documents in substantially final form will be presented to members of the Housing Authority. Any changes to the documents following Housing Authority approval require the consent of the City Attorney's Office and Bond Counsel.

The Bonds will be issued pursuant to the Funding Loan Agreement. Based upon instructions contained in the Funding Loan Agreement and the Borrower Loan Agreement, Wells Fargo will disburse Bond proceeds for eligible costs and will, pursuant to an assignment from the Housing Authority, receive payments from the Borrower. The Borrower Loan Agreement sets out the terms of the repayment and the security for the loan made by the Housing Authority to the Borrower (Borrower Loan), and the Housing Authority assigns its rights to receive repayments under the Borrower Loan Agreement to the Fiscal Agent for the benefit of Wells Fargo. The Regulatory Agreement will also ensure that the project complies with all applicable federal and state laws. The Assignment, which assigns certain of the Housing Authority's rights and responsibilities relating to the Borrower Loan to the Fiscal Agent for the benefit of Wells Fargo, is signed by the Housing Authority. Rights and responsibilities that are assigned include the right to collect and enforce the collection of loan payments, monitor project construction and related budgets, and enforce insurance and other requirements. These rights will be used by the Fiscal Agent and Wells Fargo to protect the financial interests of Wells Fargo as the holder of the Bonds.

Financial Advisor's Recommendation

Jones Hall is the Bond counsel and CSG Advisors is the Bond financial advisor to work on the tax-exempt bond issuance. After evaluating the terms of the proposed financing and the public benefits to

be achieved, it is the Financial Advisor's recommendation that the Housing Authority proceed with the bond issuance. The financial advisor's analysis and recommendation are at Attachment 5.

Exception to Housing Commission Bond Policy PO 300.301

Section 1.9 of Housing Commission Bond Policy PO300.301 authorizes the Housing Commission's President and CEO, as the Executive Director of the Housing Authority, to grant exceptions to this section of the policy on a case-by-case basis. Section 1.9 of the policy states:

Due to IRS limitations on bond issuances where the bond purchaser and the tax credit investor are the same entities, the Housing Authority shall not allow bond issuances where the tax credit investor is also the bond purchaser. Exceptions may be granted on a case-by-case basis, in the sole reasonable discretion of the Housing Authority's Executive Director.

The borrower has requested an exception to Section 1.9 of the Bond Policy that would allow for the bond purchaser and tax credit investor to be related entities. In the case of Iris at San Ysidro, Wells Fargo is the proposed construction and permanent purchaser as well as tax credit investor. Wells Fargo has indicated that the equity pricing will decrease if Wells Fargo is not both construction bond purchaser and equity investor. With the rising costs to utilize most funding sources, this additional equity will allow the project to confidently move forward. As a result, to assist with the project's financial feasibility, the exception to Section 1.9 of the Housing Commission Bond Policy was granted.

AFFORDABLE HOUSING IMPACT

Project-Based Vouchers (PBV)

The Housing Commission has provided an award of 25 PBVs for the Iris at San Ysidro Apartments, which are for families with low income earning up to 30 percent of AMI. 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, Work-Able families pay either the minimum monthly rent payment amount or a predetermined amount of rent that is based on the family's annual income, whichever is greater. There is no minimum monthly rent payment amount for Elderly/Disabled families, which currently are households in which all adult family members are 55 or older, disabled, or a full-time student ages 18 to 23. Effective July 1, 2024, minimum age for Elderly/Disabled households will be 62, except for those with disabilities or full-time students ages 18 to 23. The Housing Assistance Payment provides a rental subsidy for residents in the Iris at San Ysidro Apartments' 25 voucher-assisted units. The PBV units are a mix of two- and three-bedroom units. The tenants will be selected from the Housing Commission's PBV Wait List. Although the vouchers are not considered permanent supportive housing, services will be available from Hope Through Housing Foundation, San Ysidro Health and Casa Familiar.

Affordability

The Iris at San Ysidro development will be subject to applicable tax credit and Bond regulatory agreements, which will restrict affordability of 99 of the 100 units for 55 years. The rent and occupancy restrictions required by CTCAC will be applicable.

Table 6 – Affordability and Monthly Estimated Rent Table

Unit Type	AMI	Units	CTCAC Gross Rents
One bedroom (County NPLH Units)	25% (Currently \$27,550 /year for a two-person household)	15	\$689
One bedroom	30% (Currently \$33,100/ year for a two-person household)	5	\$775
One bedroom	50% (Currently \$55,150/ year for a two-person household)	14	\$1,292
One bedroom	60% (Currently \$66,180/ year for a two-person household)	8	\$1,551
Subtotal One Bedroom Units	--	42	--
Two bedrooms (13 Non-PSH S8)	30% (Currently \$37,250/ year for a three-person household)	13	\$930
Two bedrooms	50% (Currently \$62,050/ year for a three-person household)	12	\$1,551
Two bedrooms	60% (Currently \$74,460/ year for a three-person household)	7	\$1,861
Subtotal Two Bedroom Units	--	32	--
Three bedrooms (12 Non-PSH S8)	30% (Currently \$41,350/ year for a four-person household)	12	\$1,075
Three bedrooms	50% (Currently \$68,900/ year for a four-person household)	8	\$1,791
Three bedrooms	60% (Currently \$82,680/ year for a four-person household)	65	\$2,150
Subtotal Three Bedroom Units	--	25	--
Manager's three bedrooms unit	--	1	
Total Units	--	100	--

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action are included in the Housing Authority-approved Fiscal Year (FY) 2024 Housing Commission Budget.

Funding sources approved by this action will be as follows:

Bond Issuer Fee: (\$31,500,000 (Tax-exempt bonds) + \$9,000,000 (Taxable bonds) X 0.0025 = \$101,250

Total Funding Sources – up to \$101,250

Funding uses approved by this action:

Administrative costs - \$101,250

Total Funding Uses - up to \$101,250

The related-party arrangement prevents the loan of Bond proceeds from being treated as a “Program Investment,” and therefore, that issuer fees paid by the borrower (and not otherwise attributable to “qualified administrative costs”) are limited to amounts payable within a “spread” between the bond and loan yields of 0.125% (as compared to 1.5% for Program Investments). The Housing Commission intends to collect, as issuer fee, the maximum fee payable pursuant to the 0.125% yield spread limitation. Furthermore, in order to realize as much as possible of the amounts the Housing

Commission would have received if the bond purchaser and equity investor were not related, the Housing Commission will recover from the borrower the actual qualified administrative costs of the Governmental Lender (which costs are excluded from the 0.125% yield spread calculation, pursuant to Section 1.148-5(e)(3)(ii) of the Treasury Regulations).

The Bonds will not constitute a debt of the City of San Diego. If the Bonds are ultimately issued for the project, the Bonds will not financially obligate the City, the Housing Authority, nor the Housing Commission because security for the repayment of the Bonds will be limited to specific project-related revenue sources. Neither the faith and credit nor the taxing power of the City, nor the faith and credit of the Housing Authority will be pledged to the payment of the Bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission's issuer fee, annual Bond administration fee, as well as the Housing Commission's Bond counsel fee and financial advisor's fee.

Development Schedule

The estimated development timeline is as follows:

Milestones	Estimated Dates
<ul style="list-style-type: none">• Housing Authority consideration of Bond authorization• City Council consideration of TEFRA resolution• Estimated Bond issuance and escrow/loan closing• Estimated start of construction work• Estimated completion of construction work	<ul style="list-style-type: none">• October 10, 2023• October 10, 2023• October 2023• November 2023• July 2025

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

National Community Renaissance of California (National CORE) is committed to equity and inclusion as both an employer and a service provider. The Housing Commission included a requirement in the NOFA for prospective applicants to include a narrative and specific example of activities and initiatives that support equity assurance. National CORE demonstrates a commitment to advancing racial equity and inclusion (REI) through project design and operational policies, throughout the proposed project timeline.

HOUSING COMMISSION STRATEGIC PLAN

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

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

On August 19, 2019, National CORE presented the proposed development as an action item to the San Ysidro Community Planning Group. The community-planning group voted 6-3-1 to approve the motion supporting the project.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include National CORE as the developer, Hope through Housing, Casa Familiar and San Ysidro as service providers, the County of San Diego and City of San Diego as funders and partner for the supportive housing and services, the Housing Commission as a lender, and the San Ysidro Community Planning Group. The project is anticipated to have a positive impact on the community, as

September 7, 2023

Final Bond Authorization and Tax Equity and Fiscal Responsibility Act Hearing and Resolution for Iris at San Ysidro

Page 14

it will contribute to the quality of the surrounding neighborhood and create 99 new, affordable, transit-oriented rental homes for working San Diego families.

STATEMENT for PUBLIC DISCLOSURE

The developer's Disclosure Statement is at Attachment 6.

ENVIRONMENTAL REVIEW

CEQA

This project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15300.1, Relation to Ministerial Projects. Section 21080 of the Public Resources Code exempts from the application of CEQA those projects over which public agencies exercise only ministerial authority. The City of San Diego Development Services Department has provided the developer with local approvals and environmental review verification indicating the ministerial approval.

NEPA

Federal funds constitute a portion of this project's funding. The project received approval of a National Environmental Policy Act (NEPA) Environmental Assessment from the City of San Diego on May 5, 2020 and Authorities to Use Grant Funds from the US Department of Housing and Urban Development (HUD) on June 15, 2020 and July 8, 2020.

Respectfully submitted,

Jennifer Kreutter

Jennifer Kreutter

Vice President, Multifamily Housing Finance
Real Estate Division

Approved by,

Jeff Davis

Jeff Davis

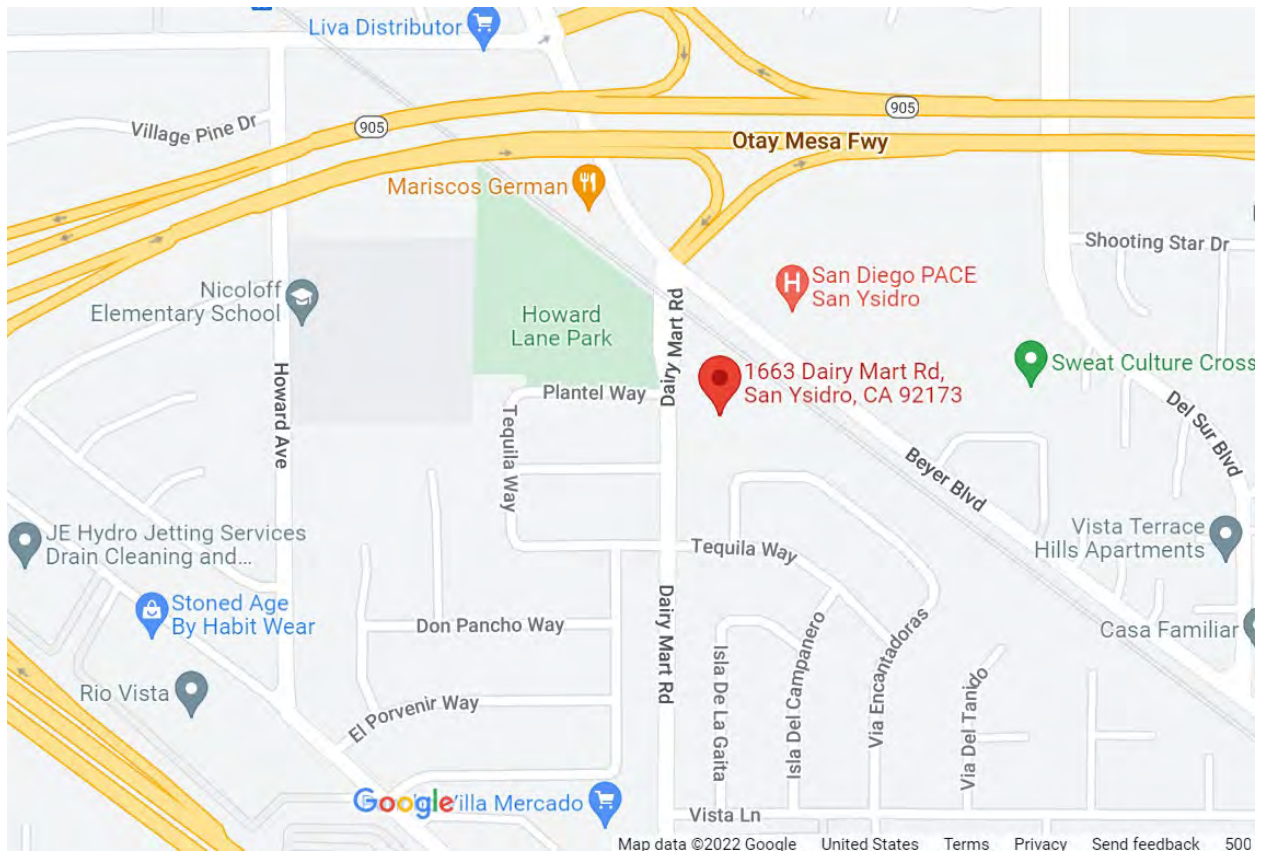
Interim President & Chief Executive Officer
San Diego Housing Commission

Attachments: 1) Site Map
2) Organization Chart
3) Developer's Project Pro Forma
4) Bond Program Summary
5) Financial Advisor's Analysis
6) Developer's Disclosure Statement

Hard copies are available for review during business hours at the information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org.

