

REPORT TO THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO

DATE ISSUED: June 13, 2024

REPORT NO: HAR24-013

ATTENTION: Chair and Members of the Housing Authority of the City of San Diego
For the Agenda of July 30, 2024

SUBJECT: Loan Recommendation for Rose Creek Village

COUNCIL DISTRICT: 1

REQUESTED ACTIONS

Approve a proposed residual receipts loan in an amount not to exceed \$2,000,000 to Rose Creek Village LP, a California limited partnership, to facilitate the acquisition and new construction of Rose Creek Village, a development to be located at 2662 Garnet Avenue in the Pacific Beach neighborhood of San Diego, which will consist of 59 rental housing units that will remain affordable for 55 years for persons with income from 30 percent to 60 percent of San Diego's Area Median Income, of which 18 units will be permanent supportive housing with Veterans Affairs Supportive Housing (VASH) vouchers for veterans experiencing homelessness. There will also be one unrestricted manager's unit.

STAFF RECOMMENDATIONS

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions as described in this report:

- 1) Approve a proposed residual receipts loan from the San Diego Housing Commission (Housing Commission) in an amount not to exceed \$2,000,000 to Rose Creek Village LP, a California limited partnership, to facilitate the acquisition and new construction of Rose Creek Village, a transit-oriented development at 2662 Garnet Avenue in the Pacific Beach neighborhood of San Diego, which will consist of 59 rental housing units that will remain affordable for 55 years for persons with income from 30 percent to 60 percent of San Diego's Area Median Income (AMI), of which 18 units will be permanent supportive housing with Veterans Affairs Supportive Housing (VASH) vouchers for veterans experiencing homelessness. There will also be one unrestricted manager's unit.

The Housing Commission's proposed loan will be contingent upon Rose Creek Village LP receiving all necessary third-party funding commitments as described in this report. Such third-party funding commitments will be subject to the Housing Commission General Counsel's approval.

- 2) Authorize the President and Chief Executive Officer (President and CEO), or designee:
 - a. To execute any and all documents necessary to effectuate the transaction and implement the project in a form approved by the General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel. Housing Commission staff will notify the Housing Authority and the City

Attorney's Office about any subsequent amendments or modifications to the documents, and other required documents, including amendments to any documents.

- b. To adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$2,000,000 maximum loan amount may not increase.
- c. To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President and CEO, or designee, to take such actions as are necessary, convenient, and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of the General Counsel.

SUMMARY

Table 1 –Development Details

Address	2662 Garnet Avenue, San Diego
Council District	1
Community Plan Area	Pacific Beach Community Planning Group
Co-Developers	San Diego Community Housing Corporation (SDCHC) and National Community Renaissance of California (National CORE)
Development Type	New construction
Construction Type	One building Type V (four stories) over Type I
Parking Type	9 parking spaces (including 1 for Americans with Disabilities Act)
Local Amenities	<p><u>Mass Transit:</u> Garnet Ave. & Mission Bay Dr., Bus stop (0.4 mile from property) Garnet Ave. & Soledad Mountain Rd., Bus stop, (0.7 mile from property) Balboa Ave Transit Center/Blue Line Trolley stop (0.9 mile from property)</p> <p><u>Grocery:</u> Vons Grocery, 1702 Garnet Ave. (1.7 mile from property) Sprouts Farmer's Market, 1260 Garnet Ave. (2.2 miles from property)</p> <p><u>Schools:</u> Barnard Elementary School, 2445 Fogg St. (1 mile from property) Pacific Beach Middle School, 1234 Tourmaline St. (2.8 miles from property) Mission Bay High School, 2475 Grand Ave. (0.8 mile from property)</p>
Housing Type	Multifamily affordable for individuals with low income, including veterans experiencing homelessness
Accessibility	Wheelchair accessibility in 10 percent of the units, and 4 percent of the units accessible to residents with visual and/or hearing impairment
Lot Size	One parcel totaling 0.394 acres, 17,186 square feet
Units	60 total units: 59 units restricted/affordable and 1 unrestricted manager's unit
Density	152.28 dwelling units per acre (60 units ÷ 0.394 = 152.28)
Unit Mix	59 affordable studios and 1 two-bedroom unrestricted manager's unit.
Gross Building Area	36,322 square feet.
Net Rentable Area	22,906 square feet.
Project-Based Housing Vouchers (PBV)	47 total <ul style="list-style-type: none"> • 29 PBVs for individuals with low-income

	<ul style="list-style-type: none">• 18 VASH PBVs for permanent supportive housing for veterans experiencing homelessness
Affordable Units in Service by Council District	Council District 1 includes 1,008 affordable rental housing units currently in service, which represents approximately 3.8 percent of the 26,722 affordable rental housing units in service citywide.

The Development

Rose Creek Village is a proposed 60-unit, new construction, affordable, transit-priority development. It will consist of 59 affordable studios and one unrestricted manager's unit. It will be the City of San Diego's first tax credit-funded project in a San Diego beach community.

In response to the Housing Commission's Fiscal Year (FY) 2024 Notice of Funding Availability (NOFA) the co-developers (SDCHC and National CORE) were awarded a \$2,000,000 residual receipts loan and 47 Project-Based Housing Vouchers (PBVs) for individuals with income at or below 30 percent and up to 60 percent of San Diego's Area Median Income (AMI). Twenty-nine project-based vouchers are allocated for traditional, low income individuals who will be selected from the Housing Commission's Project-Based Housing Voucher waiting list and will receive supportive services from the Hope Through Housing Foundation. Of these traditional PBVs, 22 will assist individuals earning up to 30 percent of AMI and seven will assist individuals earning up to 60 percent of AMI. The remaining 18 PBVs are VASH vouchers that will assist veterans experiencing homelessness earning up to 30 percent of AMI who will be identified through the Department of Veteran Affairs (VA)..

The development will be at 2662 Garnet Avenue (see Attachment 1 Site Map). The City of San Diego has designated Pacific Beach as a Transit Priority Area and Sustainable Development Area. Rose Creek Village will be a walkable, transit-oriented development, near biking paths, amenities, parks, and beaches. There will be one five-story building composed of four wood-framed levels over a ground-floor concrete podium level. Residential units will be on floors two through five, with views of the Rose Creek directly behind the property. The structure will be built on grade and will include nine surface parking spaces. The ground level frontage will face Garnet Avenue and will be configured with approximately 2,400 square feet of ground floor community space. The ground floor will provide a community room for meetings and group activities, a leasing office, and offices for supportive case management services.

The proposed development is on a primary corridor into Pacific Beach with nearby amenities, employers, grocery stores, restaurants, and services.

Resident Services

Rose Creek Village's residents will have access to a range of dedicated permanent supportive housing and general community services groups, and crisis counseling. They will have full access to services that will meet their specific needs, while encouraging independence and growth. Services will be offered through a coordinated effort among the owner, property management staff, on-site services staff, and the residents themselves, with the ultimate goal of ensuring a healthy living environment for all residents. Proposed services include case management, mental health assessment, and counseling, substance abuse prevention, wellness services, peer-to-peer support groups, and crisis counseling.

Rose Creek Village will focus on empowering residents to maximize their ability to live independently. The Hope Through Housing Foundation, a nonprofit affiliated with National CORE, has been providing resident services at many of their properties and has been engaged to act as the services provider. Hope Through Housing Foundation's services will include providing tenants with information about available services in the community assisting tenants to access services through referral and advocacy and organizing community-building and/or other enrichment activities for tenants (such as holiday events, tenant council, etc.). They will also offer adult educational classes, such as financial literacy, computer training, home-buyer education, GED classes, and resume building classes, ESL, nutrition class, exercise class, health information/awareness, art class, parenting class, on-site food cultivation and preparation classes, and smoking cessation classes.

Developer's Request

In response to the Housing Commission's FY 2024 NOFA, the co-developers submitted an application for a loan and federal PBVs for the Rose Creek Village development. On March 19, 2024, Housing Commission staff provided a preliminary recommendation of award of a residual receipts loan up to \$4,531,200, subject to Housing Commission Board approval, and 47 PBVs for the 60-unit development. Subsequently, due to an award from the City of San Diego's Bridge to Home Program, the proposed Housing Commission loan amount was reduced to \$2,000,000.

The co-developers propose to construct 60 new apartment units, with financing that would include the proposed Housing Commission loan, a 9 percent tax credits allocation from the California Tax Credit Allocation Committee (CTCAC), a City of San Diego loan, a No Place Like Home (NPLH) loan from the County of San Diego, a State Infill Infrastructure Grant (IIG), and other necessary third-party financing as described in this report.

The Property

The 2662 Garnet Avenue site is a triangular-shaped, 17,186-square-foot lot currently improved with a restaurant building. The development plan calls for the existing structure to be demolished. This development is approximately one mile from the Balboa Avenue Transit Station/Blue Line Trolley Station. As part of the San Diego Association of Governments' (SANDAG) \$2.1 billion Mid-Coast Trolley Extension project for the UC San Diego Blue Line, the transit station connects people with opportunities for jobs, education, healthcare, shopping, and entertainment. The nearby Balboa Avenue Transit Station will provide an effective alternative to congested freeways and roadways for travelers and will reduce vehicle travel in the region. The site provides connections to nearby health and wellness facilities, grocery, pharmacy, neighborhood restaurants, library, and small businesses. Rose Creek Village is envisioned to promote walking, bicycle use, and transit access and minimize carbon emissions. The site is adjacent to the Rose Creek walking and biking trail. The property's surrounding uses are the Rose Creek Trail to the north, west, and southwest; commercial properties to the east; and commercial and automotive properties to the south.

Appraisal

An appraisal of the subject site with an effective date of October 19, 2023, valued the property at \$4,500,000. The appraisal was obtained by the developer and was conducted by the Kinetic Valuation Group. The appraisal received is in line with TCAC's requirements.

Prevailing Wages

Rose Creek Village's proposed use of 47 U.S. Department of Housing and Urban Development (HUD) PBVs administered by the Housing Commission and HOME funds will require the project to pay Federal prevailing wages. Additionally, the development may also be required to pay State of California prevailing wages due to other funding sources' requirements. If both state and federal prevailing wages are applicable on the project, the greater of the two rates will apply.

Project Sustainability

Rose Creek Village will be constructed in conformance with CTCAC's minimum energy efficiency standards. The developers will achieve a minimum LEED Silver or equivalent certification. The development is designed to be entirely powered using electricity, with no connections to natural gas. The development will be designed to maximize use of the rooftop space to install substantial solar photovoltaics to offset at least 50 percent of common area and tenant needs. High performance HVAC systems, high-efficacy lighting with daylight sensors, and efficient water heaters will be included.

The proposed water conservation features will include low-flow and ultra-low-flow water fixtures, meeting the City's Water Sense standards. Landscaping will be designed with drought-tolerant and native plants to reduce the need for irrigation. The landscape design will be implemented in accordance with the State Model Water Efficient Landscape Ordinance.

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 accessibility requirements. The Rose Creek Village units will be accessible in accordance with the Americans with Disabilities Act and Section 504.

Federal HOME funds awarded to the City of San Diego and administered by the Housing Commission will be used to fund the development. These accessible units will satisfy the HOME accessibility requirement in 5 percent of the units, plus an additional 2 percent of the units accessible for residents with visual and/or hearing impairment.

Relocation

A one-story former restaurant building currently occupies the parcel. The developer plans to demolish the existing building. The restaurant's previous tenant has vacated the property. The building is currently being utilized as storage space on a month-to-month basis by a neighboring business, which is agreed to end one month prior to construction financing close. The co-developers' relocation consultant, Auto Temp, has determined that the previous tenant voluntarily vacated prior to the Initiation of Negotiation date and, therefore, waived their rights to relocation assistance and benefits. The current tenant signed a Post-Offer Tenant Acknowledgment waiving their rights to relocation benefits.

Development Team

The co-developers are SDCHC and National CORE. The proposed borrower will be Rose Creek Village LP, which will have NCRC Rose Creek GP LLC as its Managing General Partner, SDCHC Rose Creek LLC as its Administrative General Partner, and a to-be-determined tax credit investor limited partner (Attachment 2 Organization Chart).

The nonprofit SDCHC was founded in 1994. It is dedicated to developing affordable housing that offers services designed to assist residents in achieving upward economic mobility. SDCHC's mission is to increase, preserve, and improve quality affordable housing opportunities for working families. SDCHC has acted as the developer on previous affordable housing developments that utilized Housing Commission loans or Multifamily Housing Revenue Bonds. SDCHC is in full compliance on a previous Housing Commission loan it assumed for one development.

National CORE is an award-winning nonprofit corporation headquartered in Rancho Cucamonga, California. Established in 1992, National CORE owns more than 8,460 rental units in four states, including 6,700 rental units in Southern California. It is a vertically integrated company with in-house construction capability. It has completed multiple successful developments that utilized Housing Commission loans. National CORE is in full compliance on its previous Housing Commission loans.

Based upon the two co-developers' past experience and past development performance, staff has determined that the developers have the requisite capacity to successfully complete the proposed Rose Creek Village development.

Table 2 Development Team Summary

ROLE	FIRM/CONTACT
Co-Developers	SDCHC and National CORE
Owner/Borrower	Rose Creek Village LP
Managing General Partner	NCRC Rose Creek GP LLC
Administrative General Partner	SDCHC Rose Creek LLC
Tax Credit Investor Limited Partner	To be determined
Architect	Studio E Architects
General Contractor	National CORE
Property Management	National CORE
Construction and Permanent Lender	To be determined
Tenant Services Providers	Hope Through Housing Foundation, Department of Behavioral Services, and Veterans Administration

Property Management

Rose Creek Village's property management will be provided by National CORE's in-house property management department. National CORE currently operates and manages a growing portfolio of both multifamily and senior apartment communities in four states, totaling more than \$1 billion dollars in assets under ownership and management.

FINANCING STRUCTURE

Rose Creek Village has an estimated total development cost of \$36,137,259 (\$602,288/unit). Financing will include a combination of sources as described in Table 3. The developer's pro forma is included as Attachment 3 and summarized in Table 3 below.

Table 3 – Estimated Permanent Sources and Uses

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Permanent loan (third party lender)	\$4,192,440	Land Acquisition	\$ 5,007,887	\$ 83,465
County of San Diego No Place Like Home residual loan	4,030,422	Construction costs	21,312,941	355,216
City of San Diego loan	4,000,000	Financing costs	2,512,062	41,868
HCD Infill Infrastructure Grant	3,615,569	Other soft costs	1,203,680	20,060
Housing Commission proposed loan	2,000,000	Permits and fees	1,607,737	26,796
City of San Diego DSD Fee Waivers	310,106	Reserves	408,272	6,805
Nine percent tax credit equity	17,988,722	Architect & Engineering	1,084,680	18,078
		Soft Cost Contingency	200,000	3,333
		Developer Fee	2,800,000	46,667
Total Development Cost	\$36,137,259	Total Development Cost (TDC)	\$36,137,259	\$602,288

The Housing Commission’s proposed \$2,000,000 residual receipts loan will be partly funded with the City of San Diego Affordable Housing Fund and partly funded with U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME) funds, which the Housing Commission administers. The total amount of Housing Commission funding sources shall not exceed \$2,000,000. A 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 proposed loan terms are summarized in Attachment 4.

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

Developers’ Fee

\$2,800,000 – Gross developer fee

The proposed developer fee complies with the Housing Commission’s developer fee guidelines.