Iris at San Ysidro

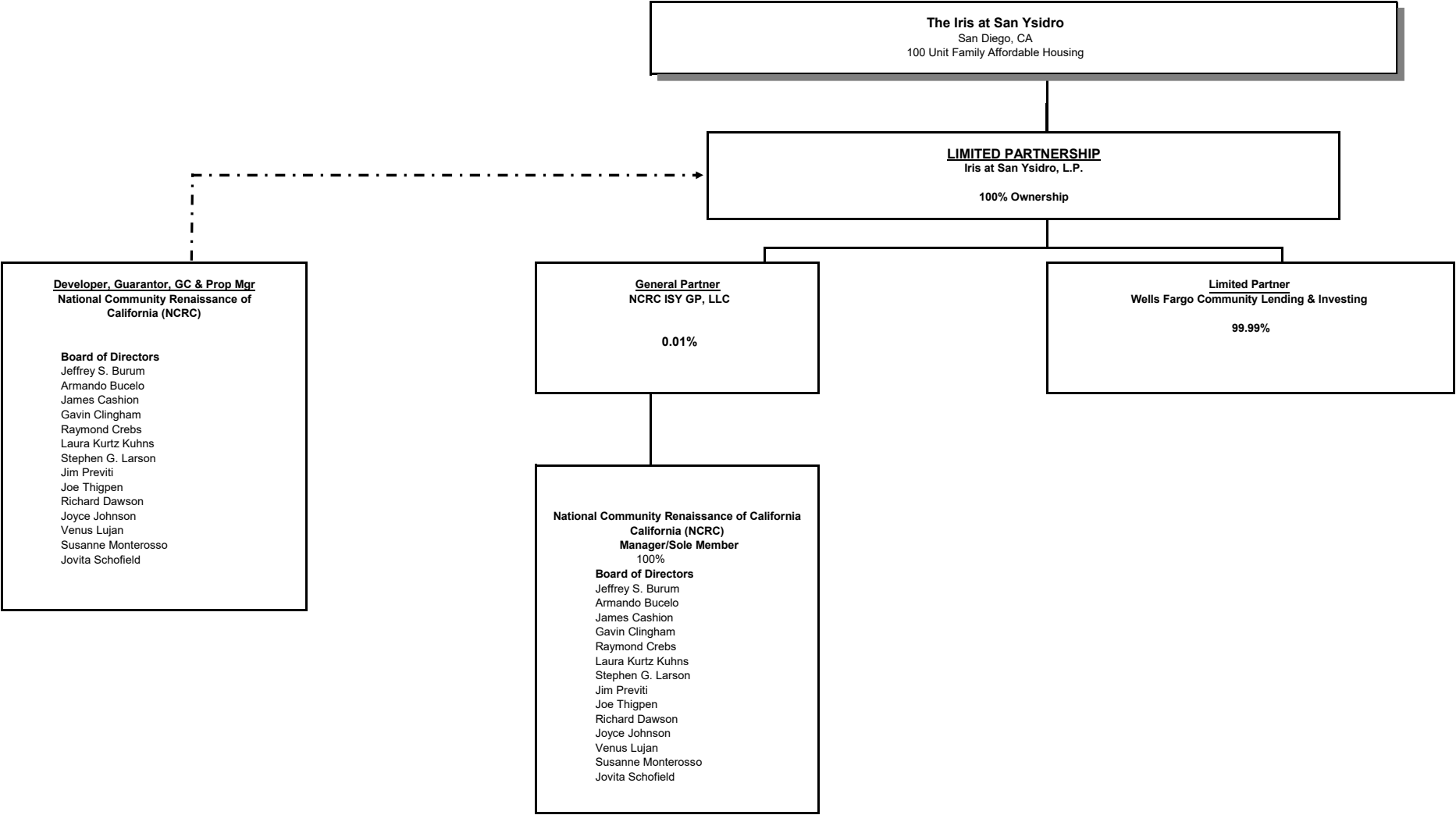
Attachment 1 – Site Map



Iris at San Ysidro

Attachment 2 - Org Chart

Project Ownership And Identity of Interest Disclosure



SOURCES AND USES

Attachment 3 - Developer's Proforma

Project Name: Iris at San Ysidro - 100
Project Financing: 4% Tax Credit/Large Family
Developer: National CORE
Number of Dwelling Units: 100
Gross Building Area: 112,703

SOURCES: CONSTRUCTION

Construction Loan (Tax-Exempt)	\$ 31,500,000
Construction Loan (Taxable)	\$ 7,900,000
SDHC	\$ 2,070,000
City of San Diego EDD	\$ 4,500,000
RTCIP/DIF Fee Waivers	\$ 431,100
Tax Credit Equity	\$ 3,326,479
County of SD IHTF	\$ 4,500,000
NPLH Funds	\$ 2,961,239
Deferred Costs/ Reserves	\$ 9,101,335
Total	\$ 66,290,153

SOURCES: PERMANENT

Permanent Loan	\$ 9,323,557
City of San Diego EDD	\$ 5,000,000
SDHC	\$ 2,300,000
County of SD IHTF	\$ 5,000,000
County of SD COSR	\$ 2,211,075
RTCIP/DIF Fee Waivers	\$ 431,100
Tax Credit Equity	\$ 33,264,788
NPLH Funds	\$ 3,290,265
Deferred/Contributed Developer Fee	\$ 5,469,368
Total	\$ 66,290,153

USES: CONSTRUCTION

		PER UNIT
Acquisition Costs/Closing	\$ 6,968,377	\$ 69,684
Architecture/Fees & Permits	\$ 1,495,000	\$ 14,950
Construction Cost	\$ 40,185,205	\$ 401,852
Indirect Construction/Legal	\$ 2,930,199	\$ 29,302
Developer's Fee	\$ 6,800,000	\$ 68,000
Rent-Up Costs/Reserves	\$ 2,900,915	\$ 29,009
Financing Costs	\$ 5,010,457	\$ 50,105
Total	\$ 66,290,153	\$ 662,902

USES: PERMANENT

Acquisition Costs/Closing	\$ 6,968,377	\$ 69,684
Architecture/Fees & Permits	\$ 1,495,000	\$ 14,950
Construction Cost	\$ 40,185,205	\$ 401,852
Indirect Construction/Legal	\$ 2,930,199	\$ 29,302
Developer's Fee	\$ 6,800,000	\$ 68,000
Rent-Up Costs/Reserves/COSR	\$ 2,900,915	\$ 29,009
Financing Costs	\$ 5,010,457	\$ 50,105
Total	\$ 66,290,153	\$ 662,902

Attachment 3 - Developer's Proforma

Iris at San Ysidro - 100					
		Units:	100		
Uses of Funds					
		TOTAL	DEPRECIABLE		TAX CREDIT ELIGIBLE
	TOTAL	RESIDENTIAL	COMMERCIAL	NON-DEPREC	CONST/REHAB ACQUIS.
ACQUISITION COSTS					
Total Purchase Price	6,000,000	6,000,000			
Land	6,000,000	6,000,000		6,000,000	0
Other Acquisition Costs:		0		0	
Title & Escrow	11,677	11,677		11,677	
Interest Reserve & Extensions	956,700	956,700		956,700	
GENERAL DEVELOPMENT COSTS					
New Construction:					
Demolition	384,119	384,119		384,119	
Offsite Work	659,990	659,990			659,990
Site Work and Infrastructure	4,637,547	4,637,547			4,637,547
New Construction	27,212,600	27,212,600		27,212,600	0
Contractor General Conditions	2,138,127	2,138,127		2,138,127	0
Contractor Overhead & Profit	2,467,069	2,467,069		2,467,069	0
Contractor General Liability	657,885	657,885		657,885	0
P&P Bonds	0	0		0	0
Owner's Contingency (5%)	1,907,867	1,907,867		1,907,867	0
Prevailing Wages Consultant	120,000	120,000		120,000	0
Architectural Fees:					
Architecture	750,000	750,000		750,000	0
Utility Consultant/Utility Design	325,000	325,000		325,000	0
Energy Consultant	80,000	80,000		80,000	0
Survey/Engineering/ Staking	340,000	340,000		340,000	0
Construction Interest & Fees					
Construction Loan Expenses	25,000	25,000		25,000	18,750
Construction Loan Fees	275,800	275,800		275,800	206,850
Construction Loan Interest	3,422,850	3,422,850		2,772,242	0
Construction Inspections	36,000	36,000		0	36,000
Title/Recording/Escrow - Construction	100,000	100,000		100,000	0
Real Estate Taxes	70,439	70,439		70,439	0
Insurance During Construction	281,246	281,246		281,246	0
Predev Loan Interest/Expenses	125,000	125,000		0	125,000
Permanent Financing:					
Permanent Loan Fees	93,236	93,236			93,236
Permanent Loan Conversion Fee	29,324	29,324			29,324
Title/Recording/Escrow - Permanent	10,000	10,000			10,000
Legal Fees:					
Legal: Acquisition	25,000	25,000		25,000	0
Construction Closing - Lender	100,000	100,000		100,000	0
Permanent Closing - Lender	10,000	10,000			10,000
Transactional Legal	150,000	150,000			150,000
Organization of Partnership	10,000	10,000			10,000
Syndication	50,000	50,000		50,000	0
Reserves:					
Marketing/Lease-Up	50,000	50,000			60,000
Operating Reserve	363,986	363,986		363,986	0
Transition Reserve	275,854	275,854		275,854	0
County of San Diego COSR	2,211,075	2,211,075		2,211,075	
Appraisal:					
Appraisal	15,000	15,000		15,000	0
Other Project Costs:					
TCAC Application/Monitoring Fee	153,649	153,649			153,649
Bond Issuance Fees	159,063	159,063		159,063	0
Environmental/ NEPA/ AHSC Consultants	100,000	100,000		100,000	0
Local Development Impact Fees	1,399,099	1,399,099		1,399,099	0
Local Permits/Fees/Utility Fees	300,000	300,000		300,000	0
Furnishings	150,000	150,000		150,000	0
Market Study	10,000	10,000		0	10,000
Audit/Cost Certification	30,000	30,000		0	30,000
Miscellaneous Soft Costs/Social Services	0	0		0	0
Soft Cost Contingency	150,000	150,000		150,000	0
Relocation	113,850	113,850			0
SDHC Cost Estimate	12,500	12,500		12,500	0
SDHC Counsel	27,500	27,500			27,500
SDHC Underwriting and Origination	60,000	60,000			60,000
SDHC Asset Management Fee	15,000	15,000			15,000
RTCIP Fee	247,995	247,995		247,995	0
DIF Fees - Waived for PSH	183,105	183,105			
Developer Fee:					
Developer Fee	6,800,000	6,800,000		0	6,800,000
TOTAL DEVELOPMENT COSTS	66,290,153	66,290,153	0	10,700,469	48,659,874
Total Development Cost Per Unit	662,902				

RENT SCHEDULE - CTCAC

Attachment 3 - Developer's Proforma

Project Name: Iris at San Ysidro - 100
Project Financing: 4% Tax Credit/Large Family
County: San Diego
Developer: National CORE
of Dwelling Units: 100
Gross Building Area: 112,703

Unit Type	AMI	Number of Units	Square Footage	2023 TCAC Rents	2023 CRL Rents (1)	Monthly Utility Allow.	Monthly Net Rent	Total Annual CTCAC Rents	Total # of Bedrooms
1BR-PSH	25%	15	576	\$ 646	\$ 700	\$ 98	\$ 169	\$ 30,420	15
1BR	30%	5	576	\$ 775	\$ 700	\$ 98	\$ 602	\$ 36,120	5
1BR	50%	14	576	\$ 1,292	\$ 1,401	\$ 98	\$ 1,194	\$ 200,592	14
1BR	60%	8	576	\$ 1,551	\$ 1,401	\$ 98	\$ 1,303	\$ 125,088	8
Subtotal:		42						\$ 392,220	42
2BR	30%	13	862	\$ 930	\$ 788	\$ 131	\$ 657	\$ 102,492	26
2BR	50%	12	862	\$ 1,551	\$ 1,576	\$ 131	\$ 1,420	\$ 204,480	24
2BR	60%	7	862	\$ 1,861	\$ 1,576	\$ 131	\$ 1,445	\$ 121,380	14
Subtotal:		32						\$ 428,352	64
3BR	30%	12	1,153	\$ 1,075	\$ 876	\$ 168	\$ 708	\$ 101,952	36
3BR	50%	8	1,153	\$ 1,791	\$ 1,752	\$ 168	\$ 1,584	\$ 152,064	24
3BR	60%	5	1,153	\$ 2,150	\$ 1,752	\$ 168	\$ 1,584	\$ 95,040	15
Subtotal:		25						\$ 349,056	75
Subtotal:		0						\$ -	0
3BR	Exempt-Mgr	1	1,153	\$ -		\$ -	\$ -	\$ -	3
Subtotal:		1						\$ -	0
CTCAC RENT	Total:	100						1,169,628	181

(1) Project funding requires CRL Rents: Extremely Low (30% AMI) and Low (up to 60% AMI)

Rents

Attachment 3 - Developer's Proforma

Project Name: Iris at San Ysidro - 100
Project Financing: 4% Tax Credit/Large Family
Developer: National CORE
Number of Dwelling Units: 100
Gross Building Area: 112,703

Unit Type	AMI	Number of Units	Per Unit Monthly Net Rent	Per Unit Net S8 Rent	Per Unit Monthly S8 Premium	Total Monthly S8 Premium	Total Annual S8 Premium
1BR (PSH S8)	30%	0	\$ 602	\$ 1,292	\$ 690	\$ -	\$ -
	Subtotal:	0			\$ 1,312	\$ -	\$ -
2BR (Non-PSH S8)	30%	13	\$ 657	\$ 1,667	\$ 1,010	\$ 13,130	\$ 157,560
2BR (S8)							
	Subtotal:	13			\$ 2,562	\$ 13,130	\$ 157,560
3BR (Non-PSH S8)	30%	12	\$ 708	\$ 2,362	\$ 1,654	\$ 19,848	\$ 238,176
3BR (S8)							
	Subtotal:	12			\$ 6,910	\$ 19,848	\$ 238,176
3BR MGR	Exempt-Mgr						
	Subtotal:	0					
Total:		25			\$ 10,784	\$ 32,978	\$ 395,736
Total Gross Revenue S8 Overhang					\$10,784	\$32,978	\$395,736
Total TCAC Gross Revenue							\$1,169,628
Total Gross Revenue (TC and S8 Overhang)							\$1,565,364

OPERATING EXPENSES Attachment 3 - Developer's Proforma

Project Name:

Project Name: Iris at San Ysidro - 100

Developer: National CORE

Number of Dwelling Units: 100

Gross Building Area: 112,703

Description	Annual	Monthly	Per Unit	Unit/Month
1. Management				
Management Fee	\$ 84,000	\$ 7,000.00	\$ 840.00	\$ 70.00
Management Total:	\$ 84,000	\$ 7,000.00	\$ 840.00	\$ 70.00
2. Administration				
Marketing/Credit Checks	\$ 3,000	\$ 250.00	\$ 30.00	\$ 2.50
Audit / File Mgmt (Compliance)	\$ 18,000	\$ 1,500.00	\$ 180.00	\$ 15.00
Legal	\$ 5,000	\$ 416.67	\$ 50.00	\$ 4.17
Security	\$ 50,000	\$ 4,166.67	\$ 500.00	\$ 41.67
Office Expenses/ MISC	\$ 36,000	\$ 3,000.00	\$ 360.00	\$ 30.00
Administration Total:	\$ 112,000	\$ 9,333.33	\$ 1,120.00	\$ 93.33
3. Salaries and Benefits				
Manager/Asst. Manager	\$ 75,000	\$ 6,250.00	\$ 750.00	\$ 62.50
Main Personnel	\$ 60,000	\$ 5,000.00	\$ 600.00	\$ 50.00
Payroll Txs, Ins & Wkr. Comp.	\$ 47,250	\$ 3,937.50	\$ 472.50	\$ 39.38
Salaries and Benefits Total:	\$ 182,250	\$ 15,187.50	\$ 1,822.50	\$ 151.88
4. Maintenance				
General Maintenance/ Janitorial	\$ 8,010	\$ 667.50	\$ 80.10	\$ 6.68
Repairs Contract	\$ 15,000	\$ 1,250.00	\$ 150.00	\$ 12.50
Exterminating	\$ 5,000	\$ 416.67	\$ 50.00	\$ 4.17
Fire Protection/ Security System	\$ 18,000	\$ 1,500.00	\$ 180.00	\$ 15.00
Elevator	\$ 18,000	\$ 1,500.00	\$ 180.00	\$ 15.00
Grounds Contract	\$ 25,000	\$ 2,083.33	\$ 250.00	\$ 20.83
Maintenance Total:	\$ 89,010	\$ 7,417.50	\$ 890.10	\$ 74.18
5. Utilities Not Paid by Tenants				
Electricity and Gas	\$ 35,000	\$ 2,916.67	\$ 350.00	\$ 29.17
Water/Sewer	\$ 75,000	\$ 6,250.00	\$ 750.00	\$ 62.50
Trash Removal	\$ 25,000	\$ 2,083.33	\$ 250.00	\$ 20.83
Utilities Total:	\$ 135,000	\$ 11,250.00	\$ 1,350.00	\$ 112.50
6. Insurance				
Property & Liability Insurance	\$ 63,300	\$ 5,275.00	\$ 633.00	\$ 52.75
Insurance Total:	\$ 63,300	\$ 5,275.00	\$ 633.00	\$ 52.75
7. Tax and Reserves				
Real Estate Taxes	\$ 2,000	\$ 166.67	\$ 20.00	\$ 1.67
Replacement Reserves	\$ 50,000	\$ 4,166.67	\$ 500.00	\$ 41.67
Tax and Reserves Total:	\$ 52,000	\$ 4,333.33	\$ 520.00	\$ 43.33
8. Other				
Licenses/ Permits	\$ 1,000	\$ 83.33	\$ 10.00	\$ 0.83
Social Services	\$ 76,440	\$ 6,370.00	\$ 764.40	\$ 63.70
SDHC/HHSA Monitoring Fees	\$ 23,000	\$ 1,916.67	\$ 230.00	\$ 19.17
Other Total:	\$ 100,440	\$ 8,370.00	\$ 1,004.40	\$ 83.70
Operating Expenses Total:	\$ 818,000	\$ 68,166.67	\$ 8,180.00	\$ 681.67

Attachment 3 - Developer's Proforma

	Total	Per Unit	Percent
Permanent Loan	\$9,323,557	93,236	14.06%
City of San Diego EDD	5,000,000	50,000	7.54%
SDHC	2,300,000	23,000	3.47%
County of SD IHFF	5,000,000	50,000	7.54%
County of SD COSR	2,211,075	22,111	3.34%
RTCP/DIF Fee Waivers	431,100	4,311	0.65%
Tax Credit Equity	33,264,788	332,648	50.18%
NPLH Funds	3,290,265	32,903	4.96%
GP equity	0	0	0.00%
Deferred/Contributed Developer	5,469,368	54,694	8.25%
Development Costs Total:	66,290,153	662,902	100.00%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Revenue																					
Residential Income - CTCAC	1,169,628	1,198,869	1,228,840	1,259,561	1,291,050	1,323,327	1,356,410	1,390,320	1,425,078	1,460,705	1,497,223	1,534,653	1,573,020	1,612,345	1,652,654	1,693,970	1,736,319	1,779,727	1,824,221	1,869,826	
Residential Income - PBV	395,736	405,629	415,770	426,164	436,818	447,739	458,932	470,406	482,166	494,220	506,576	519,240	532,221	545,526	559,165	573,144	587,472	602,159	617,213	632,643	
Laundry & Miscellaneous	12,000	12,300	12,608	12,923	13,246	13,577	13,916	14,264	14,621	14,986	15,361	15,745	16,139	16,542	16,956	17,380	17,814	18,259	18,716	19,184	
Gross Income	1,577,364	1,616,798	1,657,218	1,698,649	1,741,115	1,784,643	1,829,259	1,874,990	1,921,865	1,969,911	2,019,159	2,069,638	2,121,379	2,174,414	2,228,774	2,284,493	2,341,606	2,400,146	2,460,150	2,521,653	
Vacancy	-78,868	-80,840	-82,861	-84,932	-87,056	-89,232	-91,463	-93,750	-96,093	-98,496	-100,958	-103,482	-106,069	-108,721	-111,439	-114,225	-117,080	-120,007	-123,007	-126,083	
Effective Gross Income	1,498,496	1,535,958	1,574,357	1,613,716	1,654,059	1,695,410	1,737,796	1,781,241	1,825,772	1,871,416	1,918,201	1,966,156	2,015,310	2,065,693	2,117,335	2,170,269	2,224,525	2,280,139	2,337,142	2,395,571	
Expense																					
Operating Expense	689,560	713,695	738,674	764,527	791,286	818,981	847,645	877,313	908,019	939,799	972,692	1,006,737	1,041,973	1,078,442	1,116,187	1,155,254	1,195,687	1,237,536	1,280,850	1,325,680	
Property Taxes	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390	2,438	2,487	2,536	2,587	2,639	2,692	2,746	2,800	2,856	2,914	
Social Services	76,440	78,733	81,095	83,528	86,034	88,615	91,273	94,012	96,832	99,737	102,729	105,811	108,985	112,255	115,622	119,091	122,664	126,344	130,134	134,038	
Replacement Reserve	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212	71,288	73,427	75,629	77,898	80,235	82,642	85,122	87,675	
Expense Total	818,000	845,968	874,895	904,814	935,760	967,768	1,000,874	1,035,116	1,070,533	1,107,165	1,145,055	1,184,246	1,224,782	1,266,710	1,310,078	1,354,935	1,401,332	1,449,323	1,498,962	1,550,307	
NPLH COSR	110,554	110,554	110,554	110,554	110,554	110,554	110,554	110,554	110,554	110,554	110,554	110,554	110,554	110,554	110,554	110,554	110,554	110,554	110,554	110,554	
NOI Before Debt Service	791,050	800,544	810,016	819,456	828,853	838,196	847,476	856,679	865,793	874,804	883,700	892,464	901,082	909,537	917,811	925,888	933,747	941,369	948,733	955,817	
Debt Service																					
1st Mortgage Debt Service	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	
Bond Monitoring	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	
SDHC Payment	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Debt Service Coverage	1.20	1.21	1.23	1.24	1.26	1.27	1.28	1.30	1.31	1.33	1.34	1.35	1.37	1.38	1.39	1.40	1.42	1.43	1.44	1.45	
CASH AVAILABLE AFTER DEBT SERVICE																					
Available Cash Flow	131,452	140,947	150,418	159,858	169,255	178,599	187,878	197,081	206,195	215,207	224,102	232,866	241,484	249,939	258,214	266,290	274,149	281,772	289,136	296,220	
PAYMENTS TO INVESTOR LIMITED PARTNER																					
LP & GP Partnership Asset Management Fees	3.00%	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	20,764	21,386	22,028	22,689	11,344	11,685	12,035	12,396	12,768
CASH AVAILABLE FOR DEFERRED DEVELOPER FEE:																					
Available Cash Flow	116,452	125,497	134,505	143,467	152,372	161,210	169,967	178,633	187,194	195,635	203,943	212,103	220,098	227,911	235,525	254,946	262,465	269,736	276,739	283,452	
Balance Beginning	5,469,368	5,352,916	5,227,419	5,092,914	4,949,447	4,797,075	4,635,865	4,465,898	4,287,265	4,100,071	3,904,436	3,700,493	3,488,390	3,268,292	3,040,381	2,804,856	2,549,910	2,287,446	2,017,709	1,740,970	
Simple Interest @ AFR	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Payment @ % of RR	100.00%	-116,452	-125,497	-134,505	-143,467	-152,372	-161,210	-169,967	-178,633	-187,194	-195,635	-203,943	-212,103	-220,098	-227,911	-235,525	-254,946	-262,465	-269,736	-276,739	
Balance Remaining	\$ 5,469,368	5,352,916	5,227,419	5,092,914	4,949,447	4,797,075	4,635,865	4,465,898	4,287,265	4,100,071	3,904,436	3,700,493	3,488,390	3,268,292	3,040,381	2,804,856	2,549,910	2,287,446	2,017,709	1,740,970	
CASH AVAILABLE FOR RESIDUAL RECEIPTS DISTRIBUTION:		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Available Cash Flow	100%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

CASH FLOW ANALYSIS

Project Name: Iris at San Ys
Project Financing: 4% Tax Credi
Developer: National COR
Number of Dwelling Units: 100
Gross Building Area: 112,703

Attachment 3 - Developer's Proforma

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

	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40
Revenue																				
Residential Income - CTCAC	1,916,572	1,964,486	2,013,598	2,063,938	2,115,537	2,168,425	2,222,636	2,278,201	2,335,156	2,393,535	2,453,374	2,514,708	2,577,576	2,642,015	2,708,066	2,775,767	2,845,161	2,916,290	2,989,198	3,063,928
Residential Income - PBV	648,460	664,671	681,288	698,320	715,778	733,672	752,014	770,815	790,085	809,837	830,083	850,835	872,106	893,909	916,256	939,163	962,642	986,708	1,011,376	1,036,660
Laundry & Miscellaneous	19,663	20,155	20,659	21,175	21,705	22,247	22,804	23,374	23,958	24,557	25,171	25,800	26,445	27,106	27,784	28,478	29,190	29,920	30,668	31,435
Gross Income	2,584,695	2,649,312	2,715,545	2,783,433	2,853,019	2,924,345	2,997,453	3,072,390	3,149,199	3,227,929	3,308,628	3,391,343	3,476,127	3,563,030	3,652,106	3,743,408	3,836,994	3,932,918	4,031,241	4,132,022
Vacancy	-129,235	-132,466	-135,777	-139,172	-142,651	-146,217	-149,873	-153,619	-157,460	-161,396	-165,431	-169,567	-173,806	-178,152	-182,605	-187,170	-191,850	-196,646	-201,562	-206,601
Effective Gross Income	2,455,460	2,516,846	2,579,768	2,644,262	2,710,368	2,778,127	2,847,581	2,918,770	2,991,739	3,066,533	3,143,196	3,221,776	3,302,321	3,384,879	3,469,500	3,556,238	3,645,144	3,736,273	3,829,679	3,925,421
Expense																				
Operating Expense	1,372,079	1,420,102	1,469,805	1,521,248	1,574,492	1,629,599	1,686,635	1,745,667	1,806,766	1,870,003	1,935,453	2,003,194	2,073,305	2,145,871	2,220,976	2,298,711	2,379,165	2,462,436	2,548,622	2,637,823
Property Taxes	2,972	3,031	3,092	3,154	3,217	3,281	3,347	3,414	3,482	3,552	3,623	3,695	3,769	3,844	3,921	4,000	4,080	4,161	4,245	4,329
Social Services	138,059	142,201	146,467	150,861	155,387	160,048	164,850	169,795	174,889	180,136	185,540	191,106	196,839	202,745	208,827	215,092	221,544	228,191	235,036	242,088
Replacement Reserve	90,306	93,015	95,805	98,679	101,640	104,689	107,830	111,064	114,396	117,828	121,363	125,004	128,754	132,617	136,595	140,693	144,914	149,261	153,739	158,351
Expense Total	1,603,415	1,658,349	1,715,169	1,773,942	1,834,735	1,897,618	1,962,661	2,029,941	2,099,533	2,171,518	2,245,978	2,322,999	2,402,668	2,485,077	2,570,320	2,658,495	2,749,704	2,844,050	2,941,642	3,042,592
NPLH COSR																				
NOI Before Debt Service	852,044	858,498	864,598	870,319	875,633	880,510	884,919	888,829	892,206	895,014	897,218	898,777	899,653	899,802	899,181	897,743	895,440	892,223	888,038	882,830
Debt Service																				
1st Mortgage Debt Service	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943	637,943
Bond Monitoring	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654	11,654
SDHC Payment	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Debt Service Coverage	1.29	1.30	1.31	1.32	1.33	1.33	1.34	1.35	1.35	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.39	1.38	1.38	1.36
CASH AVAILABLE AFTER DEBT SERVICE																				
Available Cash Flow	192,447	198,900	205,001	210,722	216,035	220,912	225,322	229,232	232,608	235,417	237,620	239,180	240,055	240,204	239,583	249,800	247,497	244,280	240,094	234,886
PAYMENTS TO INVESTOR LIMITED PARTNER																				
LP & GP Partnership Asset Management Fees	3.00%	13,151	13,546	13,952	14,371	14,802	15,246	15,703	16,174	16,660	17,159	17,674	18,204	18,751	19,313	19,893	20,489	21,104	21,737	22,389
CASH AVAILABLE FOR DEFERRED DEVELOPER FEE:																				
Available Cash Flow	179,296	185,354	191,048	196,351	201,233	205,666	209,618	213,057	215,949	218,257	219,946	220,975	221,304	220,891	219,690	229,310	226,393	222,543	217,705	211,826
Balance Beginning	1,457,518	1,278,223	1,092,868	901,820	705,469	504,236	298,570	88,951	0	0	0	0	0	0	0	0	0	0	0	0
Simple Interest @ AFR	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payment @ % of RR	100.00%	-179,296	-185,354	-191,048	-196,351	-201,233	-205,666	-209,618	-88,951	0	0	0	0	0	0	0	0	0	0	0
Balance Remaining	\$ 5,469,368	1,278,223	1,092,868	901,820	705,469	504,236	298,570	88,951	0	0	0	0	0	0	0	0	0	0	0	0
CASH AVAILABLE FOR RESIDUAL RECEIPTS DISTRIBUTION:																				
Available Cash Flow	100%	0	0	0	0	0	0	0	124,106	215,949	218,257	219,946	220,975	221,304	220,891	219,690	229,310	226,393	222,543	217,705
		0	0	0	0	0	0	0	124,106	215,949	218,257	219,946	220,975	221,304	220,891	219,690	229,310	226,393	222,543	217,705