Development Cost Key Performance Indicators

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

Table 4 – Key Performance Indicators

Development Cost Per Unit	\$36,137,259 / 60 units	\$602,288
Housing Commission Subsidy Per Unit	\$2,000,000 / 60 units	\$ 33,333
Acquisition Cost Per Unit	\$5,007,887 / 60 units	\$ 83,465
Gross Building Square Foot Hard Cost	\$21,312,941/ 36,322 square feet	\$587
Net Rentable Square Foot Hard Cost	\$21,312,941/ 22,906 square feet	\$930

Project Comparison Chart

Multiple factors and variables influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City fees,

developer experience and capacity, and the mission and goals of the organization developing the project. Similar construction-type developments (completed or approved) over recent years are listed in Table 5.

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

Table 5 – Comparable Development Projects

New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
Proposed Subject – Rose Creek Village	2024	60	\$36,137,259 (with prevailing wage)	\$602,288	\$33,333	\$587
8 th Avenue Family	2023	80	\$42,317,369 (without prevailing wage)	\$528,970	\$0	\$371
Modica	2023	94	\$58,165,819 (without prevailing wage)	\$618,785	\$31,915	\$378
Serenade on 43rd	2023	65	\$33,784,749 (with prevailing wage)	\$519,765	\$30,769	\$330

AFFORDABLE HOUSING IMPACT

Project-Based Housing Vouchers (PBV)

The Housing Commission has provided a preliminary award recommendation of 47 PBVs for Rose Creek Village to assist individuals with income from 30 percent of AMI (currently \$31,850 per year for a one-person household) to 60 percent of AMI (currently \$63,660 per year for a one-person household). The recommendation for these vouchers is contingent upon completion of a subsidy layering review, execution of an Agreement to Enter into Housing Assistance Payment and verification of services. Under the PBV program, the tenant’s rent portion is determined by using the applicable minimum rent or a calculated amount based on their income level, whichever is higher, with the remainder being federally subsidized up to a gross rent level approved by the Housing Commission. The Housing Assistance Payment will provide a rental subsidy for residents in Rose Creek Village’s 47 voucher-assisted units. The PBV units are all studios. The tenants will be selected from the Housing Commission’s low-income PBV Wait List and will receive supportive services from the Hope Through Housing Foundation, except for 18 units for which the PBVs are VASH vouchers for veterans experiencing homelessness. Tenants for the VASH PBV units will be identified through the Regional Task Force on Homelessness’ Coordinated Entry System. The VA Healthcare System will provide supportive services for the VASH PBVs.

Affordability

Rose Creek Village will be subject to a Housing Commission Declaration of Covenants and Restrictions, in addition to applicable tax credit agreements, which will restrict affordability of 59 units for 55 years.

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

Table 6 Affordability and Monthly Estimated Rent Table

Unit Type	AMI	Number of Units	Gross Rents
Studios VASH Units (approximately 375 sq ft)	30% (currently \$31,850 for a one-person household)	18	\$723
Studios (approximately 375 sq ft)	30% (currently \$31,850 for a one-person household)	29	\$723
Studios (approximately 375 sq ft)	60% (currently \$63,660 for a one-person household)	12	\$1,447
Subtotal Studio Units		59	
Two-Bedroom Manager Unit	-	1	-
Total Units	-	60	-

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action are included in the Housing Authority-approved Fiscal Year (FY) 2025 Housing Commission Budget.

Estimated funding sources approved by this action will be as follows:

- Housing Commission Loan Funds (HOME and AHF) – up to \$2,000,000

Estimated funding uses approved by this action will be as follows:

- Housing Commission Loan – up to \$2,000,000

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

Development Schedule

The estimated development timeline is as follows:

Milestones	Estimated Dates
<ul style="list-style-type: none"> • CTCAC 9 percent tax credit application • CTCAC 9 percent tax credit allocation meeting • Estimated escrow/loan closing • Start of construction work • Completion of construction work 	<ul style="list-style-type: none"> • July 2, 2024 • October 2, 2024 • March 2025 • March 2025 • December 2026

PREVIOUS HOUSING COMMISSION BOARD OF COMMISSIONERS ACTIONS

On June 21, 2024, the Housing Commission Board of Commissioners voted 6-0 to take the staff-recommended actions to approve the Housing Commission’s residual receipts loan to Rose Creek Village LP, a California limited partnership, to facilitate the acquisition and new construction of the proposed Rose Creek Village affordable housing development.

On June 27, 2024, pursuant to San Diego Municipal Code Section 98.0301(e)(2)(c), City Council President Pro Tem Joe LaCava and City Councilmember Jennifer Campbell requested for the loan recommendation for Rose Creek Village to be docketed at the next available Housing Authority meeting (Attachment 6).

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 November 10, 2021, the proposed development was presented as an information item to the Pacific Beach Community Planning Group.

KEY STAKEHOLDERS & PROJECTED IMPACTS

Stakeholders include SDCHC and National CORE as the co-developers, Hope Through Housing Foundation as the service provider, the County of San Diego as a lender, the City of San Diego as a lender, the State of California as a potential tax credit funder, the Housing Commission as a lender, and the Pacific Beach neighborhood. The project is anticipated to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and create 59 new, affordable, rental homes for individuals with low income and veterans experiencing homelessness.

STATEMENT FOR PUBLIC DISCLOSURE

The developer's Disclosure Statement is at Attachment 5.

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

The co-developers are committed to equity and inclusion as both employers and services providers. The Housing Commission's NOFA included a requirement to provide a narrative and specific example of activities and initiatives that support equity assurance. The co-developers submittal demonstrated a commitment to advancing racial equity and inclusion (REI) efforts by ensuring that REI policies, initiatives and practices are intentionally embedded throughout the project.

ENVIRONMENTAL REVIEW

California Environmental Quality Act

The proposed activity to approve a proposed residual receipts loan to facilitate the acquisition and new construction of Rose Creek Village, has been reviewed for consistency with and is covered in the Environmental Impact Report (EIR) for the Pacific Beach Community Plan and Local Coastal Program, (SCH No. 92071032) which was certified by City Council Resolution No. R-283639 on March 29, 1994. This activity is a subsequent discretionary action and is not considered a separate project for the purposes of CEQA review pursuant to CEQA Guidelines Sections 15378(c) and 15060(c)(3). Pursuant to Public Resources Code Section 21166 and CEQA Guidelines Section 15162, there is no change in circumstance, additional information, or project changes to warrant additional environmental review for this action.

National Environmental Policy Act

Federal funds constitute a portion of the funding for this project. An Environmental Assessment was processed in accordance with the requirements of the National Environmental Policy Act (NEPA) and is attached to this item (attachment 7). The parties agree that the provision of federal funds as a result of this

action is conditioned on the receipt of Authority to Use Grant Funds from the U.S. Department of Housing and Urban Development. Final authorization to utilize grant funds is expected to be received from HUD prior to beginning construction.

Respectfully submitted,

Jennifer Kreutter

Jennifer Kreutter
Vice President, Multifamily Housing Finance
Real Estate Division
San Diego Housing Commission

Approved by,

Lisa Jones

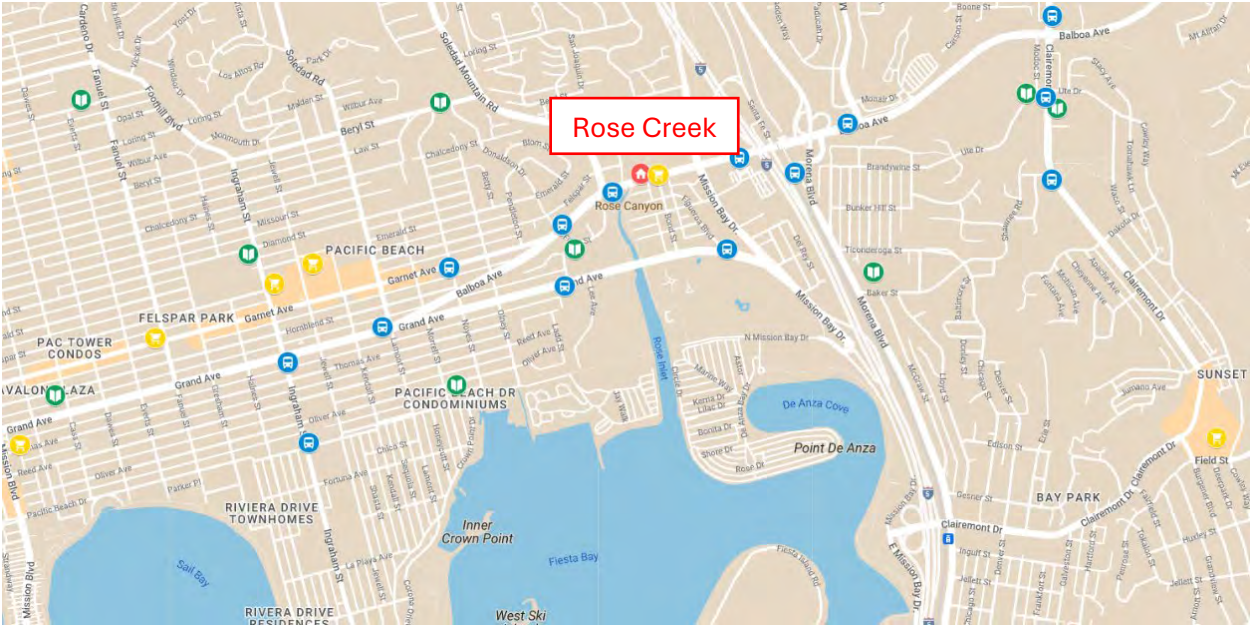
Lisa Jones
President and Chief Executive Officer
San Diego Housing Commission

- Attachments:
1. Site Map
 2. Organization Chart
 3. Developers' Project Pro Forma
 4. Proposed Loan Terms
 5. Developer's Disclosure Statement
 6. Councilmembers' Request for Presentation to Housing Authority
 7. NEPA EA 2662 Garnet Rose Creek Village

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.

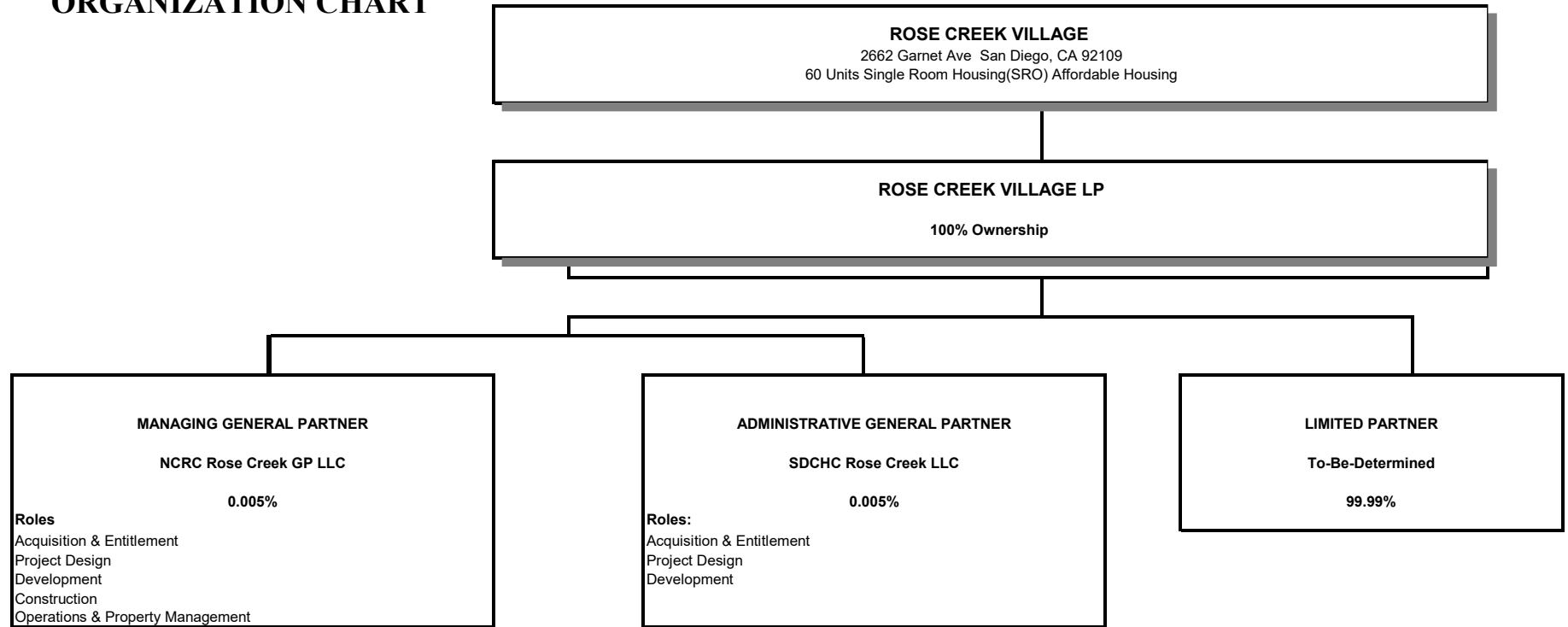
Attachment 1 – Site Map

Rose Creek Village



ATTACHMENT 2 - ORGANIZATION CHART

Development Organization Chart



ATTACHMENT 3 - DEVELOPER'S PROJECT PRO FORMA

Pacific Beach- Rose Creek Village

Modeling Assumption Overview

Physical Details ~ Valuation

Project	Address	Units	Unit Mix	APN	Site Area	Census	DDA	QCT	Appraised Value
Rose Creek	2662 Garnet Avenue	60	(59) Studio, (1) 2br Mgr.	417-242-38	0.40	-	Yes	No	4,300,000

Financing Sources - Construction and Permanent Period

Sources of Financing- *Construction Period*

		Notes
Conventional	19,188,617	
LIHTC	1,798,872	10% equity pay in during construction & 90% upon completion
City of San Diego	3,600,000	
No Place Like Home	3,627,380	90% of County NPLH
HCD - Infill Infrastructure Grant	3,254,012	
Deferred Developer Fee	2,100,000	
Costs Deferred Until Conversion	458,272	
San Diego Housing Commission	1,800,000	
City of San Diego DSD Fee Waivers	310,106	
Total	36,137,259	

Sources of Financing - *Permanent Period*

Conventional	4,192,440	Per loan sizing
Low Income Housing Tax Credits	17,988,722	Per tax credit basis calculation
City of San Diego	4,000,000	
No Place Like Home	4,030,422	
HCD - Infill Infrastructure Grant	3,615,569	
San Diego Housing Commission	2,000,000	
City of San Diego DSD Fee Waivers	310,106	
Total	36,137,259	

Pay In Schedules: Equity ~ Deferred Costs ~ Developer Fee

Costs Deferred Until Conversion		Cash Developer Fee Pay-In Schedule	
Replacement Reserve Transfer	-	Closing	25%
Permanent Financing Fee	50,000	Completion	25%
Developer Fee	2,800,000	Occupancy/Conversion	45%
LIHTC Equity at Closing	10%	8609	5%
LIHTC Equity at Construction Completion	90%		

General Underwriting Assumptions

Underwriting		Annual	
Interest Rate	7.91%	Operating Expenses (Per Unit)	\$9,007
Term (Years)	35	Supportive Services	\$75,000
DSCR	1.20	Resident Services	\$20,000
Tax Credit Pricing	\$0.90	Replacement Reserve (Per Unit)	\$500
Applicable Fraction	100%	Income Escalator	2.5%
Issuance Fee	-	Expense Escalator	3.5%
Annual bond issuer administration fee	-	Vacancy Factor Year 1	5.0%
Annual bond issuer compliance fee- greater of \$10k or 12.5bps	-	Vacancy Factor Year 2+	5.0%
Bond Issuance Amt.	0.0025	LP Asset Management Fee	\$5,000
Construction Int. Rate	7.52%	GP Asset Management Fee	\$20,000

supplement to BHS

NPLH Reqmt Blend

Pacific Beach- Rose Creek Village

Sources & Uses of Funds Summary

CONSTRUCTION FINANCING							
SOURCES				USES			
Conventional	\$	19,188,617		Land	\$	5,007,887	
LIHTC		1,798,872		Construction		21,312,941	
City of San Diego		3,600,000		Building Permit Fees		1,503,737	
No Place Like Home		3,627,380		Architect & Engineer		1,084,680	
HCD - Infill Infrastructure Grant		3,254,012		Consultant Fees		250,000	
Deferred Developer Fee		2,100,000		Title/Tax/Insurance		213,431	
Costs Deferred Until Conversion		458,272		Legal		255,000	
San Diego Housing Commission		1,800,000		Marketing/Furnishing		350,000	
City of San Diego DSD Fee Waivers		310,106		Soft Cost Contingency		200,000	
				Relocation		10,000	
				Developer Fee		2,800,000	
				TCAC & CDLAC Fees		125,250	
				Construction Financing Costs		2,462,062	
				Permanent Financing Costs		50,000	
				Reserves		408,272	
				Public Lender Fees		104,000	
TOTAL SOURCES	\$	36,137,259		TOTAL USES	\$	36,137,259	

PERMANENT FINANCING							
SOURCES				USES			
Conventional	\$	4,192,440		Land	\$	5,007,887	
Low Income Housing Tax Credits		17,988,722		Construction		21,312,941	
City of San Diego		4,000,000		Building Permit Fees		1,503,737	
No Place Like Home		4,030,422		Architect & Engineer		1,084,680	
HCD - Infill Infrastructure Grant		3,615,569		Consultant Fees		250,000	
San Diego Housing Commission		2,000,000		Title/Tax/Insurance		213,431	
City of San Diego DSD Fee Waivers		310,106		Legal		255,000	
				Marketing/Furnishing		350,000	
				Soft Cost Contingency		200,000	
				Developer Fee		2,800,000	
				TCAC & CDLAC Fees		125,250	
				Construction Financing Costs		2,462,062	
				Permanent Financing Costs		50,000	
				Reserves		408,272	
				Public Lender Fees		104,000	
TOTAL SOURCES	\$	36,137,259		TOTAL USES	\$	36,137,259	

Pacific Beach- Rose Creek Village

Development Budget

USE OF FUNDS

		TOTAL	PER UNIT	TAX CREDIT ELIGIBLE
LAND				
SITE CONTROL EXPENDITURES				
Purchase Price	\$	3,749,400	\$ 62,490	
Extension Options	\$	-	\$ -	
Demolition/Abatement	\$	252,879	\$ 4,215	
Off-Site Improvements	\$	1,000,608	\$ 16,677	\$ 1,000,608
Predevelopment Interest	\$	-	\$ -	
Legal	\$	5,000	\$ 83	
Total Acquisition Costs	\$	5,007,887	\$ 83,465	
DIRECT COSTS				
CONSTRUCTION				
Site Work	\$	3,067,613	\$ 51,127	\$ 3,067,613
Structures	\$	14,178,064	\$ 236,301	\$ 14,178,064
General Conditions, Profit & Overhead	\$	2,589,883	\$ 43,165	\$ 2,589,883
Bond and Insurance	\$	462,479	\$ 7,708	\$ 462,479
Subtotal Construction	\$	20,298,039	\$ 338,301	
Contingency @ 5%	\$	1,014,902	\$ 16,915	\$ 1,014,902
Total Construction Costs	\$	21,312,941	\$ 355,216	
INDIRECT COSTS				
BUILDING PERMITS, FEES, & PUBLIC WORKS				
Development Impact Fees	\$	885,103	\$ 14,752	\$ 885,103
Permit and Plan Check Fees	\$	258,528	\$ 4,309	\$ 258,528
City of San Diego DSD Fee Waivers	\$	310,106	\$ 5,168	
Special Inspections	\$	50,000	\$ 833	\$ 50,000
Subtotal Building Permits & Public Works	\$	1,503,737	\$ 25,062	
ARCHITECT & ENGINEER				
Architect	\$	790,180	\$ 13,170	\$ 790,180
Engineering	\$	189,500	\$ 3,158	\$ 189,500
Utility	\$	35,000	\$ 583	\$ 35,000
Landscape	\$	25,000	\$ 417	\$ 25,000
Geotechnical Report	\$	25,000	\$ 417	\$ 25,000
Energy Audit	\$	20,000	\$ 333	\$ 20,000
Total Architect & Engineering Fees	\$	1,084,680	\$ 18,078	
CONSULTANT FEES				
Appraisal	\$	25,000	\$ 417	\$ 25,000
Market Study	\$	20,000	\$ 333	\$ 20,000
Environmental	\$	25,000	\$ 417	\$ 25,000
Permit & Processing	\$	55,000	\$ 917	\$ 55,000
Prevailing Wage Consultant	\$	125,000	\$ 2,083	\$ 125,000
Total Consultant Fees	\$	250,000	\$ 4,167	
TITLE RECORDING				
Construction Escrow & Closing Costs	\$	75,000	\$ 1,250	\$ 75,000
Other Title Recording- Conversion	\$	25,000	\$ 417	
Total Title/Recording	\$	100,000	\$ 1,667	
PROPERTY TAX				
Prior to Construction	\$	-	\$ -	\$ -
Construction Period	\$	113,431	\$ 1,891	\$ 80,181
Total Property Tax	\$	113,431	\$ 1,891	
LEGAL				
Lender Legal	\$	85,000	\$ 1,417	\$ 85,000
Transaction Legal	\$	60,000	\$ 1,000	\$ 60,000
Investor Legal	\$	40,000	\$ 667	
Tax Credit Syndication	\$	70,000	\$ 1,167	
Total Legal Fees	\$	255,000	\$ 4,250	
MARKETING/FURNISHING				
Marketing Property/Property Mgmt. Start-Up	\$	25,000	\$ 417	
Furnishing	\$	325,000	\$ 5,417	\$ 325,000
Total Marketing Fees	\$	350,000	\$ 5,833	
SOFT COST CONTINGENCY				
Soft Cost Contingency	\$	200,000	\$ 3,333	\$ 200,000
Total Soft Cost Contingency	\$	200,000	\$ 3,333	
RELOCATION COSTS				
Permanent Relocation	\$	10,000	\$ 167	
Total Tenant Relocation Fees	\$	10,000	\$ 167	
DEVELOPER FEE				
Developer Fee	\$	2,800,000	\$ 46,667	\$ 2,800,000
Developer Fee	\$	2,800,000	\$ 46,667	
CDLAC & TCAC FEES				
TCAC Fees	\$	83,950	\$ 1,399	
Monitoring Fees	\$	41,300	\$ 688	
Total TCAC Fees	\$	125,250	\$ 2,087	
CONSTRUCTION FINANCE COSTS				
Construction Interest	\$	2,020,176	\$ 33,670	\$ 1,515,132
Construction Loan Fees	\$	191,886	\$ 3,198	\$ 143,915
Insurance	\$	250,000	\$ 4,167	\$ 187,500
Total Construction Finance Costs	\$	2,462,062	\$ 41,034	
PERMANENT FINANCE COST				
Permanent Finance Cost	\$	50,000	\$ 833	
Total Permanent Finance Cost	\$	50,000	\$ 833	
RESERVES				
Transition Reserve	\$	156,488	\$ 2,608	
Furniture Reserve	\$	50,000	\$ 833	
Operating Reserves	\$	201,783	\$ 3,363	
Total Lease-Up Reserves	\$	408,272	\$ 6,805	
CITY & COUNTY OF SAN DIEGO FEES				
Housing Commission Origination	\$	60,000	\$ 1,000	\$ -
Housing Commission Legal	\$	25,000	\$ 417	\$ -
SDHC Asset Management Fee	\$	15,000	\$ 250	\$ -
County Annual Asset Management Fee	\$	4,000	\$ 67	\$ -
Total Housing Commission Costs	\$	104,000	\$ 1,733	
TOTAL PROJECT COSTS				
	\$	36,137,259	\$ 602,288	\$ 30,313,587

Pacific Beach- Rose Creek Village

Rent & Expense Assumptions

AREA AMI (PMSA SD)

AMI	1.0	1.5	2.0	2.5	3.0	3.5	4.0	4.5	5.0	5.5	6.0
20%	19,300	20,680	22,060	23,440	24,820	26,190	27,560	28,940	29,780	30,880	31,980
30%	28,950	31,020	33,090	35,160	37,230	39,285	41,340	43,005	44,670	46,320	47,970
35%	33,775	36,190	38,605	41,020	43,435	45,833	48,230	50,173	52,115	54,040	55,965
40%	38,600	41,360	44,120	46,880	49,640	52,380	55,120	57,340	59,560	61,760	63,960
45%	43,425	46,530	49,635	52,740	55,845	58,928	62,010	64,508	67,005	69,480	71,955
50%	48,250	51,700	55,150	58,600	62,050	65,475	68,900	71,675	74,450	77,200	79,950
55%	53,075	56,870	60,665	64,460	68,255	72,023	75,790	78,843	81,895	84,920	87,945
60%	57,900	62,040	66,180	70,320	74,460	78,570	82,680	86,010	89,340	92,640	95,940

MAX RENT LEVELS

Maximum Rents	20%	30%	35%	40%	45%	50%	55%	60%	80%
Studio	482	723	844	965	1,085	1,206	1,326	1,447	1,698
1 Bedroom	517	775	904	1,034	1,163	1,292	1,421	1,551	1,819
2 Bedroom	620	930	1,085	1,241	1,396	1,551	1,706	1,861	2,182
3 Bedroom	716	1,075	1,254	1,433	1,612	1,791	1,971	2,150	2,521
4 Bedroom	799	1,199	1,399	1,599	1,798	1,998	2,198	2,398	2,812

UTILITY ALLOWANCE SCHEDULE- San Diego Housing Commission

Tenant Utility	Studio	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Space Heating (Electric)	0	0	0	0	0	0
Cooking (Electric)	0	0	0	0	0	0
Other Electric	0	0	0	0	0	0
Total	0	0	0	0	0	0

ADJUSTED NET RENTS AFTER UTILITY ALLOWANCE

Maximum Rent	20%	30%	35%	40%	45%	50%	55%	60%	80%
Studio	482	723	844	965	1,085	1,206	1,326	1,447	1,698
1 Bedroom	517	775	904	1,034	1,163	1,292	1,421	1,551	1,819
2 Bedroom	620	930	1,085	1,241	1,396	1,551	1,706	1,861	2,182
3 Bedroom	716	1,075	1,254	1,433	1,612	1,791	1,971	2,150	2,521
4 Bedroom	799	1,199	1,399	1,599	1,798	1,998	2,198	2,398	2,812

UNIT MIX

Type	TOTAL UNITS	AMI
Studio/Efficiency - VASH	18	30%
Studio/Efficiency - PBV	29	30%
Studio/Efficiency	12	60%
Manager Units	1	
	60	

SAN DIEGO HOUSING COMMISSION PBV RENT STANDARDS

AMI	Count	Restriction	Gross Rent	UA's	Net Rent
30%	18	VASH	2062	0	2062
30%	29	PBV	1718	0	1718

GROSS POTENTIAL RENTS- Incorporates Payment Standard

Type	AMI	20%	30%	40%	50%	60%	TOTAL	ANNUAL
Studio/Efficiency - VASH	-	-	37,116	-	-	-	37,116	445,392
Studio/Efficiency - PBV	-	-	49,822	-	-	-	49,822	597,864
Studio/Efficiency - Non PBV	-	-	-	-	-	14,472	14,472	173,664
							101,410	1,216,920

ADDITIONAL INCOME

Residential Income @ \$10 pupy	1,500
Tennant Contributions	-
Other- Laundry Income @ \$10pupm	7,200
TOTAL	\$ 8,700

APPLICABLE FRACTION

Units:	60
Affordable Units:	59
Manager	1
Applicable Fraction	100%

LOAN SIZING

Loan Sizing		Gross Income	1,216,920
Rate	7.91%	Less Vacancy	(122,562)
Term	35	COSR	-
DSCR	1.20	COSR Vacancy	-
Loan Sizing Vacancy Factor	10.00%	Other Income	8,700
Annual Expenses	540,400	Total Income	1,103,058
Annual Reserves	30,000	Operating Expense	(540,400)
		Supportive Services	(75,000)
		Resident Services	(20,000)
		Compliance Fees	(12,850)
		Reserves	(30,000)
		NOI	424,808
		Present Value	\$4,192,440
		Round To	4,192,440
		PMT	\$354,007

Pacific Beach- Rose Creek Village

Eligible Basis and Threshold Basis Limits

ELIGIBLE BASIS CALCULATION			
		Acquisition	Construction
Total Eligible Basis	\$	-	\$ 30,313,587
<u>Deduct From Eligible Basis</u>			
All Grant Proceeds Used to Finance Cost in Eligible Basis	\$	-	\$ -
BMIR Federal Financing of Costs in 9% Eligible Basis	\$	-	\$ -
Non-Qualified Non-Recourse Financing	\$	-	\$ -
Non-Qualifying Portion of Higher Quality Units	\$	-	\$ -
Historic Credit (residential portion only)	\$	-	\$ -
Total Ineligible Amounts	\$	-	\$ -
Total Eligible Basis Amount Voluntarily Excluded	\$	-	\$ 13,230,280
TOTAL BASIS REDUCTION	\$	-	\$ 13,230,280
TOTAL REQUESTED UNADJUSTED ELIGIBLE BASIS	\$	-	\$ 17,083,307
130% Boost- 6 of 8 located in QCT- modeled at 85% unadjusted basis		-	5,124,992
Total Adjusted ELIGIBLE BASIS	\$	-	\$ 22,208,299
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS	\$	-	\$ 22,208,299.04
Total Credit Reduction	\$	-	-
TOTAL ADJUSTED QUALIFIED BASIS	\$	-	\$ 22,208,299
Applicable Percentage		4.00%	9.00%
Subtotal Annual Credit	\$	-	\$ 1,998,747
10 Year Credit Allocation	\$	-	\$ 19,987,469
Limited Partner Interest		100.0%	100.0%
TOTAL INVESTOR LIMITED PARTNER TAX CREDITS	\$	-	\$ 19,987,469
ILP Credit Purchase Price	\$	\$0.00	\$0.900
	\$	-	\$ 17,988,722
Combined Credits		-	\$ 17,988,722