CASH FLOW ANALYSIS

Project Name: Iris at San Ys
Project Financing: 4% Tax Credi
Developer: National COR
Number of Dwelling Units: 100
Gross Building Area: 112,703

Attachment 3 - Developer's Proforma

Assumptions

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

	Year 41	Year 42	Year 43	Year 44	Year 45	Year 46	Year 47	Year 48	Year 49	Year 50	Year 51	Year 52	Year 53	Year 54	Year 55
Revenue															
Residential Income - CTCAC	3,140,526	3,219,039	3,299,515	3,382,003	3,466,553	3,553,217	3,642,047	3,733,098	3,826,426	3,922,086	4,020,139	4,120,642	4,223,658	4,329,250	4,437,481
Residential Income - PBV	1,062,576	1,089,141	1,116,369	1,144,279	1,172,886	1,202,208	1,232,263	1,263,069	1,294,646	1,327,012	1,360,188	1,394,192	1,429,047	1,464,773	1,501,393
Laundry & Miscellaneous	32,221	33,026	33,852	34,698	35,566	36,455	37,366	38,300	39,258	40,239	41,245	42,276	43,333	44,417	45,527
Gross Income	4,235,323	4,341,206	4,449,736	4,560,980	4,675,004	4,791,879	4,911,676	5,034,468	5,160,330	5,289,338	5,421,572	5,557,111	5,696,039	5,838,440	5,984,401
Vacancy	-211,766	-217,060	-222,487	-228,049	-233,750	-239,594	-245,584	-251,723	-258,016	-264,467	-271,079	-277,856	-284,802	-291,922	-299,220
Effective Gross Income	4,023,557	4,124,146	4,227,249	4,332,931	4,441,254	4,552,285	4,666,092	4,782,745	4,902,313	5,024,871	5,150,493	5,279,255	5,411,237	5,546,518	5,685,181
Expense															
Operating Expense	2,730,147	2,825,702	2,924,602	3,026,963	3,132,907	3,242,558	3,356,048	3,473,510	3,595,082	3,720,910	3,851,142	3,985,932	4,125,440	4,269,830	4,419,274
Property Taxes	4,416	4,504	4,594	4,686	4,780	4,876	4,973	5,073	5,174	5,278	5,383	5,491	5,601	5,713	5,827
Social Services	249,350	256,831	264,536	272,472	280,646	289,065	297,737	306,669	315,869	325,345	335,106	345,159	355,514	366,179	377,165
Replacement Reserve	163,102	167,995	173,035	178,226	183,573	189,080	194,752	200,595	206,613	212,811	219,195	225,771	232,544	239,521	246,706
Expense Total	3,147,015	3,255,032	3,366,767	3,482,347	3,601,905	3,725,579	3,853,510	3,985,846	4,122,738	4,264,344	4,410,826	4,562,353	4,719,098	4,881,243	5,048,972
NPLH COSR															
NOI Before Debt Service	876,542	869,114	860,483	850,584	839,349	826,706	812,582	796,898	779,575	760,527	739,667	716,902	692,138	665,275	636,209
Debt Service															
1st Mortgage Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bond Monitoring	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
SDHC Payment	87.65	86.91	86.05	85.06	83.93	82.67	81.26	79.69	77.96	76.05	73.97	71.69	69.21	66.53	63.62
Debt Service Coverage															
CASH AVAILABLE AFTER DEBT SERVICE															
Available Cash Flow	866,542	859,114	850,483	840,584	829,349	816,706	802,582	786,898	769,575	750,527	729,667	706,902	682,138	655,275	626,209
PAYMENTS TO INVESTOR LIMITED PARTNER															
LP & GP Partnership Asset Management Fees	3.00%	23,753	24,465	25,199	25,955	26,734	27,536	28,362	29,213	30,089	30,992	31,922	32,879	33,866	34,882
CASH AVAILABLE FOR DEFERRED DEVELOPER FEE:															
Available Cash Flow	842,789	834,648	825,283	814,629	802,615	789,170	774,220	757,686	739,486	719,535	697,745	674,023	648,273	620,393	590,281
Balance Beginning	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Simple Interest @ AFR	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payment @ % of RR	100.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance Remaining	\$ 5,469,368	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH AVAILABLE FOR RESIDUAL RECEIPTS DISTRIBUTION:															
Available Cash Flow	100%	842,789	834,648	825,283	814,629	802,615	789,170	774,220	757,686	739,486	719,535	697,745	674,023	648,273	620,393
		842,789	834,648	825,283	814,629	802,615	789,170	774,220	757,686	739,486	719,535	697,745	674,023	648,273	620,393

Attachment 3 - Developer's Proforma

Ivy Valley Senior Village
COSR Calculation

Unit Type	AMI %	# NPLH Units	Max COSR/Unit	Max COSR	Max COSR/ Year 1
1-Bedroom	25%	15	\$110,554	\$2,211,075	\$110,554

	Per Unit/Yr	Annual Year 1	Annual Year 2	Annual Year 3	Annual Year 4	Annual Year 5	Annual Year 6	Annual Year 7	Annual Year 8	Annual Year 9	Annual Year 10	Annual Year 11	Annual Year 12	Annual Year 13	Annual Year 14	Annual Year 15	Annual Year 16	Annual Year 17	Annual Year 18	Annual Year 19	Annual Year 20
Operating Expense																					
1. Management																					
Management Fee	\$	840.00																			
Management Total:	\$	840.00																			
2. Administration																					
Marketing/Credit Checks	\$	30.00																			
Audit / File Mgmt (Compliance)	\$	180.00																			
Legal	\$	50.00																			
Office Expenses/ MISC	\$	360.00																			
Other - Security																					
Administration Total:	\$	620.00																			
3. Salaries and Benefits																					
Manager/Asst. Manager	\$	750.00																			
Main Personnel	\$	600.00																			
Payroll Txs, Ins & Wkr. Comp.	\$	472.50																			
Salaries and Benefits Total:	\$	1,822.50																			
4. Maintenance																					
General Maintenance/ Janitorial	\$	80.10																			
Repairs Contract	\$	150.00																			
Exterminating	\$	50.00																			
Fire Protection/ Security	\$	180.00																			
Elevator	\$	180.00																			
Grounds Contract	\$	250.00																			
Maintenance Total:	\$	890.10																			
5. Utilities Not Paid by Tenants																					
Electricity and Gas	\$	350.00																			
Water/Sewer	\$	750.00																			
Trash Removal	\$	250.00																			
Utilities Total:	\$	1,350.00																			
6. Insurance																					
Property & Liability Insurance	\$	633.00																			
Insurance Total:	\$	633.00																			
7. Tax and Reserves																					
Real Estate Taxes	\$	20.00																			
Replacement Reserves	\$	500.00																			
Tax and Reserves Total:	\$	520.00																			
8. Other																					
Supportive Services-General	\$	464.40																			
Supportive Services-Case Manager	\$	2,000.00																			
Licenses/ Permits	\$	10.00																			
SDHC Monitoring Fees	\$	150.00																			
HHSA Monitoring Fees - IHTF	\$	40.00																			
HHSA Monitoring Fees - NPLH	\$	266.67																			
Other Total:	\$	2,931.07																			
Operating Expenses Total:	\$	9,606.67																			
Total Operating Expense - NPLH Units	\$	144,100	\$ 148,423	\$ 152,876	\$ 157,462	\$ 162,186	\$ 167,051	\$ 172,063	\$ 177,225	\$ 182,542	\$ 188,018	\$ 193,658	\$ 199,468	\$ 205,452	\$ 211,616	\$ 217,964	\$ 224,503	\$ 231,238	\$ 238,175	\$ 245,321	\$ 252,680
Rental Revenues - NPLH Units:																					
Monthly Rent per NPLH Unit (30% of SSI)	\$	169																			
Annual Rent from NPLH Units	\$	25,857	\$ 29,477	\$ 30,067	\$ 30,668	\$ 31,281	\$ 31,907	\$ 32,545	\$ 33,196	\$ 33,860	\$ 34,537	\$ 35,228	\$ 35,932	\$ 36,651	\$ 37,384	\$ 38,132	\$ 38,894	\$ 39,672	\$ 40,466	\$ 41,275	\$ 42,100
Difference/Max COSR	\$	110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554	\$ 110,554
Cumulative	\$	110,554	\$ 221,108	\$ 331,661	\$ 442,215	\$ 552,769	\$ 663,323	\$ 773,876	\$ 884,430	\$ 994,984	\$ 1,105,538	\$ 1,216,091	\$ 1,326,645	\$ 1,437,199	\$ 1,547,753	\$ 1,658,306	\$ 1,768,860	\$ 1,879,414	\$ 1,989,968	\$ 2,100,521	\$ 2,211,075
Annual Rent	\$	30,420	\$ 31,028	\$ 31,649	\$ 32,282	\$ 32,928	\$ 33,586	\$ 34,258	\$ 34,943	\$ 35,642	\$ 36,355	\$ 37,082	\$ 37,823	\$ 38,580	\$ 39,352	\$ 40,139	\$ 40,941	\$ 41,760	\$ 42,595	\$ 43,447	\$ 44,316
Vacancy Rate	\$	15%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
	\$	25,857	\$ 29,477	\$ 30,067	\$ 30,668	\$ 31,281	\$ 31,907	\$ 32,545	\$ 33,196	\$ 33,860	\$ 34,537	\$ 35,228	\$ 35,932	\$ 36,651	\$ 37,384	\$ 38,132	\$ 38,894	\$ 39,672	\$ 40,466	\$ 41,275	\$ 42,100

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.

September 06, 2023

Mr. Matt Granum
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, California 92101

RE: Iris at San Ysidro Apartments

Dear Mr. Granum:

The San Diego Housing Commission (the "Commission") has retained CSG Advisors, Inc. to analyze the feasibility of the proposed tax-exempt financing for the Iris at San Ysidro Apartments (the "Project"). Our findings are organized as follows:

- Current Project Status and the Proposed Project
- The Proposed Financing
- Project's Projected Financial Status
- Benefits and Risks to the Commission
- Public Purpose
- Negotiation of Additional Public Benefit
- Recommendations

We have based our analysis of the proposed financing on documents provided by National Core (the "Developer"), and on additional conversations and documents provided by representatives of the Developer and Commission staff, and Bond Counsel (Jones Hall). The documents examined included the Developer's proposed financial schedules and financing commitments from the proposed lender and investor. CSG has not visited the site of the proposed Project.

CURRENT PROJECT STATUS AND THE PROPOSED DEVELOPMENT

The Project will consist of a 100-unit development (the "Development") to be newly constructed at 1663 Dairy Mart Road in San Ysidro (the "Site"). Acquisition of the Site and construction of the Development would be financed from, among other sources, equity raised from the sale of 4% low-income housing tax credits and tax-exempt debt issued by the Housing Authority of the City of San Diego (the "Housing Authority"). 99 units will be subject to affordability restrictions as further described herein; one 3-bedroom unit will be an unrestricted managers unit.

The Site is currently owned by San Ysidro LP (the Borrower). The Site currently consists of a single parcel. Three small structures located on the site will be demolished as part of the development and construction of the Project.

On June 10, 2022, the Commission adopted a resolution (no. HC-1959) evidencing the official intent, on behalf of the Housing Authority of the City of San Diego, to conduct a tax-exempt

issuance in the not-to-exceed amount of \$35,000,000 for the Project. The Commission also approved in companion consideration the issuance of up to \$2,100,000 in taxable financing for the Project. The resolution also approved submittal of the application to the California Debt Limit Allocation Committee (“CDLAC”) for an allocation of private activity tax-exempt authority for the Project.

As the Commission 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 public hearing required pursuant to Section 147(f) of the Internal Revenue Code for tax-exempt issuances (“TEFRA”) was held by the Commission – also on June 10, 2022. Note that, as the TEFRA hearing extends through one year of the hearing date, a new TEFRA will be required before the issuance of tax-exempt bonds for the Project.

On February 07, 2023, the Housing Authority submitted an application to CDLAC for \$31,500,000 in private activity tax-exempt issuance authority for the Project.

On May 10, 2023, CDLAC awarded \$31,500,000 in private activity tax-exempt allocation to the Housing Authority for the Project.

THE PROPOSED FINANCING

The Developer proposes that the Housing Authority issue up to \$31,500,000 in a tax-exempt note (the “Note”)¹ for the Project and up to \$9,000,000² in a taxable note (the “Taxable Note,” collectively the “Notes”). The Notes would be issued pursuant to a Loan Agreement between the Housing Authority and the Lender, and separate Loan Agreement between the Housing Authority and the Borrower.

The Developer proposes, pursuant to a Loan Application, dated July 21, 2023, from Wells Fargo Bank (the “Lender”), that the Notes would be purchased and held, on a private-placement basis, by the Lender during the construction phase of the Project. Upon completion, satisfying certain conditions to conversion, and conversion to the permanent phase, the Note would be purchased from Wells Fargo Bank by Freddie Mac in the amount of the permanent loan. The balance of the tax-exempt loan and the taxable loan would be repaid. Construction draws of tax-exempt Note proceeds would be funded on and as-needed “draw-down” basis.

According to projections provided by the Developer, the total development cost (“TDC”) totals approximately \$66,286,170.

¹ The financing would occur through the issuance of tax-exempt “Notes” under a “Back-to-Back” loan structure. The Back-to-Back structure and a bond issuance structure with an Indenture are functionally equivalent. In the Back-to-Back Structure, a Bank Loan Agreement (between the Lender, Issuer and the Fiscal Agent) replaces the Indenture and a Borrower Loan Agreement (between the Issuer and the Borrower) replaces the Loan Agreement from an Indenture structure. A “Fiscal Agent” replaces the Trustee. Certain lenders prefer the Back-to-Back structure in order to obtain beneficial treatment under the Community Reinvestment Act.

² Please note the Developers projections currently show \$7,900,000 taxable debt.

Iris at San Ysidro: Construction and Permanent Source Summary³

	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Note	31,500,000	9,181,800
Taxable Note ⁴	7,900,000	0
Tax Credit Equity	3,326,480	33,264,790
City of San Diego EDD	4,500,000	5,000,000
San Diego Housing Commission	2,070,000	2,300,000
County of San Diego IHTF	4,500,000	5,000,000
County of San Diego COSR	2,211,080	2,211,080
RTCIP/DIF Fee Waivers	431,000	431,100
NPLH Funds	2,961,240	3,290,270
Developer Fee/MGP Loan	<u>5,607,137</u>	<u>5,607,140</u>
Total Sources	65,006,937	66,286,180

Iris at San Ysidro: Permanent Use Summary⁵

	<u>Permanent</u>
Land and Acquisition Costs	6,968,380
Construction Costs (includes infrastructure and parking)	38,277,330
Construction Contingency (Owner + Contractor's)	1,907,870
Developer Fee	6,800,000
Operating Reserve + Transition Reserve	637,420
County of San Diego Capitalized Operating Subsidy	
Reserve	2,211,080
Capitalized Construction Loan Interest	3,422,850
Other Hard and Soft Costs	6,061,240
Total Uses	66,286,170

Ownership

The Project will be owned by Iris at San Ysidro, L.P. (the “Borrower”). The Borrower will consist of: NCRC ISY GP LLC as the Managing General Partner (with National Community Renaissance of California (NCRC) as its Manager/Sole Member); an entity of the Wells Fargo (the “Tax Credit Investor”) will be the tax credit investor limited partner.

Tax-Exempt Bond Structure and Credit Enhancement

Construction Loan

The Developer proposes that the Housing Authority issue tax-exempt Notes in the combined maximum amount of \$40,500,000 in order to finance the acquisition and construction of the Project. Solely revenues pledged under the respective Loan Agreements will secure the payment of principal and interest to the Lender.

³ Source: Developer projections. Rounding by CSG. Total of Uses and Sources may not equal due to rounding.

⁴ The Lender Construction Loan Term Sheet (July 11, 2023) reflects a maximum \$3,000,000 taxable loan amount.

⁵ Source: Developer/Tax Credit Investor projections. Rounding by CSG. Total of Uses and Sources may not equal due to rounding.

The Notes would be unrated, without credit enhancement, and would be purchased by the Lender on a private placement basis. The Notes would be funded on a draw-down basis through the construction period. Upon stabilization and conversion, the taxable Note and a portion of the tax-exempt Note will be redeemed (from tax credit equity and other sources).

As unrated, non-credit enhanced Bonds sold on a private placement basis, the Note must meet the minimum requirements of the Commission's policies for such issues (e.g., maximum \$100,000 minimum denominations, no more than 15 Bondholders, etc).

The construction period would be 24 months. The Lender's Construction Loan Term Sheet provides for interest of 30-day SOFR plus 1.75% (approximately 7.06% as of September 05, 2023). Payments during the construction period would be interest-only on a 365/360 basis.

Permanent Loan

Upon conversion to the permanent loan, the Borrower proposes to redeem the taxable Note and a portion of the outstanding tax-exempt Note with available sources (e.g., tax credit equity). The remaining outstanding tax-exempt Note will convert to a permanent loan.

According to the Lender's Commitment, the permanent loan would have a term of 16 years following the Conversion and an amortization period of 35 years. The rate-setting formula as set forth in the Lender's Commitment would result in fixed rate of 6.276% as of September 04, 2023.

Projected Issuance Date

The Developer proposes that the Housing Authority issue the Notes on or about October 30, 2023. The Authority received an allocation tax-exempt authority in the amount of \$31,500,000 from CDLAC at its May 10, 2023 allocation meeting date. The allocation expiration date provided by CDLAC is November 06, 2023.

Commission Financial Involvement

The Commission will provide a subordinate loan to the Project in the amount of \$2,300,000.

Affordability Restrictions

Upon implementing the proposed financing, the Project will be subject to the following regulatory restrictions and regulatory terms:

Source of Restriction	Restriction	Total Restricted Units	Expiration Date
County of San Diego NPLH	15 units at 25% AMI	15	55 years
County of San Diego IHTF	15 units at 25% AMI 30 units at 30% AMI 34 units at 50% AMI 20 units at 60% AMI	99	99 years
SDHC Subordinate Loan	15 units at 25% AMI 30 units at 30% AMI 21 units at 50% AMI 33 units at 60% AMI	99	55 years
CDLAC Debt Limit Allocation Committee and California Tax Credit Allocation Committee	79 units at 50% AMI or below 20 units at 60% AMI or below	99	55 years

PROJECT'S PROJECTED FINANCIAL STATUS

Under the proposed financing – according to information provided by the Developer and analysis by CSG – annual permanent debt service on the proposed senior permanent loan of \$9,181,803 would total approximately \$584,253. According to preliminary information provided by the Developer and analysis by CSG, stabilized annual cash flow (before reserves) after construction and lease-up (including Issuer fees) would total approximately \$122,824 at a debt coverage ratio (DCR) of 1.21. Cash flow after reserves would total approximately \$72,824 at a DCR of 1.12. *Note that this DCR is in below the minimum of 1.15 required under the Wells Fargo Freddie Mac Loan Application (July 21, 2023).*

THE BENEFITS AND RISKS TO THE COMMISSION

The proposed financing provides for financing for the acquisition and construction of the Project. By approving a recommendation to the Housing Authority to move forward with the approval process for the proposed tax-exempt Note financing, the Commission will not obligate the Commission or the Housing Authority to issue the Bonds.

As proposed, the financing will create 99 affordable units in the City of San Diego. These units will remain long-term affordable for approximately 99 years under the most restrictive requirements of the County of San Diego's Innovative Housing Trust Fund (IHTF) loan.

Housing Authority Issuer Fee

The relationship of Wells Fargo as holder of the tax-exempt Note and as limited partner of the Borrower results in a limit to the amount of issuer's fee that would be otherwise payable to the Housing Authority. I.e., the related party arrangement *prevents* the loan of Bond proceeds from being treated as a "Program Investment" and, therefore, issuer fees paid by the borrower (and not otherwise attributable to "qualified administrative costs") are limited to amounts payable within a "spread" between the bond and loan yields of 0.125% (as compared to 1.5% for Program Investments).

Section 1.9 of the Housing Commission Bond Policy PO300.301 states, in part, "...the Housing Commission will not recommend, and the Housing Authority will not issue, bonds for projects where the tax credit investor is also the same or a related entity to the bond purchaser..." Further, however, Section 1.9 provides that "Exceptions may be granted on an extremely limited case-by-case basis and at the discretion of the Housing Authority's Executive Director or designee."

As the relationship of the tax-exempt Note holder and the Tax Credit Investor violates this Section 1.9, the Developer has requested an exception to the Section of the 1.9 of the Housing Commission Housing Bond Policy on the basis of "beneficial" tax credit equity pricing from Wells Fargo in connection with Wells Fargo as both Lender and Tax Credit Investor.

CSG Advisors has performed a preliminary analysis of the effect of the related party arrangement on the present value⁶ of issuer's fee, summarized below.⁷

	<u>Without Related Parties</u>	<u>With Related Parties</u>
Fee Due at Close	78,750	\$0
Nominal Construction Period Annual Fee	78,750	\$0
Nominal Permanent Period Fees ⁸	636,192	177,760
Total Nominal Fee	793,692	177,760
Present Value Total Nominal Fee	394,737	111,204

In order to receive the amounts that the Housing Authority would otherwise expect in the absence of certain related parties, the Housing Authority plans, as necessary, to recover from the

⁶ Using 4.29% discount rate

⁷ The amounts payable w/in the 0.125% spread limit would be recalculated on or near conversion to the permanent loan, to reflect actual tax-exempt draws, etc

⁸ For 55 years (to end of CDLAC restriction period). Fees past Note maturity with related parties not payable w/in yield limits.

borrower “qualified administrative costs” (the Housing Authority may recover such costs outside of the yield spread limit) in amounts that, in total with the amounts payable as issuer fee, will not exceed the amounts that would otherwise have been payable to the Housing Authority.

PUBLIC PURPOSE

The proposed financing will result in the creation of 99 affordable family housing units in the City of San Diego. The proposed financing will result in new CDLAC, CTCAC and Commission regulatory restrictions for 55 years, and in the most restrictive regulatory requirements of the County of San Diego IHTF loan as follows as follows::

- 15 units at 25% AMI
- 30 units at 30% AMI
- 34 units at 50% AMI
- 33 units at 60% AMI

NEGOTIATION OF ADDITIONAL PUBLIC BENEFIT

As noted above, the financing will result in long-term affordability restrictions on 99 units within the Project.

RECOMMENDATIONS

Based upon analysis of the available information, we recommend that the Commission approve moving forward with the proposed issuance. Our recommendation is based upon the following:

- The financing will create 99 affordable family units in the City of San Diego with long-term affordability covenants.
- The Commission has received tax-exempt authority of \$31,500,000 from CDLAC for the Project.
- The Lender and the Tax Credit Investor are currently underwriting the Project.
- The net Tax-Exempt note financing and tax credit equity will provide approximately \$42,446,600 for development costs.

Contingent Items

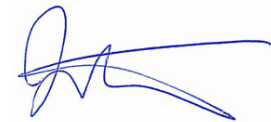
The Commission may choose to move forward with the financing subject to the following contingencies:

- The Project’s financial underwriting must be consistent among the Developer, the Lender and the Tax Credit Investor.

- As of this writing, neither the Lender nor the Tax Credit Investor has provided final credit approval for the financing. The Notes cannot be issued without these final approvals.
- Final Notes documents and approving resolution must be approved by the Housing Authority.
- The Commission and the Housing Authority must agree to waive the requirement Section 1.9 of the Housing Commission Bond Policy PO300.301
- The Borrower and the Housing Authority shall agree on the method by which the Housing Authority shall recover, to the greatest permissible extent, amounts it would have expected to receive but for the limitations resulting from certain related parties in the transaction.

Should you require any further information or would like to discuss the Project or the proposed financing in additional detail, please do not hesitate to contact me.

Sincerely,
CSG Advisors



John Hamilton

Attachment 5 - Feasibility Analysis

Exhibit A

Iris at San Ysidro

date of rev: 09 04 2023

Long-Term Tax-Exempt Loan Loan

	Tranche A	Tranche B	Total
Principal Amount ¹	\$ 9,181,803	\$ -	\$ 9,181,803
Mortgage Rate ²	6.276%	0.000%	
Amortization Term (yrs) ²	35	0	
Underwriting Monthly Debt Service	\$ 48,688	\$ -	\$ 48,688
Underwriting Annual Debt Service	\$ 584,253	\$ -	\$ 584,253

¹ Source: Developer projections dated 08 16 2023. Wells Fargo Freddie Mac Loan Application (07 21 2023) max of \$9,440,000

² Formula per Wells Fargo Freddie Mac Loan Application (07 21 2023) 10yr Treasury + 2.09%. 10yr Treasury is 4.186% as of 09 04 2023. Developer projections reflect 6.0%

Post-Financing Operations Analysis ¹

Income				Stabilized Year				
				1	2	3	4	5
Gross Tax Credit Rental Income ¹	2.50% Inflation			\$ 1,169,628	\$ 1,198,869	\$ 1,228,840	\$ 1,259,561	\$ 1,291,050
Other Income	2.50% Inflation			\$ 383,076	\$ 392,653	\$ 402,469	\$ 412,531	\$ 422,844
Gross Potential Income (GPI)				\$ 1,552,704	\$ 1,591,522	\$ 1,631,310	\$ 1,672,092	\$ 1,713,895
Vacancy Collection Loss ²			5.00%	(77,630)	(79,576)	(81,565)	(83,605)	(85,695)
Effective Gross Income				\$ 1,475,074	\$ 1,511,946	\$ 1,549,744	\$ 1,588,488	\$ 1,628,200
Expenses								
Operating Expenses	3.50% Inflation			\$ (752,023)	\$ (778,344)	\$ (805,586)	\$ (833,781)	\$ (862,963)
RE Taxes	2.00% Inflation			\$ (2,000)	\$ (2,040)	\$ (2,081)	\$ (2,122)	\$ (2,165)
Issuer Fee ³	\$ 10,000 min	0.125%		\$ (11,477)	\$ (11,477)	\$ (11,477)	\$ (11,477)	\$ (11,477)
Trustee Fee ⁴	\$ 2,500 min	0.004%		\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (2,500)
Total Expenses				\$ (768,000)	\$ (794,361)	\$ (821,644)	\$ (849,881)	\$ (879,106)
Net Operating Income				\$ 707,074	\$ 717,585	\$ 728,101	\$ 738,607	\$ 749,094
Required Debt Service				\$ (818,000)				
Senior								
Real Estate Loan				\$ (584,250)	\$ (584,250)	\$ (584,250)	\$ (584,250)	\$ (584,250)
Cash Flow before Reserves				\$ 122,824	\$ 133,335	\$ 143,851	\$ 154,357	\$ 164,844
Debt Coverage Ratio Before Reserves				1.21	1.23	1.25	1.26	1.28
Reserves	500 per unit	0% Inflation		\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)
Cash Flow After Reserves				\$ 72,824	\$ 83,335	\$ 93,851	\$ 104,357	\$ 114,844
Overall Debt Coverage Ratio (DCR)				1.12	1.14	1.16	1.18	1.20
Cash Flow Including Commercial Income				72,824	83,335	93,851	104,357	114,844
Debt Coverage Ratio Including Commercial Income ⁵				1.12	1.14	1.16	1.18	1.20

¹ Source: Developer projections dated 08 16 2023. Not inflated to placed-in-service (PIS). Rounding by CSG Advisors

² Of Gross Potential Income.