Pacific Beach- Rose Creek Village
ANNUAL OPERATING EXPENSES

ANNUAL OPERATING EXPENSES		
	TOTAL	PER UNIT
ADMINISTRATIVE		
Legal	2,500	42
Accounting/Audit	17,500	292
Advertising	2,000	33
Office Supplies	10,000	167
Telephone, Cable & Internet	15,000	250
Security	75,000	1,250
Misc. Administrative Expense	6,000	100
Total Administrative	128,000	2,133
MANAGEMENT		
Management Fee	49,560	826
Total Management	49,560	826
UTILITIES		
Electricity	20,000	333
Water/Sewer	60,000	1,000
Total Utilities	80,000	1,333
PAYROLL / PAYROLL TAXES		
Community Manager	56,000	933
Maintenance Personnel	45,000	750
Payroll Taxes	13,200	220
Insurance & Other Benefits	13,640	227
Total Payroll	127,840	2,131
MAINTENANCE		
Painting	7,500	125
Repairs	10,000	167
HVAC repairs & maintenance	3,000	50
Plumbing repairs & maintenance	7,000	117
Exterminating	12,500	208
Grounds	20,000	333
Trash Removal	15,000	250
Elevator	10,000	167
Fire & Alarm Contract	5,000	83
Cleaning Supplies & Contract	3,000	50
Misc. Maintenance Expense	7,000	117
Total Maintenance	100,000	1,667
TAXES & INSURANCE		
Property & Liability Insurance	55,000	917
Total Taxes & Insurance	55,000	917
Total Operating Expenses	540,400	9,007
County Asset Management Fee	4,000	67
Compliance Monitoring Fee	8,850	148
Supportive Services	75,000	1,250
Resident Services	20,000	333
Replacement Reserves	30,000	500
Total Operating Exp. and Reserves	678,250	11,304

Pacific Beach- Rose Creek Village

Operating Proforma

Rental Assumptions

Rent Inc./Year	2.5%
Op. Cost Inc./Year	3.5%
Reserves Inc./Year	0.0%
Other Increase/Year	2.5%
Vac. Year 1	10.0%
Vac. Year 2	10.0%
Vac. Year 3 & Beyond	10.0%

YEAR	1	2	3	4	5	6	7
Gross Residential Rents							
Rental Income	1,216,920	1,247,343	1,278,527	1,310,490	1,343,252	1,376,833	1,411,254
Vacancy Factor	(122,562)	(124,734)	(127,853)	(131,049)	(134,325)	(137,683)	(141,125)
Other Income	8,700	8,918	9,140	9,369	9,603	9,843	10,089
Effective Gross Income	1,103,058	1,131,526	1,159,814	1,188,810	1,218,530	1,248,993	1,280,218
Operating Expenses							
All-In Operating Expenses	(540,400)	(559,314)	(578,890)	(599,151)	(620,121)	(641,826)	(664,290)
Total Operating Expenses	(540,400)	(559,314)	(578,890)	(599,151)	(620,121)	(641,826)	(664,290)
Supportive Services	(75,000)	(77,625)	(80,342)	(83,154)	(86,064)	(89,076)	(92,194)
Resident Services	(20,000)	(20,700)	(21,425)	(22,174)	(22,950)	(23,754)	(24,585)
Compliance Fees	(12,850)	(12,979)	(13,108)	(13,239)	(13,372)	(13,505)	(13,641)
Reserves	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Net Operating Income	424,808	430,909	436,050	441,091	446,022	450,832	455,509
Debt Service Coverage Ratio							
Conventional	1.20	1.22	1.23				
Available Cash Flow	70,801	76,902	82,043	87,084	92,015	96,825	101,502
Percent of Gross Income	6.42%	6.80%	7.07%				
25% Debt Service Test	-20.00%	-21.72%	-23.18%				
Asset Management Fees							
Investor Limited Partner Asset Management Fee	5,000	5,125	5,253	5,384	5,519	5,657	5,798
Managing General Partner Asset Management Fee	20,000	20,500	21,013	21,538	22,076	22,628	23,194
AVAILABLE CASH FLOW- Residual Receipts	45,801	51,277	55,777	60,162	64,420	68,540	72,510
Public Lender Residual Receipt Split	50%						
Limited Partnership Split	50%						

LOAN AMORTIZATION

YEAR	1	2	3	4	5	6	7
CONVENTIONAL							
Interest APR	7.91%						
Amortization (Years)	35						
Loan Amount	\$ 4,192,440						
P&I	354,007	354,007	354,007	354,007	354,007	354,007	354,007
INTEREST	330,749	328,841	326,777	324,544	322,127	319,513	316,683
PRINCIPAL	23,258	25,165	27,229	29,463	31,879	34,494	37,323
REMAINING PRINCIPAL	4,169,182	4,144,017	4,116,787	4,087,325	4,055,445	4,020,951	3,983,628
PUBLIC LENDER - County SD							
Interest APR	0.00%						
Amortization (Years)	55						
Loan Amount	4,030,422						
Beginning Balance	4,030,422	4,023,658	4,016,086	4,007,849	3,998,964	3,989,451	3,979,329
INTEREST	-	-	-	-	-	-	-
PAYMENT	6,764	7,572	8,237	8,885	9,513	10,122	10,708
REMAINING PRINCIPAL	4,023,658	4,016,086	4,007,849	3,998,964	3,989,451	3,979,329	3,968,621
PUBLIC LENDER - City SD							
Interest APR	4.00%						
Amortization (Years)	55						
Loan Amount	4,000,000						
Beginning Balance	4,000,000	4,153,287	4,305,772	4,457,597	4,608,779	4,759,338	4,909,292
INTEREST	160,000	160,000	160,000	160,000	160,000	160,000	160,000
PAYMENT	6,713	7,515	8,175	8,818	9,442	10,045	10,627
REMAINING PRINCIPAL	4,153,287	4,305,772	4,457,597	4,608,779	4,759,338	4,909,292	5,058,665
PUBLIC LENDER - SDHC							
Interest APR	4.00%						
Amortization (Years)	55						
Loan Amount	2,000,000						
Beginning Balance	2,000,000	2,076,644	2,152,886	2,228,798	2,304,390	2,379,669	2,454,646
INTEREST	80,000	80,000	80,000	80,000	80,000	80,000	80,000
PAYMENT	3,356	3,758	4,087	4,409	4,721	5,023	5,314
REMAINING PRINCIPAL	2,076,644	2,152,886	2,228,798	2,304,390	2,379,669	2,454,646	2,529,333
SPONSOR LOAN - IIG							
Interest APR	0.00%						
Amortization (Years)	55						
Loan Amount	3,615,569						
Beginning Balance	3,615,569	3,609,501	3,602,708	3,595,319	3,587,349	3,578,815	3,569,735
INTEREST	-	-	-	-	-	-	-
PAYMENT	6,068	6,793	7,389	7,970	8,534	9,080	9,606
REMAINING PRINCIPAL	3,609,501	3,602,708	3,595,319	3,587,349	3,578,815	3,569,735	3,560,129

8	9	10	11	12	13	14	15	16	17	18	19	20
1,446,535	1,482,699	1,519,766	1,557,760	1,596,704	1,636,622	1,677,538	1,719,476	1,762,463	1,806,525	1,851,688	1,897,980	1,945,429
(144,654)	(148,270)	(151,977)	(155,776)	(159,670)	(163,662)	(167,754)	(171,948)	(176,246)	(180,652)	(185,169)	(189,798)	(194,543)
10,342	10,600	10,865	11,137	11,415	11,701	11,993	12,293	12,600	12,915	13,238	13,569	13,908
1,312,223	1,345,029	1,378,655	1,413,121	1,448,449	1,484,660	1,521,777	1,559,821	1,598,817	1,638,787	1,679,757	1,721,751	1,764,795
(687,540)	(711,604)	(736,510)	(762,288)	(788,968)	(816,582)	(845,162)	(874,743)	(905,359)	(937,046)	(969,843)	(1,003,787)	(1,038,920)
(687,540)	(711,604)	(736,510)	(762,288)	(788,968)	(816,582)	(845,162)	(874,743)	(905,359)	(937,046)	(969,843)	(1,003,787)	(1,038,920)
(95,421)	(98,761)	(102,217)	(105,795)	(109,498)	(113,330)	(117,297)	(121,402)	(125,651)	(130,049)	(134,601)	(139,312)	(144,188)
(25,446)	(26,336)	(27,258)	(28,212)	(29,199)	(30,221)	(31,279)	(32,374)	(33,507)	(34,680)	(35,894)	(37,150)	(38,450)
(13,777)	(13,915)	(14,054)	(14,194)	(14,336)	(14,480)	(14,624)	(14,771)	(14,918)	(15,068)	(15,218)	(15,370)	(15,524)
(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
460,040	464,414	468,616	472,632	476,448	480,048	483,415	486,532	489,382	491,945	494,202	496,132	497,713
(354,007)	(354,007)	(354,007)	(354,007)	(354,007)	(354,007)	(354,007)	(354,007)	(354,007)	(354,007)	(354,007)	(354,007)	(354,007)
106,034	110,407	114,609	118,626	122,441	126,041	129,408	132,525	135,375	137,938	140,195	142,125	143,706
5,943	6,092	6,244	6,400	6,560	6,724	6,893	7,065	-	-	-	-	-
23,774	24,368	24,977	25,602	26,242	26,898	27,570	28,259	28,966	29,690	30,432	31,193	31,973
76,316	79,947	83,388	86,624	89,639	92,419	94,945	97,201	106,409	108,248	109,763	110,932	111,733
38,158	39,974	41,694	43,312	44,820	46,209	47,473	48,601	53,205	54,124	54,881	55,466	55,867
38,158	39,974	41,694	43,312	44,820	46,209	47,473	48,601	53,205	54,124	54,881	55,466	55,867
8	9	10	11	12	13	14	15	16	17	18	19	20
354,007	354,007	354,007	354,007	354,007	354,007	354,007	354,007	354,007	354,007	354,007	354,007	354,007
313,622	310,310	306,726	302,848	298,651	294,111	289,198	283,883	278,131	271,908	265,174	257,888	250,004
40,385	43,697	47,281	51,159	55,355	59,896	64,808	70,124	75,875	82,099	88,833	96,119	104,003
3,943,243	3,899,546	3,852,265	3,801,106	3,745,751	3,685,855	3,621,047	3,550,923	3,475,048	3,392,949	3,304,116	3,207,997	3,103,995
3,968,621	3,957,350	3,945,544	3,933,229	3,920,437	3,907,199	3,893,551	3,879,530	3,865,175	3,849,461	3,833,475	3,817,266	3,800,883
-	-	-	-	-	-	-	-	-	-	-	-	-
11,270	11,806	12,315	12,792	13,238	13,648	14,021	14,354	15,714	15,986	16,210	16,382	16,501
3,957,350	3,945,544	3,933,229	3,920,437	3,907,199	3,893,551	3,879,530	3,865,175	3,849,461	3,833,475	3,817,266	3,800,883	3,784,383
5,058,665	5,207,480	5,355,763	5,503,541	5,650,845	5,797,707	5,944,162	6,090,247	6,236,001	6,380,405	6,524,540	6,668,453	6,812,194
160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
11,185	11,717	12,222	12,696	13,138	13,545	13,915	14,246	15,596	15,865	16,087	16,259	16,376
5,207,480	5,355,763	5,503,541	5,650,845	5,797,707	5,944,162	6,090,247	6,236,001	6,380,405	6,524,540	6,668,453	6,812,194	6,955,818
2,529,333	2,603,740	2,677,881	2,751,771	2,825,423	2,898,854	2,972,081	3,045,123	3,118,000	3,190,202	3,262,270	3,334,226	3,406,097
80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
5,593	5,859	6,111	6,348	6,569	6,773	6,958	7,123	7,798	7,933	8,044	8,129	8,188
2,603,740	2,677,881	2,751,771	2,825,423	2,898,854	2,972,081	3,045,123	3,118,000	3,190,202	3,262,270	3,334,226	3,406,097	3,477,909
3,560,129	3,550,019	3,539,427	3,528,381	3,516,905	3,505,030	3,492,786	3,480,208	3,467,331	3,453,234	3,438,894	3,424,353	3,409,657
-	-	-	-	-	-	-	-	-	-	-	-	-
10,110	10,591	11,047	11,476	11,875	12,243	12,578	12,877	14,097	14,340	14,541	14,696	14,802
3,550,019	3,539,427	3,528,381	3,516,905	3,505,030	3,492,786	3,480,208	3,467,331	3,453,234	3,438,894	3,424,353	3,409,657	3,394,855

VII. TIE BREAKER SYSTEM - PROJECT FINAL TIE BREAKER SELF-SCORE

This section is included in the application for self-scoring. Note that TCAC will use the tie-breaker self-scores to determine which projects will undergo further review in the competition, including verifying the self-scores for possible reservation of tax credits. TCAC will not evaluate or verify every project's self-scoring. Projects with too low of a self-score to successfully compete for a reservation of tax credits will not undergo any further review by TCAC.

Provide evidence of committed permanent leveraged soft financing in Tab 20 and evidence of public rent or public operating subsidies in Tab 17.

Evidence of land value is required (see Tab 1). The value of the land must be included in "Total Residential Project Development Costs" below as evidenced in Tab 1. Donated land value must be included in Total Project Cost and the Sources and Uses Budget.

Seller carryback financing and any portion of a loan from a public seller or related party that is less than or equal to sale proceeds due the seller must be excluded from Leveraged Soft Financing. (Exception: If seller carryback financing is a public land loan to a new construction project that is not replacing affordable housing within the footprint of the original development, financing (or portion of financing) may be included in Leveraged Soft Financing. For projects that include both new construction and rehabilitation/affordable housing replacement, the land loan value must be prorated based on eligible units.)

For projects with purchase price in excess of the appraised value, unless a waiver is granted, the purchase price in excess of the appraised value must be excluded from the Leveraged Soft Financing. Enter the amount for the "Purchase Price Over Appraised Value" under the list of Leveraged Soft Financing below. Purchase Price Over Appraised Value will be automatically excluded from the Total Leveraged Soft Financing.

Ineligible off-site costs must be excluded from both numerators and denominators. Enter the amount for the "Ineligible Offsites" under the list of Leveraged Soft Financing below. Ineligible Off-site costs will be automatically excluded from both the numerators and the denominators.

For projects with commercial/non-residential costs, the committed public funds will be discounted by the percentage of the commercial/non-residential portion.

Final Tie Breaker Formula:

$$\frac{\text{Committed Permanent Leveraged Soft Financing defraying Residential Costs}}{\text{X Size Factor}} + \left(\left(1 - \frac{\text{Requested Unadjusted Eligible Basis}}{\text{Total Residential Project Development Costs}} \right) / 2 \right)$$

LEVERAGED SOFT FINANCING

Capitalized Value of Rent Differentials of Public Rent/operating Subsidies	\$4,204,121
Total donated land value	
Total fee waivers	
List Leveraged Soft Financing excluding donated land and fee waivers:	
City of San Diego	\$4,000,000
No Place Like Home	\$4,030,422
HCD - Infill Infrastructure Grant	\$3,615,569
San Diego Housing Commission	\$2,000,000
City of San Diego DSD Fee Waivers	\$310,106
Less: Excess Purchase Price Over Appraised Value	\$0
Less: Ineligible Offsites	\$469,660
Total Leveraged Soft Financing excluding donated land and fee waivers	\$13,486,437
TOTAL	\$17,690,558

HYBRID PROJECT (NEW CONSTRUCTION)

4% Development Project Costs:

Residential Project Development Cost	
Commercial Project Development Cost	
Total 4% Project Cost	\$0

MIXED USE PROJECTS

For mixed-use projects, the permanent Leveraged Soft Financing numerator must be discounted/reduced by the Mixed-Use Ratio below.