³ Issuer's fee to be underwritten per Issuer's policy; however, actual fee will be subject to .125% yield spread limitation attributable to Purpose Investments. Developer Projections show only 10k Issuer fee

⁴ Estimated Fiscal Agent fees.

⁵ Minimum coverage per Wells Fargo Freddie Mac Loan Application is 1.15

Attachment 5 - Feasibility Analysis

Exhibit A

Iris at San Ysidro Permanent Sources and Uses of Funds

Sources¹

Tax-Exempt Note	\$	9,181,800
Tax Credit Equity	\$	33,264,790
City of San Diego EDD	\$	5,000,000
San Diego Housing Commission	\$	2,300,000
County of San Diego IHIF	\$	5,000,000
County of San Diego Capitalized Operating Subsidy Reserve	\$	2,211,080
RTCIP/DIF Fee Waivers	\$	431,100
NPLH Funds	\$	3,290,270
Developer Fee/MGP Loan	\$	<u>5,607,140</u>
Total Sources	\$	66,286,180

Uses¹

Land and Acquisition Costs	\$	6,968,380
Construction Costs	\$	38,277,330
Construction Contingency (Owner + Contractor's)	\$	1,907,870
Developer Fee	\$	6,800,000
Operating Reserve + Transition Reserve	\$	637,420
County of San Diego Capitalized Operating Subsidy Reserve	\$	2,211,080
Capitalized Construction Loan Interest	\$	3,422,850
Other Hard and Soft Costs	\$	<u>6,061,240</u>
Total Uses	\$	66,286,170

Surplus(Deficit) ²	\$	10
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¹ Source: Information provided by Developer. Rounding by CSG

² Surplus due to rounding



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Attachment 6

Real Estate Department

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

Statement for Public Disclosure

1. Name of CONTRACTOR: National Community Renaissance of California, a nonprofit public benefit corporation (NCRC)
2. Email: lhampton@nationalcore.org
2. Address and Zip Code: 9421 Haven Ave, Rancho Cucamonga, CA 91730
3. Telephone Number: 909-483-2444
4. Name of Principal Contact for CONTRACTOR: Lesley Hampton, Vice President
5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0521215
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as (*select and upload requested documents*):

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

Check one:

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

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

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



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

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

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail. **No**
10. Is it *anticipated* that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail. **No**



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

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

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

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

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



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

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

14. Provide description of the financial condition of the CONTRACTOR as of the date of the statement and for a period of twenty-four (24) months prior to the date of its statement as reflected in the financial statements that was requested (attached) as part of the Application, including, but not necessarily limited to, profit and loss statements and statements of financial position: [Audited financials are attached.](#)

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

[See attached financing plan.](#)

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

- a. In banks/savings and loans:

Name: _____
 Address: _____
 Amount: \$ _____

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

Name: _____
 Address: _____
 Amount: \$ _____



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

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

Additional Information, as needed: _____

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

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

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

☐ Yes ☒ No

If yes, provide date, place, and under what name: _____

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

☐ Yes ☒ No

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



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Case 1: _____

Case 2: _____

Case 3: _____

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

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

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

a. Name and addresses of such contractor or builder:

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



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

☐ Yes

☒ No

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

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

General description of such work: _____

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

Complete one table for each project:

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



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

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



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

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

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

Awarding Agency	Amount	Date Opened

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

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

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

☐ Yes

☒ No

If yes, explain:



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

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

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

☐ Yes

☒ No

If yes, please explain:

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

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

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

Check coverage(s) carried:

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

- b. Automobile Public Liability/Property Damage [*Attach* certificate of insurance showing the amount of coverage and coverage period(s)]: See attached certificate, \$1 million

Check coverage(s) carried:

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



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

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

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

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

- 27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the SDHC setting forth the provisions of this nondiscrimination clause.
- 28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the SDHC, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
- 29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the SDHC, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the SDHC was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.



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

Government Complaint	Entity	Making	Date	Resolution
None				

31. Has the CONTRACTOR ever been disqualified, removed from or otherwise prevented from bidding on or completing a federal, state, or local government project because of a violation of law or a safety regulation?

☐ Yes

☒ No

If yes, please explain in detail: _____

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

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



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

There are no factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with SDHC.

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

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

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

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

36. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, been the subject of a complaint filed with the Contractor's State License Board (CSLB)?

☐ Yes ☒ No

If yes, please explain: _____

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

☐ Yes ☒ No

If yes, please explain: _____



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

1. Name: Holly Nelson, City of Escondido

Address: 201 North Broadway Escondido, CA

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

Project Name and Description: Valley Senior Village, 50 Units

2. Name: Candi Roberts, City of San Marcos

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

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

Project Name and Description: Villa Serena, Westlake Village

3. Name: Eli Sanchez, Civic San Diego

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

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

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

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

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

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

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



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CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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

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

Executed this 4 day of May, 20 22, at San Diego, California
Rancho Cucamonga

CONTRACTOR

By: _____

Signature

Chief Financial Officer

Title



SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

CERTIFICATION

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

By: [Signature]

By: _____

Title: Chief Financial Officer

Title: _____

Dated: 5/4/22

Dated: _____

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

JURAT

State of California

County of _____

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

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

Signature of Notary

SEAL

CALIFORNIA JURAT

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

State of California)

County of San Bernardino)

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

by Michael Finn proved to me on the
basis of satisfactory evidence to be the person(s) who appeared before me.



(Seal)


Signature of Notary Public

My Commission Expires: May 26, 2025

Optional

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

Description of Attached Document

Title or type of Document: _____

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

Signer(s) Other Than Named Above: _____

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

Department of the Treasury

Date: JUN 13 2007

Person to Contact:
Gregory Renier
ID #31-07231

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

Toll Free Telephone Number:
877-829-5500
Employer Identification Number:
33-0521215

Dear Sir or Madam:

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

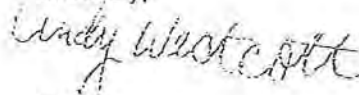
Our records indicate that a determination letter was issued in October 1996 that recognized you as exempt from Federal income tax, and reflect that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

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

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

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

Sincerely,



Cindy Westcott
Manager, Exempt Organizations
Determinations

04/22/2004 12:48 FAX 513 263 3756

TE/GE CINTI

002/002

Internal Revenue Service

Date: April 22, 2004

Adam Kobus
400 Sansome St
San Francisco, CA 94111

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

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

Dear Sir:

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

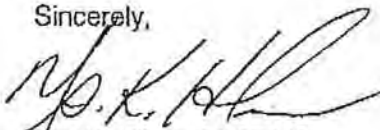
Our records indicate that a determination letter issued in October 1996 granted this organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

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

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

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

Sincerely,



Ms. K. Hilson 31-07340
Customer Account Services

04/22/2004 12:48 PM FAX 513 263 3756

RE/CN CERT

0401/001

Internal Revenue Service

Date: April 22, 2004

Adam Kohan
400 Sansome St
San Francisco, CA 94111

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

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

Dear Sir:

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

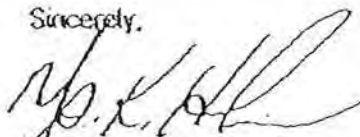
Our records indicate that a determination letter issued in October 1996 granted this organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

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

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

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

Sincerely,



Ms. K. Hilson 31-07340
Customer Account Services

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

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

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

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

. Dear Applicant:

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

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

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

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

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

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

-2-

Southern California Housing
Development Corporation

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

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

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

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

Accordingly, we rule as follows:

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

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

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

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

-3-

Southern California Housing
Development Corporation

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

Sincerely yours,

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

Garland A. Carter
Chief, Exempt Organizations
Technical Branch 5

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

DEPARTMENT OF THE TREASURY

Date: OCT 08 1996

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

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

Dear Applicant:

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

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

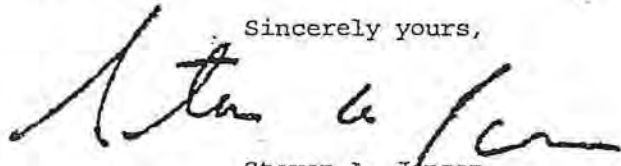
Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the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

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

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

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

Sincerely yours,



Steven A. Jensen
District Director

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

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

Person to Contact: J. O'Malley

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

Refer Reply to: E:EO:R:1

Date: SEP 30 1992

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

Dear Applicant:

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

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

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

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

The Southern California Housing
Development Corporation

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

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

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

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

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

The Southern California Housing
Development Corporation

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

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

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

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

The Southern California Housing
Development Corporation

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

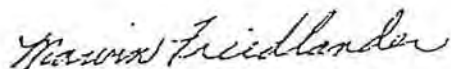
You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are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

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

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

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

Sincerely,



Marvin Friedlander
Chief, Exempt Organizations
Rulings Branch 1

Enclosure: Form 872-C

A0657184

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

FEB 21 2007

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

Rebecca Clark and Doretta Bryan certify that:

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


"I

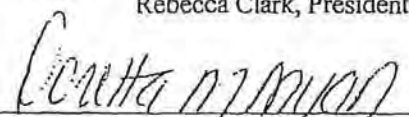
The name of this corporation is: NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA."

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

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

DATE: February 15, 2007


Rebecca Clark, President


Doretta Bryan, Secretary



18 11 11
16-7911

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

MAR 23 1992

MARCH FONG EU, Secretary of State

ARTICLES OF INCORPORATION
OF
THE SOUTHERN CALIFORNIA HOUSING DEVELOPMENT CORPORATION

I.

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

II.

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

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

III.

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

Andrew Wright
356 West Eleventh Street
Claremont, California 91711

IV.

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

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

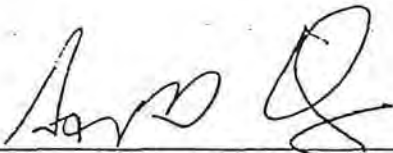
C. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of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

V.

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

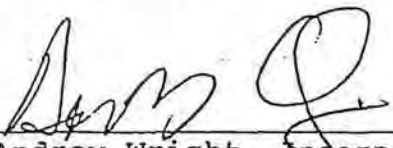
B. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes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

Dated: March 20 1992



Andrew Wright, Incorporator

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



Andrew Wright, Incorporator

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

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

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

National Community Renaissance of California

Executive Leadership Team

Company Officers

Steve PonTell, CEO and President

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

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

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

Michael Ruane, Executive Vice President

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

Michael Finn, Chief Financial Officer







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






Robert Diaz, General Counsel







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







Gregory Bradbard, President of Hope through Housing Foundation







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

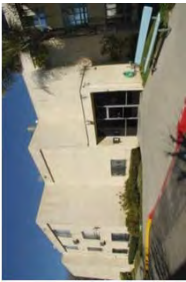





PROPERTY NAME & LOCATION	TOTAL UNITS	BEDROOM UNIT BREAKDOWN	AMI BREAKDOWN	TYPE	ROLE	ONSITE AMENITIES	FINANCING SOURCES
 <p>DAY CREEK VILLAS R Cucamonga, CA Start in 2019 Completion in 2020</p>	140	131 1-Bedroom 9 2-Bedroom	30%, 45%, 50%, 60% AMI	New Construction Senior 100% Affordable	Owner Developer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

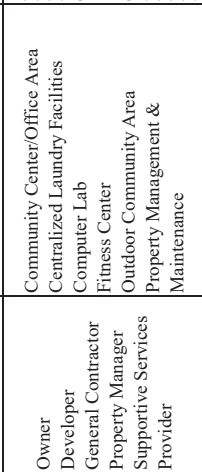
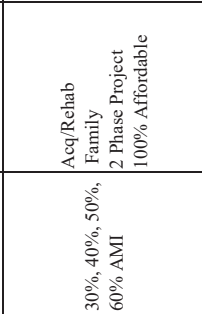
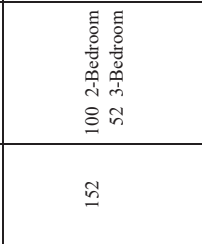
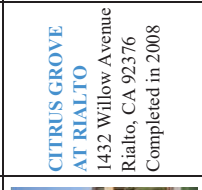


PROPERTY NAME & LOCATION	TOTAL UNITS	BEDROOM UNIT BREAKDOWN	AMI BREAKDOWN	TYPE	ROLE	ONSITE AMENITIES	FINANCING SOURCES
 <p>VISTA DEL PUENTE 1436 South 40th St San Diego, CA Start in 2017 Completion in 2018</p>	52	6 1-Bedroom 30 2-Bedroom 16 3-Bedroom	30%, 40%, 50%, 60% AMI	New Construction Family Special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







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







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







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







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







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

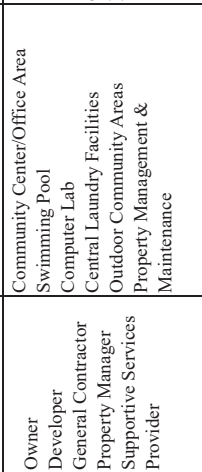
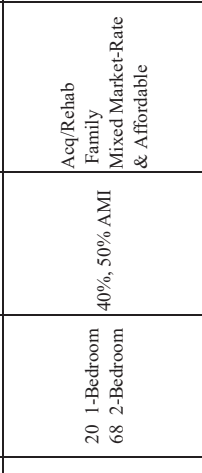


	SUNSET HEIGHTS 6230 Haven Avenue Alta Loma, CA 91737 Completed in 2007	117	80 2-Bedroom 37 3-Bedroom	35%, 45%, 60% AMI	Acq/Rehab Family 100% Affordable	Owner Developer General Contractor Property Manager Supportive Services Provider	a Service Kitchen Centralized Laundry Facilities Learning Center Computer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






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







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

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

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

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

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

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

TRADE REFERENCES		TRADE		Contact Name	Contact email	Address	Phone Number
A&D Fire Sprinklers	SUBCONTRACTOR	Fire Sprinklers		JC Lyn Grace Archeta Project Co	JC@adfiresprinklers.com; tbengel@adfiresprinklers.com; ron@adfiresprink.com; ron@adfiresprink.com	1601 West Orangewood Avenue, Orange CA 92668	714-634-3923
				Steve Berger; Kylee Nordby	bergralls@aol.com; advanceironworksma@gmail.com	945 W Markham St, Perris CA 92571	951-557-6676
Advance Iron Works		Wrought Iron		Steve Wiens; Daniel Lang	steve@advantagepaintingsolutions.com; daniel@advantagepaintingsolutions.com	1880 N. Delilah Street, Corona, CA 92879	951-557-6676
Advantage Painting		Painting		Eryn Griffith	evyngriiff@icloud.com	12155 Paine Place, Poway, CA 92064	951-568-8838
Aero Cine Pros		Drone/Time Lapse		Patrick Adams	padams@atetecting.com	6035 Fremont Street, Riverside, CA 92504	(909) 260-7633
Alttec Testing & Engineering		Demo/Abatement		Jacquie, Rosanne, and Sonia, Terr	info@waterproofing.net;sonia@waterproofing.net	20800 Dearborn St., Chatsworth CA 91311	951-352-8510
Art Deck Inc		Waterproofing		Mike Hayes and Sean Decker	baysheetmetalinc@gmail.com; sean@baysheetmetalinc.sdcornal.com; mike@bsm.sdcornal.com	9343 Bond Ave. Ste C, El Cajon CA 92021	818-350-0776
Bay Sheet Metal		Sheet Metal		Sean Neman	sean@alsolarinc.com	200 S San Pedro St., Suite 500, Los Angeles, CA 90012	619-401-9770
Cal Solar (California Solar Integrators)		Photovoltaic Solar System		Ray Rike; Cindy Kleppe	rarikr@yahoo.com; cindykleppe@yahoo.com	454 6th Street, Norco, CA 92860	800-784-7612
Circle City Roofing		Roofing		Dwilsen@coastlinesteel.com	dustl@dnelectric-inc.com; dan@dnelectric-inc.com	8903 Miner St., Los Angeles, CA 90002	951-736-5252
Coastline Steel		Structural Steel		Dustl@dnelectric-inc.com; dan@dnelectric-inc.com	dustl@dnelectric-inc.com; dan@dnelectric-inc.com	1833 Riverview Dr, San Bernardino, CA 92408	310-764-0227
Dan Moore Electric		Electrical/Low Voltage/Dry Utiliti		Rex Endrizzi; Mike Wood	rexend@att.net; mike@endrztz.net	1833 Riverview Dr, San Bernardino, CA 92408	909-888-8639
DCC		Concrete Flatwork, Curb, Gutter		Nick D Agostini; Crystal Garvey; S Nick@dccengineering.com; crystal@dccengineering.com; sharon@dccengineering.com; derek@dccengin	nick@dccengineering.com; crystal@dccengineering.com; sharon@dccengineering.com; derek@dccengin	2180 Meyers Ave., Escondido, CA 92029	760-480-7400
Dan Moore Electric		Grading		Ray Gauthier	gauthierconstruction@msn.com	1035 N. Armando Street, Ste. Y, Anaheim, CA 92806	714-537-2601
Endrizzi Enterprises		Fire Alarm/Burglar Alarm		Henry Mileske	hmlsks@sbcglobal.net	3576 Highland Drive, Carlsbad, CA 92008	760-730-7533
Gauthier Construction		Rough Carpentry		Mike McMaster Annette Solorio	mike@imacconstruction.com; annette@imacconstruction.com	28203 Tamarack Lane, Santa Clarita, CA 91390	661-297-0357
HRM Security Systems		Structural Concrete		Julie Robinson; Kevin Anderson	jkenyon@kenyonweb.com; landersen@kenyonweb.com	19740 Bolora Ave, Corona, CA 92881	951-520-9755
Imac Construction		Stucco		Julie Robinson; Caroline DeBlaze; jrobinson@landscapedevelopment.com; cdeblaze@landscapedevelopment.com; fforberg@landscapedevelopment.com; fforberg@landscapedevelopment.com	jrobinson@landscapedevelopment.com; cdeblaze@landscapedevelopment.com; fforberg@landscapedevelopment.com; fforberg@landscapedevelopment.com	1410 La Mirada Drive, San Marcos, CA 92078	(760) 621-7300
Kenyon Plastering		Landscaping		Jim Lovato; Sam Rodriguez	jim@marinasash.com; sam@marinasash.com	426 Constitution Ave, Camarillo, CA 93012	805-558-1970
Landscap Development		Windows		Adam Jenkins; Christina Cortez; K aljenkins@ojinc.com; cortez@ojinc.com; kbuss@ojinc.com	adam@ojinc.com; cortez@ojinc.com; kbuss@ojinc.com	600 S. Vincent, Azusa, CA 91702	626-812-6070
Marina Sash & Lock		Ol Insulation		Jake McKee; Yolanda Leilusio o	jmckee@pcscabinetry.com; ylleilusio@pcscabinetry.com; pcscabinetry@pcscabinetry.com	P.O. Box 740846, Los Angeles, CA 90074	(909) 614-2900
OJ Insulation		Cabinets		Scott Johnson; Denette Raab; Col johnson@resdesign.com; ylleilusio@resdesign.com; pcscabinetry@pcscabinetry.com	scottjohnson@resdesign.com; draab@resdesign.com; ylleilusio@resdesign.com; pcscabinetry@pcscabinetry.com	1341 W. Arrow Hwy, San Dimas, CA 91773	951-557-6676
Professional Cabinet Solutions		Flooring		Danny Gates, Stasi Catania, Kim T dgates@rockwelldrywall.com; scatania@ockwelldrywall.com	dannygates@rockwelldrywall.com; scatania@ockwelldrywall.com	1341 W. Arrow Hwy, San Dimas, CA 91773	909-539-4091
Residential Design Services		Drywall/Acoustical Ceilings		Shae Askew; Bruce Smith; Aneth	shae@thecountertopfactory.net; bruce@thecountertopfactory.net; aneth@thecountertopfactory.net	2740 E. Coronado Street, Anaheim, CA 92806	562-944-2450
Rockwell Drywall		Countertops		Brad Tunby; Cheryl Atkins	brunby@trueairinc.com; calkins@trueairinc.com	4 Faraday, Irvine, CA 92618	949-382-6338
Royal Countertops		HVAC					
True Air Mechanical							

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

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

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

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

LOCATION/DESCRIPTION

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


COVERAGE INFORMATION PERILS INSURED ☐ BASIC ☐ BROAD ☐ SPECIAL ☒

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

CANCELLATION

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

ADDITIONAL INTEREST

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

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

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

Builders Risk Hard Costs:

Builders Risk Soft Costs:

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

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

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

Roofs are valued at replacement cost, regardless of age

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

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

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

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

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

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

Wind/Hail/Named Windstorm Included, Except:

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

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

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

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

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

Employee Dishonesty: \$100,000 Sub-Limit

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

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

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

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

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

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

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

Draft- Coverage effective upon written bind order to the producer



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

2/11/2020

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

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

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

COVERAGES**CERTIFICATE NUMBER:** 2061142635**REVISION NUMBER:**

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

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

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

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

See Attached...

CERTIFICATE HOLDER**CANCELLATION**

For Information Only

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

AUTHORIZED REPRESENTATIVE

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ADDITIONAL REMARKS SCHEDULE

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

ADDITIONAL REMARKS

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

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

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

For Information Only



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/13/2020

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

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

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

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

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

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

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

Named Insured: National Community Renaissance of California

CERTIFICATE HOLDER**CANCELLATION**

For Information Only

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

AUTHORIZED REPRESENTATIVE

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National Community Renaissance of California

Consolidating Financial Statements

September 30, 2021

Unaudited

National Community Renaissance of California

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

September 30, 2021

Unaudited

Assets

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

Liabilities and Net Assets

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

National Community Renaissance of California

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

For the Period Ending September 30, 2021

Unaudited

Unrestricted Net Assets

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



National Community Renaissance of California

AND SUBSIDIARIES

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

December 31, 2020

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA AND SUBSIDIARIES

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CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

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

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Change in Accounting Principles

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

Other Matters

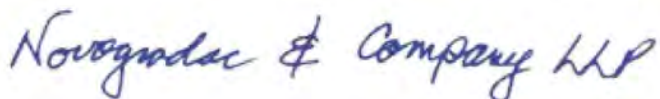
Supplementary and Other Information

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

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

Other Reporting Required by Government Auditing Standards

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



Walnut Creek, California
August 17, 2021

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

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

see accompanying notes

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

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

see accompanying notes

see accompanying notes

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

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

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE CORPORATION
AND SUBSIDIARIES**

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

CASH FLOWS FROM OPERATING ACTIVITIES:

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

CASH FLOWS FROM INVESTING ACTIVITIES:

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

CASH FLOWS FROM FINANCING ACTIVITIES:

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

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

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

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

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

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

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

SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:

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

see accompanying notes

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

1. Organization and nature of operations

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

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

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

Principles of consolidation

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

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

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

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

- Monterey Village Apartments
- Mountainside Apartments
- Sycamore Springs Apartments

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

1. Organization and nature of operations (continued)

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

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

Affordable housing projects:

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

Under development:

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

Seller carryback loans:

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

Passthrough entities:

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

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

1. Organization and nature of operations (continued)

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

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

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

1. Organization and nature of operations (continued)

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

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

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

2. Summary of significant accounting policies

Basis of accounting

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

Non-controlling interests

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

Basis of presentation

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

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

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

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

Changes in accounting principles

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

Estimates

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

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

2. Summary of significant accounting policies (continued)

Economic concentrations

NCRC's subsidiaries operate properties primarily in southern California. Future operations could be affected by changes in the economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing. In addition, these projects operate in a heavily regulated environment. The operations of these projects are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to U.S. Department of Housing and Urban Development ("HUD"). Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Cash and cash equivalents

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

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

Concentration of credit risk

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

Accounts receivable

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

Advances due from affiliates

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

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

2. Summary of significant accounting policies (continued)

Investments

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

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

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

Project development costs

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

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

2. Summary of significant accounting policies (continued)

Fixed assets and depreciation

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

Impairment of long-lived assets

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

Deferred costs

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

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

The deferred costs consist of the following:

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

Derivative instrument and fair value measurement

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

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

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

2. Summary of significant accounting policies (continued)

Debt issuance costs

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

Revenue recognition

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

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

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

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

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

2. Summary of significant accounting policies (continued)

Private donations

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

Grant revenue

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

Income taxes

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

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

Functional expenses

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

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

3. Liquidity and availability of financial assets

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

Financial assets at year end:

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

Less amounts not available to be used within one year:

Net assets with donor restrictions	<u>(46,932,939)</u>
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Financial assets available to meet general expenditures
over the next twelve months

\$ 51,753,070

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

4. Restricted cash

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

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

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

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

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

5. Investments

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

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

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

6. Property, equipment and improvements, net

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

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

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

7. Mortgages and notes payable, net

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

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

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7. Mortgages and notes payable, net (continued)

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

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7. Mortgages and notes payable, net (continued)

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

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7. Mortgages and notes payable, net (continued)

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

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7. Mortgages and notes payable, net (continued)

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

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

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7. Mortgages and notes payable, net (continued)

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

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7. Mortgages and notes payable, net (continued)

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

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7. Mortgages and notes payable, net (continued)

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

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

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

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

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

(1) Payment is based on residual receipts.

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

(3) Full payment at maturity.

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

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

* See Note 20 subsequent events.

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

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7. Mortgages and notes payable, net (continued)

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

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

8. Net assets with donor restrictions

Note Payable La Quinta Redevelopment Agency

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

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

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8. Net assets with donor restrictions (continued)

Note Payable La Quinta Redevelopment Agency (continued)

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

Extended affordability agreement

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

Pledge Agreement grant

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

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8. Net assets with donor restrictions (continued)

Pledge Agreement grant (continued)

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

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

9. Retirement plan

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

10. Housing assistance payments and contracts

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

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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 affiliates. It provides funding in connection with the development and management of projects. In certain cases, NCRC pays operating expenses on behalf of affiliates. Such amounts are unsecured, non-interest bearing and payable upon demand.