Mixed-Use Ratio = Total Commercial Cost / Total Project Cost:

0

The Prorated Commercial Cost Deduction To Leveraged Soft Financing Must Be Calculated First Before Applying Any Subsidy Adjustment/Increase To The Numerator. TCAC staff may adjust this ratio as deemed appropriate.

Sample formula (commercial costs) for numerator Committed Permanent Leveraged Soft Financing defraying residential costs = G44*(1-J49)

SIZE FACTOR CALCULATION

New Construction:	Yes
9% Tax Credit Units:	60
Size Factor:	1.05

HYBRID (NEW CONSTRUCTION)

4% Development Units

Amount of 4% Tax Credit Units:	
Total Tax Credit Units:	60

Bonus for new construction large-family projects in high/higher resource area based on TCAC/HCD Opportunity Area Map (Please see TCAC Regulations 10325(c)(9)(C) for projects excluded):

N/A

FINAL TIE BREAKER CALCULATION

Leveraged Soft Financing less commercial proration	\$17,690,558
Leveraged Soft Financing times Size Factor	\$18,575,086

Requested Unadjusted Eligible Basis	\$8,951,343
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$$\frac{18,575,086}{36,137,259} + \left(\left(1 - \frac{17,083,307}{36,137,259} \right) / 2 \right) = 77.765\%$$

CAPITALIZED VALUE OF RENT DIFFERENTIALS ATTRIBUTABLE TO PUBLIC RENT OR PUBLIC OPERATING SUBSIDIES CALCULATION

Annual Rental Income Differential for PUBLIC RENT SUBSIDIES:

*Rent Limit Underwriting:				
Special Needs Units in Special Needs Projects subject to the 40% average AMI requirement of TCAC Regs §10325(g)(3)(A), use 30% AMI rent limits				
Use 40% AMI for ALL OTHERS				
**Contract Rent Underwriting:				
For USDA subsidy only, use the higher of 60% AMI or committed basic contract rents.				

Unit Type	# of Units	*Rent Limit:	Public Subsidy **Contract Rent	Calculated Annual Rent
Studio	18	\$965	\$2,062	\$236,952
Studio	29	\$965	\$1,718	\$262,044
Studio	0	\$965	\$0	\$0
Studio	0	\$0	\$0	\$0
1 bedroom	0	\$0	\$0	\$0
1 bedroom	0	\$0	\$0	\$0
SRO				\$0
SRO				\$0
Annual Rent Differential for Public Rent Subsidies:				\$498,996

Total Rent Differentials	\$498,996
Less Vacancy	5.0%
Net Rental Income	\$474,046
Available for Debt Service	
@ 1.15 Debt Coverage Ratio:	\$412,214
Loan Term (years)	15
Interest Rate (annual)	5.5%
Debt Coverage Ratio	1.15
Capitalized Value of Rent Differentials	\$4,204,121

Annual Rental Income Differential for PUBLIC OPERATING SUBSIDIES:

If annual operating subsidy amount are similar in each year, enter:

Annual Operating Subsidy Amount in Year 1:	\$0
--	-----

OR

If the contract does not specify an annual subsidy amount, enter:

Aggregate Subsidy Amount:	\$0
Number of Years in the Subsidy Contract:	0
Average Annual Operating Subsidy Amount:	\$0
Annual Public Operating Subsidies:	\$0

ATTACHMENT 4
PROPOSED LOAN NON-BINDING COMMITMENT TERMS
SUMMARY

Rose Creek Village Limited Partnership
2662 Garnet Avenue
San Diego, CA 92109 (Project)
May 30, 2024

The San Diego Housing Commission (“Housing Commission”) is pleased to submit this non-binding commitment terms summary. This commitment o terms summary is not a binding contract and is subject to the approval by the San Diego Housing Commission Board of Commissioners (“Board of Commissioners”) and, if necessary, the Housing Authority of the City of San Diego. The purpose of this commitment terms summary is to set forth the general terms and conditions under which the Housing Commission is interested in making a loan (“Housing Commission Loan”) to Rose Creek Village LP, a California limited partnership, formed by co-developers San Diego Community Housing Corporation, (SDCHC) and National Community Renaissance of California (National CORE) (the “Borrower”) for the Rose Creek Village (“Project”) with respect to the proposed acquisition and construction and the permanent financing of a 60-unit development (with 59 affordable units and one unrestricted manager’s unit) located at 2662 Garnet Avenue, in the City of San Diego. Closing must occur within twenty-four (24) months from the date of the San Diego Housing Commission’s NOFA Award Letter unless an extension is/has been granted by the President & CEO of the Housing Commission (or by their designee) in their sole discretion.

In the event of a conflict between any term or provision (or absence of any term or provision) of this commitment terms summary and any term or provision of any approval of any applicable board or governing body, the term or provision of such board or governing body shall apply and shall prevail. Provided that the Housing Commission loan is approved by the San Diego Housing Commission Board of Commissioners and, if necessary, by the Housing Authority of the City of San Diego, the following terms shall apply to the Housing Commission loan. In addition, Exhibit A includes the Borrower's Pro forma which models financial Projections of the Project.

The terms of the Housing Commission’s proposed financing shall be as follows:

1. **Maximum loan amount (not to exceed)** - Up to \$2,000,000 as a residual receipts loan. Loan funds to be used for the acquisition, construction and permanent financing of the Project.
2. **Interest Rate-** 4 percent simple interest.

3. **Loan Term** - The loan will be due and payable in full in 55 years from completion of the Project.
4. **Loan Payments** –Annual residual receipts payments at 50 percent of the Project's residual cash flow is required. In addition to the 50 percent residual cash payment the Borrower shall also pay a fixed \$10,000 annual payment to the Housing Commission.

Provided, however, if the Housing Commission approves other lenders whose loans will be paid from residual receipts, then the Housing Commission and such other approved lenders shall share the 50 percent of the Project's residual receipts, in proportion to the original principal balances of their respective loans. Residual payments and the fixed \$10,000 annual payment will begin on May 1 in the year immediately following the calendar year in which construction is completed. The Housing Commission defines residual receipts as the net cash flow of the development after specified expenses and other debt service are paid. The following items, in addition to other operating expenses, shall be payable by the Borrower prior to the calculation of residual receipts:

- (i) The year 1 "Limited Partnership Fees" shall be capped at \$25,000 per year. "Limited Partnership Fees" shall be defined to include any and all partnership related fees including but not limited to: Investor Partnership fees, Asset Management fees, Other Limited Partnership oversight fees, and General Partner Fees. Partnership fee increases will be capped at three (3) percent annually. Unpaid partnership fees shall not accrue and the Housing Commission will require the Limited Partnership Agreement to explicitly state that requirement.
 - (ii) Eligible deferred developer fee, and
 - (iii) Repayment of eligible development deficit and operating deficit loans.
5. **Affordability-**
 - (i) Restricted units must remain affordable for 55 years. At escrow closing the Borrower and the Housing Commission shall cause a Declaration of Covenants, Conditions, and Restrictions (CC&R), restricting the rent and occupancy of the affordable units for 55years, to be recorded against the Project. Such CC&R shall be in a form and format acceptable to the Housing Commission and its General Counsel in their sole discretions.

(ii) The affordability shall be as follows:

Unit Type	AMI	Units
Studio (VASH) Units	30%	18
Studio Units	30%	29
Studio Units	60%	12
Manager's Unrestricted Unit	--	1
TOTAL		60

6. **Purchase Option** – The Borrower will provide the Housing Commission with the option to purchase the property's leasehold at the end of the 15-year tax credit compliance period.
7. **Alternate Funding-** Borrower shall also seek alternative funding, including but not limited to the State of California Department of Housing and Community Development, County of San Diego, Federal Home Loan Bank, etc. along with tax exempt bonds and 4% tax credits or 9% tax credits, Housing Commission legal counsel will determine if subsequent approvals for alternative financing structures are required by the San Diego Housing Commission Board of Commissioners and the Housing Authority of the City of San Diego.
8. **Site Value** – The estimated value of the Project site was determined to be \$4,500,000 as of October 19, 2023. The land will be purchased by the Borrower.
9. **Closing Costs** - The Borrower shall pay all escrow, title and closing costs, including, without limitation, paying for an American Land Title Association (ALTA) Lenders Policy for the Housing Commission loan with endorsements, as acceptable to the Housing Commission's legal counsel.
10. **Construction Costs Third-Party Review** - Prior to Housing Commission Loan closing, a costs review may be obtained by the Housing Commission with a third-party consultant. If obtained, Borrower will reimburse the Housing Commission at escrow closing for all reasonable third-party- review costs.
11. **Contractor** - National CORE is the proposed General Contractor. The construction contract shall be competitively bid to at least three qualified subcontractors for all major trades and shall be awarded to the lowest qualified and responsive bidder.
 - a. Borrower will submit copies of three qualified bids received

- from subcontractors for each major trade.
- b. Construction Agreement - Borrower shall submit the proposed Construction Agreement to the Housing Commission for its review and prior approval. The Housing Commission shall have a minimum of two weeks for its review of the proposed Construction agreement.
 - c. Subcontractors – the Borrower shall require the General Contractor to solicit and obtain competitive bids from at least three qualified subcontractors for each major trade involved in the construction of the Project. Those bids will be reviewed and approved by the Borrower. The Borrower and General Contractor shall submit the subcontractors' competitive bids to the Housing Commission for prior review and reasonable approval.
 - d. Change orders at, or in excess of, \$100,000 shall have Housing Commission prior written approval. For proposed change orders over \$100,000, the Borrower and General Contractor shall submit to the Housing Commission a detailed explanation of why the change order work is necessary, why the issue was not included in the original scope of work, and why the change is not being charged against the General Contractor's contingency.
 - e. Agreement Changes - a Construction Agreement with a Guaranteed Maximum Price (GMP) may not be revised to a Lump Sum or other form of Construction Agreement without the prior written approval of the Housing Commission.
 - f. Insurance - prior to close of escrow, evidence of the General Contractor's insurance acceptable to the Housing Commission's legal counsel shall be provided. The Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego, shall be named as additional insureds on the General Contractor's insurance policies.
12. **Tax Credit Equity** - Borrower will provide the Letter of Intent with equity pricing from the low-income housing tax credit (LIHTC) investor within 90 days of closing.
13. **First Mortgage** - Borrower will provide the term sheet from the first mortgage provider that was used at time of application as well as an update within 90 days of closing.
14. **Cost Certification** - The Borrower shall submit the final tax credit cost certification to the Housing Commission for its review and approval before the cost certification is

completed/finalized.

15. Cost Savings and/or Additional Proceeds at Escrow Closing

- In the event that the Borrower obtains funds in excess of those shown as sources in Exhibit A Pro Forma, then upon the construction loan closing, the excess funds shall be used as follows:

- a. First, such excess funds shall be used to fund development cost overruns reasonably approved by the Housing Commission.
- b. Second, upon Construction Loan Closing and subject to lender and investor approval, any excess funds shall be used to pay the Housing Commission Loan as set forth in Section 16 below.
- c. Other Public Lenders - If the Project financing includes other public lenders who may require cost savings sharing then the cost savings shall be split proportionately based upon the public lenders loan amounts and in conformance with the other public lenders' agreements.
- d. Excess funds will be applied first to pay down the accrued interest, and the remaining amount shall pay down the principal.

16. Cost Savings and/or Additional Proceeds at Conversion to Permanent Financing

- In the event that the Borrower obtains funds in excess of those shown as sources in Exhibit A Pro Forma, (including but not limited to cost savings, improved debt, improved tax credit equity pricing, deferred developer fee if any, and any other sources), then upon conversion to permanent loan, the excess funds shall be used as follows:

- a. First, to pay for development cost overruns reasonably approved by the Housing Commission.
- b. Second, used to make any necessary adjustment to the total tax credit allocation as may be required by CTCAC.
- c. Third, payment towards the Borrower's deferred developer fee. A deferred developer fee is currently modeled in the Pro Forma (Attachment A).
- d. Fourth, excess funds shall be shared fifty percent (50%) to the Borrower and the other fifty percent (50%) will be paid to the Housing Commission and other soft lenders in proportion to the original principal balance of their loans.
- e. Excess funds will be applied first to pay down the accrued interest, and the remaining amount shall pay down the principal.

17. Developer Fee-

- a. Maximum Gross Developer's Fee of \$2,800,000 to be paid from Development Sources.
 - i. There will be a \$0 Deferred Developer Fee to be paid from the gross developer fee amount of \$2,800,000.
 - ii. There will be a maximum Net Cash Developer Fee of \$2,800,000 to be paid from the gross developer fee of \$2,800,000.
- b. Additional developer fee provisions
 - i. If for any reason the Borrower does not collect the entire developer fee from development sources through the last equity installment, with the exception of negative tax credit adjusters, uncollected fee up to shall be given priority over Housing Commission residual receipt payments.
 - ii. The Deferred Developer Fee shall be repaid during the 15-year tax credit compliance period. Amounts outstanding after the expiration of the 15-year tax credit compliance period shall be contributed to the Project in the form of a capital contribution.
- c. Developer fee payments shall be paid out incrementally: because this is a tax credit Project, the developer fee payments shall be in accordance with lender and investor requirements.

18. **Due Diligence** - The Borrower, at Borrower's expense, shall provide the following: a current appraisal, an environmental review, a lead paint and asbestos review.

19. **Environmental Requirements** - Currently HOME funds are planned for this Project. Notwithstanding any provision of this Letter, the parties agree and acknowledge that this Letter constitutes a conditional reservation and does not represent a final commitment of HOME funds or site approval under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). HOME funds constitute a portion of the funding for the Project, and a final reservation of HOME funds shall occur only upon satisfactory completion of environmental review and receipt by the City of San Diego of a Release of Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of NEPA.

The parties agree that the provision of any HOME funds to the Project will be conditioned on the City of San Diego's determination to proceed with, modify or cancel the Project

based on the results of subsequent environmental review under NEPA. By execution of this Letter, you acknowledge no legal claim to any amount of HOME funds to be used for the Project or site unless and until the site has received environmental clearance under NEPA. You are also prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, clearance, rehabilitation, conversion, repair or construction prior to environmental clearance under NEPA. Violation of this provision may result in denial of any HOME funds for this Project.

20. **Fees/Payments to Housing Commission** - Borrower will pay to the Housing Commission:
- a) **Underwriting Fee** - a flat underwriting fee in the amount of **\$60,000** will be charged as reimbursement of Housing Commission costs related to underwriting and issuing the loan. This must be included in the total development cost of the Project and is to be paid at close of escrow.
 - b) **Legal Fee** - the Housing Commission charges a legal costs fee for document preparation and review that must be included in the total development cost. Current Housing Commission legal fees are **\$25,000** and are to be paid at the close of escrow.
 - c) **Compliance Affordability Monitoring Fee** - compliance monitoring fees must be incorporated into the operating proforma. Borrower will pay the fee in accordance with the then-existing Housing Commission fee schedule. The current annual affordability monitoring fee is as follows: $\$157.50 \times 60 \text{ units to be affordability monitored} = \textbf{\$9,450 fee}$ per year. Additional training and assistance is currently at \$100 per hour.
 - d) **Asset Management Fee**- the Housing Commission charges a 15-year capitalized asset management fee of **\$15,000** and is paid at close of escrow.
 - e) **Third-Party Construction Review** - the Housing Commission may require a third-party review of the construction costs/budget to determine the reasonableness of construction costs. The third-party reviewer will be selected by the Housing Commission and paid for by the borrower. Current fees are an estimated **\$12,500** paid by the developer at close of escrow.
 - f) **Environmental Noticing Fee** - publishing/filing costs will be determined and paid at close of escrow.