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

Advances due from affiliates

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

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

General and administrative expense allocation

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

12. Gain on sale of rental property

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

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

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13. Sale of State LIHTCs

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

14. Guarantees

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

Development deficit guaranty

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

Operating deficit guaranty

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

Recapture guaranty

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

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15. Surplus cash and residual receipts

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

16. Commitments and contingencies

Grant and property use restrictions

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

Litigation

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

Other

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

17. Lease commitments

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

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

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

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18. Paycheck Protection Program Loan

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

19. Vulnerability – impact of COVID-19

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

20. Subsequent events

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

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

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

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20. Subsequent events (continued)

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

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

SUPPLEMENTARY INFORMATION

CONSOLIDATING SCHEDULES

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

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

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

	National Community Renaissance of California	Hope Through Housing	Wholly-Owned	Eliminating Entries	National CORE of California	Housing Affiliates	Net Assets with Donor Restrictions	Eliminating Entries	Total
REVENUE AND OTHER INCOME:									
Rental revenue, net of vacancy	\$ 300,132	\$ -	\$ 32,751,168	\$ -	\$ 33,051,300	\$ 42,594,387	\$ -	\$ -	\$ 75,645,887
Other rental revenue	194,688	-	758,349	-	953,037	1,851,981	-	-	2,805,018
Social service fee income	-	1,426,085	-	(428,049)	998,036	-	-	(691,310)	306,726
Consulting, development and partnership fees	20,879,379	-	-	(3,798,866)	17,080,513	5,240	-	(16,035,683)	1,050,070
Management fees	5,491,017	-	-	(2,260,789)	3,230,228	-	-	(2,667,021)	563,207
Grants and contributions, including release of net assets with donor restrictions	2,533,489	2,850,154	(151,349)	-	5,232,294	72,857	(196,836)	-	5,108,315
Interest income	562,828	-	453,469	(32,575)	983,722	30,388	-	(433,477)	580,633
Forgiveness by lender	-	-	1,000,000	-	1,000,000	-	-	-	1,000,000
PPP loan forgiveness	3,809,000	-	-	-	3,809,000	-	-	-	3,809,000
Gain on sale	-	-	12,470,142	-	12,470,142	-	-	(12,470,142)	-
Other income	602,123	242,595	-	-	844,718	-	-	-	844,718
Total revenue and other income	34,363,656	4,518,634	47,281,779	(6,520,279)	79,643,790	44,555,053	(196,836)	(632,297,633)	91,704,374
PROGRAM EXPENSES									
Contracted program services • Hope Through Housing	-	-	-	-	-	-	-	-	-
Rent • Hope Through Housing	-	869,681	-	-	869,681	-	-	-	869,681
Payroll	-	236,030	-	-	236,030	-	-	-	236,030
Utilities	-	1,377,628	4,687,619	(28,500)	6,036,747	6,727,560	-	(67,602)	12,696,705
Repairs and maintenance	-	7,734	3,861,717	-	3,869,451	5,688,019	-	-	9,557,470
Legal and other professional services	-	838	6,662,463	-	6,663,301	7,490,337	-	-	14,153,638
Taxes and insurance	-	86,702	-	-	86,702	-	-	-	86,702
Interest expense	-	5,652	2,173,386	-	2,179,238	2,141,206	-	-	4,320,444
Depreciation and amortization expense	-	-	5,066,426	(32,575)	5,033,851	17,981,472	-	(903,413)	22,109,910
Other program expenses	-	18,833	6,330,981	-	6,349,814	25,138,453	-	-	31,488,267
Total program expenses	-	3,716,811	28,782,792	(61,075)	32,438,528	65,546,309	-	(973,015)	1,492,975
MANAGEMENT AND GENERAL EXPENSES									
General and administrative									
Rent	2,595,181	249,818	1,275,794	-	4,120,793	2,424,946	-	-	6,545,739
Payroll	-	-	-	-	-	-	-	-	-
Utilities	14,634,729	148,881	-	-	14,783,610	-	-	-	14,783,610
Repairs and maintenance	68,372	-	-	-	68,372	-	-	-	68,372
Property management fees	424,213	-	-	-	424,213	-	-	-	424,213
Legal and other professional services	17,146	-	2,869,728	(2,821,602)	65,272	4,918,317	-	(4,359,746)	623,843
Taxes and insurance	1,138,483	43,926	291,277	-	1,473,686	540,908	-	-	2,014,594
Interest expense	194,374	-	-	-	194,374	-	-	-	194,374
Depreciation and amortization expense	185,399	-	-	-	185,399	-	-	-	185,399
Casualty losses	320,168	-	-	-	320,168	-	-	-	320,168
Other expenses	-	-	748,117	-	748,117	-	-	-	748,117
Total management and general expenses	19,886,992	442,625	5,223,660	(2,821,602)	22,731,675	7,884,171	-	(3,887,810)	26,728,036
FUNDRAISING EXPENSES									
Payroll	-	119,794	-	-	119,794	-	-	-	119,794
Fundraising events	681	51,897	-	-	52,578	-	-	-	52,578
Total fundraising expenses	681	171,691	-	-	172,372	-	-	-	172,372
Total expenses	19,887,673	4,331,127	34,006,452	(2,882,677)	55,342,575	73,430,480	-	(4,860,825)	123,912,230
Changes in net assets	\$ 14,475,983	\$ 187,507	\$ 13,275,327	\$ (3,637,602)	\$ 24,301,215	\$ (28,875,427)	\$ (196,836)	\$ (27,436,808)	\$ (32,207,850)
Net assets									
Controlling interest									
Without donor restrictions, beginning of year	\$ 30,073,578	\$ 1,586,808	\$ 42,691,042	\$ (2,237,505)	\$ 72,114,323	\$ 17,846,531	\$ -	\$ (68,726,806)	\$ 21,234,048
Distributions (partnerships)	-	-	(179,967)	179,967	-	(95,946)	-	95,946	-
Return of capital (non-profit entities)	-	-	(3,457,635)	3,457,635	-	-	-	-	-
Changes in net assets without donor restrictions	14,024,223	247,200	13,470,558	(3,637,602)	24,104,379	(1,237,236)	-	(27,436,808)	(4,589,665)
Without donor restrictions, end of year	\$ 44,098,201	\$ 1,834,008	\$ 52,323,998	\$ (2,237,505)	\$ 96,218,702	\$ 16,493,349	\$ -	\$ (96,067,668)	\$ 16,644,383
With donor restrictions, beginning of year	\$ 32,403,661	\$ 445,103	\$ 14,281,611	\$ -	\$ 47,129,775	\$ -	\$ -	\$ -	\$ 47,129,775
Increase in net assets with donor restrictions	-	763,319	339,200	-	1,102,519	-	-	-	1,102,519
Release of net assets with donor restrictions	(451,760)	(703,626)	(143,969)	-	(1,299,355)	-	-	-	(1,299,355)
With donor restrictions, end of year	\$ 31,951,301	\$ 504,796	\$ 14,476,842	\$ -	\$ 46,932,839	\$ -	\$ -	\$ -	\$ 46,932,839
Non-controlling interest									
Without donor restrictions, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,119,124	\$ -	\$ 10,347,279	\$ 179,466,403
Contributions	-	-	-	-	-	34,445,652	-	13,071,044	47,516,696
Distributions	-	-	-	-	-	(283,625)	-	-	(283,625)
Changes in net assets without donor restrictions	-	-	-	-	-	(27,618,191)	-	-	(27,618,191)
Decommodation of affiliate	-	-	-	-	-	3,062,646	-	-	3,062,646
Syndication costs	-	-	-	-	-	(70,000)	-	-	(70,000)
Without donor restrictions, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,635,606	\$ -	\$ 23,418,323	\$ 202,073,929

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

	National Community Renaissance of California	Hope Through Housing	Wholly-Owned	Eliminating Entries	National CORE of California	Housing Affiliates	Net Assets with Donor Restrictions	Eliminating Entries	Total
REVENUE AND OTHER INCOME									
Rental revenue, net of vacancy	\$ 300,132	\$ -	\$ 32,751,168	\$ -	\$ 33,051,300	\$ 42,594,587	\$ -	\$ -	\$ 75,645,887
Other rental revenue	194,688	-	758,349	-	953,037	1,851,981	-	-	2,805,018
Social service fee income	-	-	-	-	998,036	-	-	(691,310)	306,726
Consulting, development and partnership fees	20,879,379	1,426,085	-	(428,049)	17,080,513	5,240	-	(16,035,683)	1,050,070
Management fees	5,491,017	-	-	(2,260,789)	3,230,228	-	-	(2,667,021)	563,207
Grants and contributions, including release of net assets with donor restrictions	2,533,489	2,850,154	(151,349)	-	5,232,294	72,857	(196,836)	-	5,108,315
Other income	602,123	242,395	-	-	844,518	-	-	-	844,518
Total operating revenue and other income	30,000,828	4,518,634	33,358,168	(6,487,704)	61,389,926	44,524,665	(196,836)	(19,394,014)	86,323,741
PROGRAM EXPENSES									
Contracted program services - Hope Through Housing	-	869,681	-	-	869,681	-	-	-	869,681
Rent - Hope Through Housing	-	236,030	-	-	236,030	-	-	-	236,030
Payroll	-	1,377,628	4,687,619	(28,500)	6,036,747	6,727,560	-	(67,602)	12,696,705
Utilities	-	7,734	3,861,717	-	3,869,451	5,688,019	-	-	9,557,470
Repairs and maintenance	-	838	6,662,463	-	6,663,301	7,490,337	-	-	14,153,638
Legal and other professional services	-	86,702	-	-	86,702	-	-	-	86,702
Taxes and insurance	-	5,502	2,137,648	-	2,143,150	2,088,894	-	-	4,232,044
Other program expenses	-	1,113,713	-	-	1,113,713	379,262	-	-	1,492,975
Total program expenses	-	3,697,828	17,349,447	(28,500)	21,018,775	22,374,072	-	(67,602)	43,335,245
MANAGEMENT AND GENERAL EXPENSES									
General and administrative	2,595,181	249,818	1,275,794	-	4,120,793	2,424,946	-	-	6,545,739
Rent	-	-	-	-	-	-	-	-	-
Payroll	14,634,729	148,881	-	-	14,783,610	-	-	-	14,783,610
Utilities	68,372	-	-	-	68,372	-	-	-	68,372
Repairs and maintenance	424,213	-	-	-	424,213	-	-	-	424,213
Property management fees	17,146	-	2,869,728	(2,821,602)	65,272	4,918,317	-	(4,359,746)	623,843
Legal and other professional services	1,138,483	43,926	291,277	-	1,473,686	540,908	-	-	2,014,594
Taxes and insurance	193,824	-	-	-	193,824	-	-	-	193,824
Other expenses	308,927	-	38,744	-	347,671	-	-	471,936	819,607
Total management and general expenses	19,380,875	442,625	4,475,543	(2,821,602)	21,477,441	7,884,171	-	(3,887,810)	25,473,802
FUNDRAISING EXPENSES									
Payroll	-	119,794	-	-	119,794	-	-	-	119,794
Fundraising events	681	51,897	-	-	52,578	-	-	-	52,578
Total fundraising expenses	681	171,691	-	-	172,372	-	-	-	172,372
Total operating expenses	19,381,556	4,312,144	21,824,990	(2,850,102)	42,668,588	30,258,243	-	(3,955,412)	68,971,419
OPERATING INCOME (EBITDA)	10,619,272	206,490	11,533,178	(3,637,602)	18,721,338	14,266,422	(196,836)	(15,438,602)	17,352,322
DEPRECIATION AND AMORTIZATION									
Depreciation expense	(320,168)	(18,833)	(6,281,443)	-	(6,620,444)	(24,877,465)	-	-	(31,497,909)
Amortization expense	(320,168)	(18,833)	(49,538)	-	(49,538)	(260,988)	-	-	(310,526)
Depreciation and amortization expense	(640,336)	(37,666)	(6,330,981)	-	(6,669,982)	(25,138,453)	-	-	(31,808,435)
OTHER INCOME AND (LOSS)									
Forgiveness by lender	-	-	1,000,000	-	1,000,000	-	-	-	1,000,000
PPP loan forgiveness	3,800,000	-	-	-	3,800,000	-	-	-	3,800,000
Gain on sale	-	-	12,470,142	-	12,470,142	-	-	(12,470,142)	-
Casualty losses	-	-	(748,117)	-	(748,117)	-	-	-	(748,117)
Other income and (loss), net	3,800,000	-	12,722,025	-	16,522,025	-	-	(12,470,142)	4,051,883
INCOME (LOSS) BEFORE INTEREST AND TAXES	14,099,104	187,657	17,924,222	(3,637,602)	28,573,381	(10,872,031)	(196,836)	(27,908,744)	(10,404,230)
INTEREST									
Interest expense	(185,399)	-	(5,066,426)	32,575	(5,219,250)	(17,981,472)	-	905,413	(22,295,309)
Interest income	562,828	-	453,469	(32,575)	983,722	30,388	-	(433,477)	580,633
Interest, net	377,429	-	(4,612,957)	-	(4,235,528)	(17,951,084)	-	471,936	(21,714,676)
TAXES									
Franchise tax fees	(550)	(150)	(35,938)	-	(36,638)	(52,312)	-	-	(88,950)
CHANGES IN NET ASSETS	14,475,983	187,507	13,275,527	(3,637,602)	24,301,215	(28,875,427)	(196,836)	(27,436,808)	(32,207,856)

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

SUPPLEMENTARY INFORMATION REQUIRED BY THE UNIFORM GUIDANCE

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

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

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

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

1. Basis of presentation

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

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

2. Summary of significant accounting policies

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

3. Outstanding federal loans

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

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

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



CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of
National Community Renaissance of California

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

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Novogradac & Company LLP

Walnut Creek, California
August 17, 2021



CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of
National Community Renaissance of California

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Other Matters

Report on Internal Control over Compliance

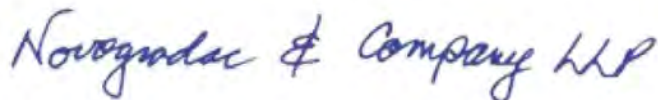
Management of National Community Renaissance of California is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered National Community Renaissance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

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

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

Purpose of this Report

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

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

Walnut Creek, California
August 17, 2021

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

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

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

Dollar threshold used to distinguish between Type A and Type B programs:	<u> \$750,000 </u>
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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 AND RECOMMENDATIONS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

Section II - Financial Statement Findings

There were no findings noted.

Section III - Federal Award Findings and Questioned Costs

There were no findings noted.

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

There were no prior year audit findings.