21. **Fees for Asset Management** (amounts not to exceed)-

- a. As detailed in paragraph 4 (above), the year 1 “Limited Partnership Fees” shall be capped at \$25,000 per year and shall not increase more than 3.0% annually. “Limited Partnership Fees” include Asset management fees related to the investor and general partner’s management of the Project.
 - c. Unpaid General Partner fees shall not accrue. The Housing Commission will require the Limited Partnership Agreement to explicitly state this requirement.
 - d. Any changes to the asset management partnership fees will require the prior written approval of the Housing Commission’s President and CEO or their designee.
22. **Financing Gap** - The Borrower will cover any financing gap that arises after Housing Commission underwriting, with its equity, its developer fee, and/or other non-Housing Commission sources, all of which shall be subject to the approval of the Housing Commission in its sole discretion and will not be unreasonably withheld. No additional Housing Commission funds, beyond this Letter of Intent’s \$2,000,000, will be provided for the Project in any Housing Commission’s future Notices of Funds Available.
23. **Funding Sources** - The Housing Commission may fund the Housing Commission Loan from various sources including local, State, and/or federal funds including HOME Investment Partnership Program funds. The Housing Commission reserves the right to allocate available program funds in the best interest of the Housing Commission. In the event the Housing Commission ultimately determines to fund (all or part) of the Housing Commission Loan using any HOME funds, then Borrower shall comply with the HOME programs rules and regulations, Federal Davis Bacon law and Section 3.
24. **HOME Investment Partnerships (HOME) Funds** - HOME funds are currently planned to partly fund the Commission Loan. In the event the Housing Commission funds all or part of the Housing Commission Loan using any HOME funds, then:
- a. HOME program regulations will be applicable.
 - b. HOME funds may not be used to fund any of the following:
 - i) Any reserves are not eligible for HOME funds (including but not limited to operating reserves).
 - ii) Offsite improvements are not eligible for funding with HOME funds.

iii) Furnishings costs are not eligible for funding with HOME funds.

- c. The HOME IDIS funding system requires at least one HOME draw in a 12-month period and at least a small portion of the HOME funds must remain in the IDIS system until the Project is ready for occupancy.

25. **Insurance** - Borrower shall at all times during the term of the Housing Commission Loan maintain General Liability and Property Insurance (fire and extended coverage), workers compensation, builder's completed value risk insurance against "all risks of physical loss" (during construction) and, if required by the Housing Commission, flood and earthquake insurance, in forms acceptable to the Housing Commission and approved by the Housing Commission's General Counsel. The San Diego Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego shall be listed as additional insureds for General Liability Insurance and in the General Contractor's Insurance policy and as loss payees for Property Insurance. Evidence of borrower's insurance coverage shall be provided to the Housing Commission prior to close of escrow.

26. **Loan Disbursement Schedule** - Upon submittal and approval of eligible costs, the Housing Commission Loan (up to **\$2,000,000**) will be disbursed as follows:

- Up to 75 percent (**\$1,500,000**) at escrow closing.
 - Up to 10 percent (**\$200,000**) to be distributed at 50 percent construction completion,
 - Up to 10 percent (**\$200,000**) to be withheld until the issuance of a Certificate of Occupancy and all unconditional lien releases are forwarded to the Housing Commission.
 - Up to 5 percent (**\$100,000**) upon conversion to permanent financing.
- a. The Housing Commission's President and Chief Executive Officer, or their designee, is authorized to modify the Housing Commission Loan disbursement schedule in their sole reasonable discretion.
- b. In the event the Housing Commission funds (all or part) of the Housing Commission Loan using HOME funds, then a portion of the HOME funds shall be withheld until final inspection approval and all unconditional lien releases are forwarded to the Housing Commission.

- c. Housing Commission Loan proceeds shall be disbursed for work completed upon Housing Commission approval of payment requests in a form approved by the Housing Commission. Verifiable documentation of expenses must be submitted with all payment requests.

27. Management of the Development -

- a. Management Plan - Prior to occupancy the Borrower shall submit a Management Plan to the Housing Commission for its review and approval. The Management Plan shall be subject to initial and periodic approval by the Housing Commission, at its reasonable discretion.
- b. Approval of Management Fee - The Borrower's proposed property manager's fee must be approved by the Housing Commission.
- c. The Housing Commission reserves the right to declare Borrower in default of the loan agreement after an uncured ninety (90) day written notice of malfeasance and/or misfeasance in management of the Project.
- d. Manager's Unit - Experienced on-site management is required. There shall be one manager's unit.
- e. Marketing Plan - In the event the Housing Commission funds (all or part) of the Housing Commission Loan using HOME funds, then to ensure compliance with HOME regulations and with federal fair housing requirements prior to occupancy, the Borrower shall submit a proposed marketing plan for review and approval by the Housing Commission's Civil Rights Analyst in the Procurement and Compliance Division.

28. Maximum Resident Service Expenses & Case Management -

For the calculation of Housing Commission's residual receipts the attached pro forma's operating expense budget models an annual \$95,000 Service Amenities budget with a 3.5 percent annual escalator. Increasing this amount will require prior Housing Commission written approval.

29. Annual Budget Submittal - Three months prior to the end of each calendar year, the Borrower shall submit an annual budget for Housing Commission review and prior approval.

30. Project Based Vouchers- This Project includes 47 Federal Project Based Vouchers (PBV) from the Housing Commission.

31. Prevailing Wage - It is anticipated that the Project will be subject to Federal Davis-Bacon prevailing wage rates because Federal Project Based Vouchers are being utilized for this Project. Also, once the final HOME allocation is determined for the project, the proposed use of HOME funds may be at or above the 12-unit federal threshold, which would also require the use of Federal prevailing wage.

32. Recourse - The Housing Commission Loan will be recourse until the timely completion of the construction, after which it will become non-recourse.

33. Reserves: Replacement reserves and operating reserves must be consistent with lender and equity investor requirements. The Housing Commission reserves the right to require higher operating or replacement reserves.

- a. Replacement Reserve -The attached proforma models an annual replacement reserve at **\$30,000** (\$500/per unit per year).
- b. Operating Reserve - The attached proforma models a 3-month capitalized operating reserve at **\$201,703** at conversion to permanent financing. The operating reserve is to be maintained for the entire term of the Housing Commission Loan.
- c. Disbursements from Reserves: Housing Commission prior written approval shall be required for any and all disbursements from either the Project's operating reserve funds and/or from the Project's replacement reserve funds.

34. Section 3 - In the event the Housing Commission funds (all or part) of the Housing Commission Loan using any HOME funds, then Section 3 of the HUD Act of 1968 will be applicable and Borrower should be familiar with, and remain in compliance with, all Section 3 requirements.

35. Security -The Housing Commission Loan will be secured by a Declaration of Covenants, Conditions and Restrictions (CC&R) and a Deed of Trust which will be senior to the deeds of trust and security instruments securing all other sources of funds secured by the Property, except that the Housing Commission's CC&R and Deed of Trust shall be subordinated to:

- a) The deed of trust and security instruments securing the construction and permanent loan.

- b) Lien position - The lien positions will be approved by the Housing Commission's President and CEO and the Housing Commission's General Counsel. It is intended that the lien positions will be in conformance with the public lenders' program requirements, and the requirements of private lenders which may require Housing Commission subordination.
- c) Cure Rights - The Housing Commission shall have the right, but not the obligation, to cure all senior encumbrances in all subordinating agreements that it executes. All subordination agreements shall be subject to the sole approval of the Housing Commission's President and Chief Executive Officer and General Counsel.

36. Tenant Service Delivery Plan - Borrower shall submit a draft tenant service delivery plan 90-days prior to occupancy for Housing Commission staff review and comment. Borrower shall submit a revised draft incorporating Housing Commission comment prior to occupancy of the first tenant. A final tenant service deliver plan shall be subject to the approval of the Housing Commission in its reasonable discretion and will not be unreasonably withheld prior to Project lease up.

37. Title (ALTA Lender's Policy) - The Borrower shall acquire, at its sole cost and expense, an ALTA Lender's Policy for the Housing Commission Loan with endorsements acceptable to the Housing Commission.

38. Miscellaneous Additional Conditions - The Housing Commission reserves the right to impose such additional conditions in the final documentation of the transaction as are reasonably necessary to protect the interests of the Housing Commission and fulfill the intent of this letter.

39. Exhibit A - Proforma - is attached hereto and is hereby incorporated.

If the Borrower is willing to proceed on the terms and conditions referenced herein, please execute this letter of intent and return it to the undersigned by **Thursday June 6, 2024**, so that this letter of intent may be attached to the Housing Commission Board report.

ACKNOWLEDGED AND AGREED TO BY:

Rose Creek Village LP,
a California limited partnership

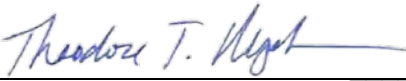
By: NCRC Rose Creek GP LLC,
a California limited liability
company, its managing
general partner

By: National Community Renaissance of
California, a California nonprofit public
benefit corporation, its manager and sole
member

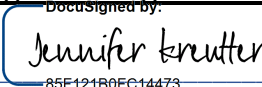
By: 
Michael Ruane, President

By: SDCHC Rose Creek LLC,
a California limited liability
company, its administrative
general partner

By: San Diego Community Housing Corporation,
a California nonprofit public benefit
corporation, its manager and sole member

By: 
Theodore T. Miyahara,
President & Chief Executive Officer

San Diego Housing Commission

By: 
85F121B0FC14473...

Name: Jennifer Kreutter

Vice President of Real Estate Finance Operations

Date: 6/10/2024



SAN DIEGO
HOUSING
COMMISSION

ATTACHMENT 5A DEVELOPER'S DISCLOSURE STATEMENT

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

1. Name of CONTRACTOR: San Diego Community Housing Corporation
2. Address and ZIP Code: 4725 Mercury St., Suite 202, San Diego, CA 92111
3. Telephone Number: 619-876-4222
4. Name of Principal Contact for CONTRACTOR: Theodore Miyahara
5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0661980
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:

☐ A corporation (Attach Articles of Incorporation)

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

☐ A partnership known as: _____

(Name)

Check one:

☐ General Partnership (Attach Statement of General Partnership)

☐ Limited Partnership (Attach Certificate of Limited Partnership)

☐ A business association or a joint venture known as: _____

(Attach joint venture or business association agreement)

☐ A Federal, State or local government or instrumentality thereof.

☐ Other (explain)

7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
10/24/1994
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:

Please see attached list of board members and officers.

- a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10 percent of any class of stock.
- b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

- c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
- d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10 percent.(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

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 percent interest in the CONTRACTOR (for example, more than 20 percent of the stock in a corporation that holds 50 percent of the stock of the CONTRACTOR, or more than 50 percent of the stock in the corporation that holds 20 percent of the stock of the CONTRACTOR):

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: Theodore Miyahara	President & CEO
Address: 4725 Mercury St., Suite 202	
San Diego, CA 92111	
Name:	
Address:	
Name:	
Address:	

13. Is the CONTRACTOR a subsidiary of or affiliated with any other corporation or corporations, any other firm or any other business entity or entities of any 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:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

See attached financial statements.

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:

Proposed sources include funds from the San Diego Housing Commission through applications to NOFA-24-01 and NOFA-24-02, in addition to No Place Like Home program funds awarded by the County of San Diego, City of San Diego BTH, HCD IIG and low income housing tax credit equity.

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

The Contractor is utilizing local public funding and low income housing tax credits to finance the project. San Diego Community Housing Corporation will not utilize its own cash as a development source. San Diego Community Housing Corporation has the ability to provide development guarantees to lender and investor.

- a. In banks/savings and loans:
 Name: California Bank & Trust
 Address:
 Amount: \$ 6,500,000
- b. By loans from affiliated or associated corporations or firms:
 Name:
 Address:
 Amount: \$
- c. By sale of readily salable assets/including marketable securities:

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

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

Name and Address	Contact Name
Name: Torrey Pines Bank	Ryan Vertigan
Address: 8379 Center Drive	
La Mesa, CA 91942	
Name: Wells Fargo	Sam Pustilnik
Address: 9360 Clairemont Mesa Boulevard	
San Diego, CA 92123	
Name: Neighborhood National Bank	Jose Ibanez
Address: 3511 National Avenue	
San Diego, CA 92113	

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

☐ Yes ☒ No

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

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

☐ Yes ☒ No

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

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

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

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

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

Name and Address	Affiliation
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

☐ Yes ☐ No

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

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

General description of such work:

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

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

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

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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:

The SDCHC team brings hands-on experience and expertise in deal structuring and negotiation, project management, finance, design, construction, property management, and asset management. Our experience allows us to develop synergies across multiple segments of our industry and capitalize on in-house expertise across a wide range of project types. Staff also specializes in government financing programs which involves complex rules and regulations set by local, state and federal agencies.

23. Does any member of the governing body of 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 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:

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:
N/A

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

☐ Yes ☒ No

If yes, explain:

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:

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

Check coverage(s) carried:

- ☐ Comprehensive Form
- ☐ Premises - Operations
- ☐ Explosion and Collapse Hazard
- ☐ Underground Hazard
- ☐ Products/Completed Operations Hazard

- ☐ Contractual Insurance
- ☐ Broad Form Property Damage
- ☐ Independent Contractors
- ☐ Personal Injury

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

Check coverage(s) carried:

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

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

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

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

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

27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by SDHC setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not, without prior written consent of SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of 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 SDHC, the AUTHORITY and/or the CITY, and no member of the governing body of the locality in which the PROJECT is situated, no member of the governing body in which 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.

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: N/A

Government Complaint	Entity	Making	Date	Resolution

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

☐ 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: N/A

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

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

N/A

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

Contractor has been in business for approximately 29-years and has a track record of producing affordable housing throughout the County of San Diego.

35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, and SALES of Real Property to 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
	SDHC	Current	\$748,897
	City	Current	\$363,197
	SDHC	Repaid	\$504,450

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, explain:

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

☐ Yes ☒ No

If yes, explain:

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

1. Name: Leilani Hines
Address: City of Oceanside
Phone: 760-435-3377
Project Name and Description: Director, Housing & Neighborhood Services
2. Name: Kelly Salmons
Address: County of San Diego
Phone: 858-694-4806
Project Name and Description: Housing & Community Development
3. Name: Sylvia Solis Daniels
Address: City of San Marcos
Phone: 760-744-1050
Project Name and Description: Housing and Neighborhood Services Manager

39. Give a brief statement regarding equipment, experience, financial capacity and other resources available to the CONTRACTOR for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment and the general experience of the CONTRACTOR.
SDCHC has the requisite personnel with a background and history of completing affordable housing development projects of this size and complexity. Experience includes site acquisition, development, finance, compliance, asset management and property management.

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

Name	Experience
To be Determined	National Community Renaissance of California will be the general contractor and will select a construction superintendent prior to construction start.

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 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 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 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 6th day of May, 20 24, at San Diego, California.

CONTRACTOR

By: Theodore T. M.

Signature

President, SDHC

Title

CERTIFICATION

The CONTRACTOR, Theodore T. Miyahara, 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: Theodore T. Miyahara By: _____

Title: President, State Title: _____

Dated: 5-6-24 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

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.

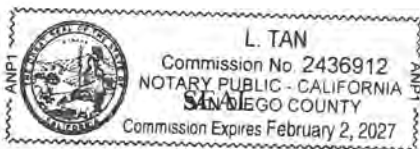
State of California

County of SAN DIEGO

Subscribed and sworn to (or affirmed) before me on this 6th day of May, 20 24

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

[Signature]
Signature of Notary



OCT 24 1994

Tony Miller
Acting Secretary of State

ARTICLES OF INCORPORATION

OF

SAN DIEGO COMMUNITY HOUSING CORPORATION

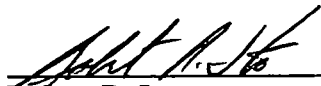
- ONE:** The name of this corporation is San Diego Community Housing Corporation.
- TWO:**
- (a) This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.
 - (b) The specific purposes of this corporation are:
 - (1) To foster low- and moderate-income housing, for rent or for sale, by acquiring, owning, developing, constructing, rehabilitating, operating, and managing suitable property or properties, both within and without the County of San Diego;
 - (2) To participate in any activity designed and carried on to promote and foster the provision of low- and moderate-income housing; and
 - (3) Generally to do anything and everything necessary, expedient or incidental to the foregoing.
- THREE:** The name and address in the State of California of the corporation's initial agent for service of process are Michael A. Van Horne, 550 West C Street, 19th Floor, San Diego, California 92101-3540.
- FOUR:**
- (a) This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law.
 - (b) Notwithstanding any other provision of these Articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and this corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law, or (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law.

- (c) No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Internal Revenue Code of 1986, and this corporation shall not participate in or intervene in (including publishing or distributing statements) any political campaign on behalf of or in opposition to any candidate for public office.

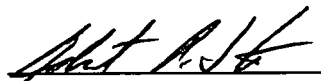
FIVE:

- (a) All corporate property is irrevocably dedicated to the charitable purposes set forth in Article TWO above. No part of the net earnings or assets of this corporation shall ever inure to the benefit of any of its directors, trustees, officers or members, or to the benefit of any private person.
- (b) On the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations, and liabilities of this corporation, the remaining assets of this corporation shall be distributed to a nonprofit fund, foundation or corporation selected and designated by the board of directors of this corporation, which is organized and operated exclusively for charitable purposes like those set forth in Article TWO above and which has established and maintained its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law and under Section 23701d of the California Revenue and Taxation Code or the corresponding provision of any future California revenue and tax law.

red
Dated: October 18,
July, 1994


Robert P. Ito
Incorporator

The undersigned declares that he is the person who executed these Articles of Incorporation and declares that this instrument is his act and deed.


Robert P. Ito

SECOND AMENDED AND RESTATED
BYLAWS
OF
SAN DIEGO COMMUNITY HOUSING CORPORATION
A California Nonprofit Public Benefit Corporation

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SECOND AMENDED AND RESTATED

BYLAWS OF

SAN DIEGO COMMUNITY HOUSING CORPORATION A California Nonprofit Public Benefit Corporation

ARTICLE 1 OFFICES

Section 1.01 Principal Office. The Board of Directors (herein called the “Board”) is granted full authority and power to change the principal office from place to place as it is deemed necessary and shall fix and locate the corporation’s principal office at such place within the State of California, as it shall determine. The Board is granted full power and authority to change the principal office from one location to another within the State of California.

Section 1.02 Other Offices. The Board may at any time establish branch or subordinate offices at any place or places as it is deemed necessary.

ARTICLE 2 PURPOSE

Section 2.01 Description in Articles. The specific and general purposes of the corporation are described in the Articles of Incorporation.

ARTICLE 3 MEMBERSHIP

Section 3.01 Members. The corporation shall have no members within the meaning of the California Nonprofit Corporation Law. Any action which would otherwise by law require approval by a majority of all members or approval by the members shall require only approval of the Board. All rights which would otherwise by law vest in the members shall vest in the Board. The Board may, in its discretion, admit individuals to one or more classes of nonvoting members; the class or classes shall have such rights and obligations as the Board finds appropriate.

Section 3.02 Associates. Nothing in this Article 3 shall be construed as limiting the right of the corporation to refer to persons associated with it as “members” even though such persons are not members, and no such reference shall constitute anyone a member within the meaning of Section 5056 of the California Nonprofit Corporation Law. Such individuals may originate and take part in the discussion of any subject that may properly come before any meeting of the Board, but may not vote. The corporation may confer by amendment of its Articles of Incorporation or of these Bylaws some or all of the rights of a member, as set forth in the California Nonprofit Corporation Law, upon any person or persons who do not have the right to vote for the election of directors or on a disposition of substantially all of the assets of the corporation or on a merger or on a dissolution or on changes to the corporation’s Articles of Incorporation or Bylaws, but no such person shall be a member within the meaning of said Section 5056. The Board may also, in

its discretion, without establishing memberships, establish an advisory council or honorary board or such other auxiliary groups as it deems appropriate to advise and support the corporation.

ARTICLE 4 DIRECTORS

Section 4.01 Powers.

(a) General Corporate Powers. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation or these Bylaws, the corporation's activities and affairs shall be managed and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the corporation to any person(s), a management company or committees however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

(b) Specific Powers. Without prejudice to the general powers set forth in Section **4.01(a)** above, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws and permitted by law:

(1) To select and remove all corporate officers, agents, employees, and the Executive Director of the corporation; prescribe powers and duties for them as are consistent with the law, the Articles of Incorporation, and these Bylaws; fix their compensation; and require from them security for faithful service;

(2) To conduct, manage and control the affairs and activities of the corporation and to make such rules and regulations therefor not inconsistent with law, the Articles of Incorporation or these Bylaws, as they may deem best;

(3) To adopt and use a corporate seal and to alter the form of the seal from time to time as they may deem best;

(4) To borrow money and incur indebtedness for the purposes of the corporation, and to cause to be executed and delivered for the corporation's purposes, in the corporation name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities therefor;

(5) To carry on a business at a profit and apply any profit that results from the business activity to any activity in which it may lawfully engage;

(6) To act as trustee under any trust incidental to the principal object of the corporation, and receive, hold, administer, exchange and expend funds and property subject to such trust.

(c) Board's Ultimate Authority. No assignment, referral or delegation of authority by the Board or anyone else shall preclude the Board from exercising the authority

required to meet its responsibility for the conduct of the activities of the corporation and the Board shall retain the right to rescind any such delegation.

Section 4.02 Number, Term and Qualification of Directors.

(a) Number of Directors. The Board shall consist of at least six (6) but no more than nine (9), the exact number to be fixed, from time-to-time, by approval of the Board. In no event shall the term of a director be shortened by a reduction in the size of the Board.

(b) Terms of Directors. The Board shall be divided into three (3) classes with a three (3) year term of office for each class of directors with the terms of approximately one-third (1/3) of the Board seats expiring each year. Each director shall be slotted into one of the three classes and hold office until the expiration of the term for which appointed and until a successor has been appointed and qualified, or until the director's earlier death, resignation, disqualification or removal.

(c) Constituency Representation. In order to maintain accountability to low-income community residents, at least one-third (1/3) of the directors shall be comprised of (1) residents of low-income neighborhoods or (2) from low-income community residents or (3) from elected representatives of low-income neighborhood organizations.

Section 4.03 Removal of Directors. Any director may be removed from office by the affirmative vote of a majority of all voting members of the Board, at any regular meeting or special meeting called for that purpose, for conduct detrimental to the interests of the corporation, for lack of sympathy with its objectives, or for refusal to render reasonable assistance in carrying out the Corporation's purposes. A director with respect to whom removal has been proposed shall be entitled to (1) at least five (5) days' notice of the meeting at which such removal is to be voted upon in writing by mail or email to the address physical or email address maintained by the corporation for that director and (2) appear before the Board and be heard at such meeting.

Section 4.04 Vacancies on Board.

(a) Events Causing Vacancy. A vacancy or vacancies on the Board shall occur in the event of:

- (1) the death, removal, or resignation of any director;
- (2) the declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by an order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law;
- (3) the increase of the authorized number of directors; or
- (4) the failure of the directors, at any meeting of the Board at which any director or directors are to be elected, to elect the number of directors required to be elected at such meeting.

(b) Resignations. Except as provided below, any director may resign by giving written notice to the Chair, Chief Executive Officer or the secretary. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective. Except on notice to the Attorney General of California, no director may resign if the corporation would be left without a duly elected director or directors.

(c) Filling Vacancies. Vacancies on the Board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director.

(d) No Vacancy on Reduction of Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 4.05 Place of Board Meetings. Meetings of the Board may be held at the principal office of the corporation or at any other place within or outside California that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the principal office of the corporation.

Section 4.06 Annual Meetings. The Board shall hold an annual meeting for the purpose of electing directors, organization, selection of officers, and the transaction of other business.

Section 4.07 Regular Meetings. Regular meetings of the Board, including the annual meeting, may be held without call or notice on such dates and at such times and places as may be from time to time fixed by the Board.

Section 4.08 Special Meetings.

(a) Authority to Call Special Meetings. Special meetings of the Board for any purpose may be called at any time by the Chair, Chief Executive Officer, Vice Chair, the secretary, or any two directors.

(b) Notice of Special Meetings. Special meetings of the Board shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice given personally or by telephone, email, telegraph, telex or other similar means of communication. Any such notice shall be addressed or delivered to each director at the director's physical or email address as it is shown on the records of the corporation or as may have been given to the corporation by the director for purposes of notice or, if an address is not shown on the corporation's records or is not readily ascertainable, at the place at which the meetings of the directors are regularly held.

(c) Manner of Giving Notice. Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mail, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, such as email, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless,

to the recipient or to a person at the office of the recipient whom the person giving the notice has reason to believe will promptly communicate it to the recipient.

(d) Contents of Notice. The notice shall state the time of the meeting, and the place if the place is other than the corporation's principal office. The notice shall specify the purpose of the meeting.

Section 4.09 Quorum. Forty percent (40%) of the number of directors then in office (excluding nonvoting directors, if any) shall constitute a quorum for the transaction of any business except adjournment. Except as provided in Article 11, every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be an act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common directorships, (c) creation of and appointments to committees of the Board, and (d) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some directors from that meeting, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting. Directors may not vote by proxy.

Section 4.10 Meetings through Electronic Communication. Directors may participate in a meeting through use of telephone conference, or electronic video screen communication. Participation in a meeting through use of conference telephone or electronic video screen communication pursuant to this section constitutes presence in person at that meeting as long as all directors participating in the meeting are able to hear one another.

Section 4.11 Waiver of Notice. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to holding the meeting or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

Section 4.12 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any directors' meeting to another time and place.

Section 4.13 Notice of Adjournment Meeting. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

Section 4.14 Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such consent(s) shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board.

Section 4.15 Rights of Inspection. Every director shall have the absolute right at any reasonable time during normal business hours to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation.

Section 4.16 Fees and Compensation. Directors shall not receive any compensation for their services; however, the Board may approve the reimbursement of a director's actual and necessary expenses incurred in the conduct of the corporation's business. The corporation shall carry liability insurance respecting the conduct of the corporation's business by the directors in a form and with policy limits acceptable to and approved by the Board.

Section 4.17 Restriction on Interested Directors. No more than forty-nine percent (49%) of the persons serving on the Board at any time may be "interested persons." An interested person is (a) any person being compensated by the corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor or otherwise; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of transactions entered into by the corporation.

Section 4.18 Standard of Care.

(a) Prudent Director. A director shall perform the duties of a director, including duties as a member of any committee of the Board on which the director may serve, in good faith, in a manner that director believes to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

(b) Reasonable Reliance. In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(1) Corporate Officers or Employees. One or more officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented;

(2) Professionals. Legal counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence; or

(3) Board Committee. A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as in any such case, the director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

(c) Investments. Except with respect to assets which are directly related to the corporation's charitable programs, in investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the corporation's investments, the Board shall avoid speculation, looking

instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the corporation's capital.

Section 4.19 Nonliability of Directors and Certain Officers.

(a) Volunteer Directors and Volunteer Officers. Pursuant to Section 5239 of the California Nonprofit Public Benefit Corporation Law, there shall be no personal liability to a third party for monetary damages on the part of a volunteer director or volunteer executive officer of this corporation caused by the director's or executive officer's negligent act or omission in the performance of that person's duties as a director or officer, if all the following conditions are met:

(1) The act or omission was within the scope of the director's or executive officer's duties;

(2) The act or omission was performed in good faith;

(3) The act or omission was not reckless, wanton, intentional, or grossly negligent; and

(4) Damages caused by the act or omission are covered pursuant to a liability insurance policy issued to (i) the corporation, either in the form of a general liability policy or a director's and officer's liability policy, or (ii) personally to the director or executive officer. If the damages are not covered by a liability insurance policy, the volunteer director or volunteer executive officer shall not be personally liable for the damages if the Board and the person had made all reasonable efforts in good faith to obtain available liability insurance.

(b) Scope of Limitation. This limitation on the personal liability of a volunteer director or volunteer executive officer does not limit the liability of the corporation for any damages caused by acts or omissions of a volunteer director or volunteer executive officer. Neither does it eliminate or limit the liability of a director or officer, either (1) provided in Sections 5233 or 5237 of the California Nonprofit Public Benefit Corporation Law, or (2) in any action or proceeding brought by the Attorney General of the State of California.

(c) Definitions. "Volunteer" means the rendering of services without compensation. "Compensation" means remuneration whether by way of salary, fee, or other consideration for services rendered. However, the payment of per diem, mileage, or other reimbursement of expenses to a director or executive officer does not affect that person's status as a volunteer within the meaning of this Section 4.19(c). "Executive officer" means the Chair, Vice Chair, secretary, or treasurer of the corporation, or such other individual who serves in like capacity, who assists in establishing the policy of the corporation.

(d) No Liability for Directors Meeting the Standard of Care. Except as it relates to self-dealing transactions or transactions in which the director has a material financial interest, a person who performs the duties of a director in accordance with Section 4.18(a) and Section 4.18(b), above, shall have no liability based upon any alleged failure to discharge the person's obligations as a director, including, without limiting the generality of the foregoing, any

actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

ARTICLE 5 COMMITTEES

Section 5.01 Board Committees. The Board, by resolution adopted by a majority of the directors then in office, may create one or more committees, each consisting of two (2) or more directors, and no one who is not a director, to serve at the pleasure of the Board. Appointments to such committees of the Board shall be by majority vote of the directors then in office, and the chairman of such Board committees shall be appointed by the Chair. The Board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee shall have all the authority of the Board, to the extent provided in the Board resolution, except that no committee may do the following:

- (a) Vacancies. Fill vacancies on the Board or on any committee which has the authority of the Board;
- (b) Compensation. Fix compensation of the directors for serving on the Board or on any committee;
- (c) Bylaws. Amend or repeal Bylaws or adopt new Bylaws;
- (d) Board Resolutions. Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- (e) Committees. Create any other committees of the Board or appoint the members of committees of the Board;
- (f) Corporate Funds. Expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected;
- (g) Self-Dealing. With respect to any assets held in charitable trust, approve any contract or transaction between this corporation and one or more of its directors or between this corporation and an entity in which one or more of its directors have a material financial interest, subject to the approval provisions of Corporations Code section 5233(d)(3).

Section 5.02 Meetings and Action of Board Committees. Meetings and actions of Board committees shall be governed by, held, and taken under the provisions of these Bylaws concerning meetings and other Board actions, except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by Board resolution or, if none, by resolution of the committee. The Board may adopt rules for the governance of any committee as long as the rules are consistent with these Bylaws. If the Board has not adopted rules, the committee may do so.

Section 5.03 Executive Committee. The Executive Committee is a Board committee composed of the officers. When the Board is not in session, the Executive Committee shall have the power and authority of the Board to transact all regular business of the corporation, subject to any prior

limitation imposed by law, the Board or these Bylaws. The Executive Committee shall report to the next Board meeting all actions taken.

Section 5.04 Nominating Committee. The Nominating Committee is a Board Committee composed of three (3) Board members elected by a majority of the Board at the annual meeting of the Board.

Section 5.05 Advisory Committees.

(a) Creation. The Board Chair, subject to the limitations imposed by the Board, or the Board itself may create advisory committees, either standing or special, to serve the Board which do not have the powers of the Board. The Board Chair, with the approval of the Board, shall appoint members to serve on such advisory committees, and shall designate committee chair. If a director is on a committee, he or she shall be the chair of the committee. Each member of an advisory committee shall continue as such until the next annual election of officers and until his or her successor is appointed, unless the member shall sooner resign or be removed from the advisory committee.

(b) Meetings; Notice; Voting; Minutes. Meetings of an advisory committee may be called by the Board Chair, the chair of the committee or a majority of the committee's voting members. Each advisory committee shall meet as often as is necessary to perform its duties. Notice of a meeting of a committee may be given at any time and in any manner reasonably designed to inform the committee members of the time and place of the meeting. A majority of the voting members of an advisory committee shall constitute a quorum for the transaction of business at any meeting of the committee. Each advisory committee may keep minutes of its proceedings and shall report periodically to the Board. An advisory committee may take action by majority vote.

(c) Resignation and Removal. Any member of an advisory committee may resign at any time by giving written notice to the chair of the committee or to the Board Chair. Such resignation, which may or may not be made contingent upon formal acceptance, shall take effect upon the date of receipt or at any later time specified in the notice. The Board Chair may, with prior approval of the Board, remove any appointed member of an advisory committee.

(d) Vacancies. A vacancy in any advisory committee or any increase in the membership thereof shall be filled for the unexpired portion of the term by the Board Chair with approval of the Board.

ARTICLE 6

SELF-DEALING TRANSACTIONS

Section 6.01 Definition. Self-dealing transaction means a transaction to which the corporation is a party and in which one or more of the directors ("interested directors") has a material financial interest, except that the following will not be deemed self-dealing transactions, but are subject to the general standard of care by the Board:

(a) Compensation. An action by the Board in fixing compensation of a director as a director or officer;

(b) Public or Charitable Programs. A transaction which is part of a public or charitable program of the corporation if the transaction is (1) approved or authorized by the corporation in good faith and without unjustified favoritism, and (2) results in a benefit to one or more directors or their families because they are in a class of persons intended to be benefitted by the program;

(c) Minor Transactions Without Actual Knowledge. A transaction of which the interested director or directors have no actual knowledge, and which does not exceed the lesser of one percent (1%) of the gross receipts of the corporation for a fiscal year or One Hundred Thousand Dollars (\$100,000).

Section 6.02 Action of the Board. If a transaction is thought to be a self-dealing transaction, the interested director has the burden of showing the following to sustain the validity of the transaction:

(a) Prior Authorization. That prior to consummating the transaction or any part thereof the Board authorized or approved the transaction in good faith by vote of a majority of the directors then in office without counting the vote of the interested director or directors and with knowledge of the material facts concerning the transaction and the director's interest in it. Except as provided in Section 6.04, action by a committee of the Board will not satisfy this requirement.

(b) No More Advantageous Arrangement. That either:

(1) Prior to authorizing or approving the transaction, the Board considered and in good faith determined after reasonable investigation under the circumstances that the corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances; or

(2) The corporation in fact could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

(c) Benefit to Corporation. That the corporation entered into the transaction for its own benefit.

(d) Fairness and Reasonableness. That the transaction was fair and reasonable as to the corporation at the time the corporation entered into the transaction.

Section 6.03 Interested Director's Vote. In determining whether the Board has validly met to authorize or approve a self-dealing transaction, interested directors may be counted in determining the presence of a quorum, but an interested director's vote cannot count toward the required majority for such authorization, approval or ratification.

Section 6.04 Committee Approval. A Board committee may approve a self-dealing transaction in a manner consistent with the standards prescribed for approval by the Board if it was not reasonably practical to obtain approval of the Board prior to entering into the transaction and the Board determines in good faith that the committee met the same requirements the Board would have had to meet in approving the transaction and the Board ratifies the transaction at its next

meeting by vote of a majority of the directors then in office without counting the vote of the interested director or directors.

Section 6.05 Prior Approval by the Attorney General. Remedies specified in the California Nonprofit Public Benefit Corporation Law for an improper self-dealing transaction are not available if the Attorney General of the State of California approves the transaction before its consummation. The corporation may seek the approval of the Attorney General by application setting forth all relevant and material facts.

Section 6.06 Persons Liable and Extent of Liability. If a self-dealing transaction has not been approved as provided above, the interested director or directors may be required to do such things and pay such damages as in the discretion of a court will provide an equitable and fair remedy to the corporation, taking into account any benefit received by it and whether the interested director or directors acted in good faith and with the intent to further the best interests of the corporation.

Section 6.07 Statute of Limitations. An action to remedy an improper self-dealing transaction, brought by a proper party as defined by Section 5233(c) of the California Nonprofit Corporation Code to remedy an improper self-dealing transaction, must be commenced either:

(a) Two Years. Within two (2) years after written notice setting forth the material facts of the transaction was filed with the Attorney General in accordance with the Attorney General's regulations; or

(b) Three Years. If no such notice is filed, within three (3) years after the transaction occurred; or

(c) Ten Years. If no such notice is filed, and the Attorney General is bringing the action, within ten (10) years after the transaction occurred.

Section 6.08 Corporate Loans and Advances. The corporation shall not make any loan of money or property to or guarantee the obligation of any director or officer, unless approved by the Attorney General or except as is expressly allowed under Section 5236 of the California Nonprofit Public Benefit Corporation Law; provided, however, that the corporation may advance money to a director or officer of the corporation or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties of such officer or director, provided that in the absence of such advance, such director or officer would be entitled to be reimbursed for such expenses by the corporation or any subsidiary.

ARTICLE 7 OFFICERS

Section 7.01 Officers. The officers of the corporation shall be a Chair (president), Vice Chair (vice president), Chief Executive Officer, secretary, and a treasurer. The corporation, at the Board's discretion, may also have additional vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be elected or appointed under of Section 7.03 of these Bylaws. Officers other than the Chair, Vice Chair and treasurer need not be

directors. Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as the Chair of the Board.

Section 7.02 Election. The officers of the corporation, except any appointed under Section 7.03 or Section 7.06 of these Bylaws, shall be chosen annually by the Board and shall serve at the pleasure of the Board, subject to the rights of any officer under any employment contract.

Section 7.03 Subordinate Officers. The Board may elect, and may appoint and authorize the Chair of the Board to appoint, any other officers that the corporation may require. Each appointed officer shall have the title and authority, hold office for the period, and perform the duties specified in these Bylaws or established by the Board.

Section 7.04 Removal of Officers. Without prejudice to the rights of any officer under an employment contract, the Board may remove any officer with or without cause. An officer who was not chosen by the Board may be removed by any other officer on whom the Board confers the power of removal.

Section 7.05 Resignation of Officers. Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the corporation under any contract to which the officer is a party.

Section 7.06 Vacancies in Office. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for normal appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

Section 7.07 Chair of the Board. The Chair of the Board shall have general supervision of the chief executive officer of the corporation and shall preside at Board meetings and shall exercise and perform such other powers and duties as the Board may assign from time to time. If there is no chief executive officer, the Chair of the Board shall also be the chief executive officer and shall have the powers and duties of the chief executive officer of the corporation prescribed by these Bylaws. The Chair shall be an ex officio voting member of each Board committee.

Section 7.08 Vice Chair. If the Chair is absent or disabled, the Vice Chair shall perform all the duties of the Chair. When so acting, the Vice Chair shall have all the powers of and be subject to all the restrictions on the Chair. The Vice Chair shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or these Bylaws.

Section 7.09 Chief Executive Officer. The chief executive officer is the general manager and chief executive officer of the corporation and has, subject to the control of the Board, and subject to such supervisory powers as these Bylaws or the Board may give to the Chair of the Board, if any, general supervision, direction and control of the business and officers of the corporation. The chief executive officer has the general powers and duties of management usually vested in the office of president and general manager of a corporation and such other powers and duties as may be prescribed from time to time by the Board or these Bylaws. The chief executive officer shall be employed by the corporation pursuant to an employment agreement.

Section 7.10 Secretary.

(a) Book of Minutes and Seal. The secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, and committees of the Board. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; the names of persons present at Board and committee meetings; and the number of members present or represented at members' meetings. The secretary shall keep or cause to be kept, at the principal California office, a copy of the Articles of Incorporation and Bylaws, as amended to date. The secretary shall keep the seal of the corporation and shall affix the same on such papers and instruments as may be required in the regular course of business, but failure to affix it shall not affect the validity of any instrument.

(b) Notices and Other Duties. The secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board that these Bylaws require to be given, and shall distribute the minutes of meetings of the Board to all members promptly after the meetings. The secretary shall see that all reports, statements and other documents required by law are properly kept or filed, except to the extent the same are to be kept or filed by the treasurer. In general, the secretary shall have such other powers and perform such other duties as the Board or the Bylaws may require.

Section 7.11 Treasurer.

(a) Books of Account. The treasurer of the corporation shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts and disbursements. The treasurer shall send or cause to be given to the directors such financial statements and reports as are required to be given by law, by these Bylaws or by the Board. The books of account shall be open to inspection by any director at all reasonable times.

(b) Deposit and Disbursement of Money and Valuables. The treasurer shall deposit, or cause to be deposited, all moneys and other valuables in the name and to the credit of the corporation with such depositories as the Board may designate from time to time. The treasurer shall disburse the funds of the corporation as the Board may order, and shall render to the chief executive officer and directors, upon request, an account of all transactions as treasurer and of the financial condition of the corporation. The treasurer shall present to the Board at all regular meetings an operating statement and report since the last preceding regular meeting of the Board. The treasurer shall cause the books of account to be audited or reviewed each year by a certified public accountant and a report of such audit or review shall be presented to the Board not later than the fourth month following the close of the fiscal year. The treasurer shall have such other powers and perform such other duties as the Board or the Bylaws may require.

(c) Bond. If required by the Board, the treasurer shall give the corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the corporation of all of its books,

papers, vouchers, money, and other property of every kind in the possession of or under the control of the treasurer on his or her death, resignation, retirement, or removal from office.

ARTICLE 8 INDEMNIFICATION AND INSURANCE

Section 8.01 Indemnification.

(a) To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other persons described in Corporations Code section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in this Bylaw, shall have the same meaning as in that section of the Corporations Code.

(b) On written request to the Board by any person seeking indemnification under Corporations Code section 5238(b) or section 5238(c), the Board shall promptly decide under Corporations Code section 5238 (e) whether the applicable standard of conduct set forth in Corporations Code section 5238(b) or 5238(c) has been met and, if so, the Board shall authorize indemnification.

Section 8.02 Insurance. This corporation shall purchase and maintain insurance, in a form and with policy limits acceptable to and approved by the Board, to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer’s, director’s, employee’s, or agent’s status as such.

ARTICLE 9 RECORDS AND REPORTS

Section 9.01 Maintenance of Corporate Records. The corporation shall keep:

(a) Books and Records. Adequate and correct books and records of account;
and

(b) Written Minutes. Written minutes of the proceedings of its Board and committees of the Board.

Section 9.02 Annual Report.

(a) Contents of Report. The Board shall cause an annual report to be sent to the directors within one hundred twenty (120) days after the end of the corporation’s fiscal year. That report shall contain the following information, in appropriate detail:

- (1) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (2) The principal changes in assets and liabilities, including trust funds;
- (3) The corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- (4) The corporation's expenses or disbursements for both general and restricted purposes;
- (5) Any information required by Section 9.03 of these Bylaws.

(b) Audited or Certified. The annual report shall be accompanied by any report on it of independent accountants or, if there is no such report, by the certificate of an authorized officer of the corporation that such statements were prepared without audit from the corporation's books and records.

(c) Annual Report Not Required. This requirement of an annual report shall not apply if the corporation receives less than Twenty-Five Thousand Dollars (\$25,000) in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all directors who request it in writing. If the Board approves, the corporation may send the report and any accompanying material sent pursuant to this section by electronic transmission.

Section 9.03 Annual Statement of Certain Transactions and Indemnifications. As part of the annual report, or as a separate document if no annual report is issued, the corporation shall, within one hundred twenty (120) days after the end of the corporation's fiscal year, annually prepare and mail, deliver, or send by electronic transmission to each director a statement of any transaction or indemnification of the following kind:

(a) "Interested Person" Transactions. Any transaction (i) in which the corporation, its parent, or its subsidiary was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than Fifty Thousand Dollars (\$50,000), or was one of several transactions with the same interested person involving, in the aggregate, more than Fifty Thousand Dollars (\$50,000). For this purpose, an "interested person" is either:

- (1) any director or officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or
- (2) any holder of more than ten percent (10%) of the voting power of the corporation, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction and, if

practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

(b) Indemnifications. Any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the fiscal year to any officer or director of the corporation under Section 8.01 of these Bylaws, unless that indemnification has already been approved by the directors under Corporations Code Section 5238(e)(1).

ARTICLE 10 GENERAL PROVISIONS

Section 10.01 Validity of Instruments. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing and any assignment or endorsement thereof executed or entered into between the corporation and any other person, when signed by the Chair, Vice Chair or chief executive officer and the secretary or treasurer of the corporation, shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person(s) and in such manner as from time to time shall be determined by the Board and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 10.02 Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions contained in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term “person” includes both a legal entity and a natural person. The captions and headings in these Bylaws are for convenience only and are not intended to limit or define the scope or effect of any provision.

Section 10.03 Authority to Vote Securities. The Chair, chief executive officer, or any other officer(s) authorized by the Board are each authorized to vote, represent and exercise on behalf of the corporation all rights incident to any and all voting securities of any other corporation(s) standing in the name of this corporation. The authority granted herein may be exercised either in person or by any person authorized to do so by proxy or by power of attorney executed by the Chair, chief executive officer, or authorized officer.

Section 10.04 Fiscal Year. The fiscal year of the corporation shall be set by the Board.

Section 10.05 Parliamentary Authority. Robert’s Rules of Order, newly revised, shall be the parliamentary authority for all matters or procedures not specifically covered by these Bylaws, or by special rules of procedure adopted by the members of the corporation entitled to vote.

ARTICLE 11 AMENDMENTS

Section 11.01 Bylaws. These Bylaws will be reviewed not less often than once every four (4) years and documented as to date of review. New Bylaws may be adopted or these Bylaws may

be amended or repealed by the Board, provided notice of such proposed amendment has been given to the Board at least seventy-two (72) hours in advance of the vote.

CERTIFICATE OF ADOPTION OF BYLAWS

I certify that I am the elected and acting Secretary of San Diego Community Housing Corporation, a California nonprofit public benefit corporation, and that the foregoing Bylaws, comprising of seventeen (17) pages (exclusive of title page and table of contents), constitute the amended and restated Bylaws of the corporation as adopted at a meeting of the Board of Directors held on December 11, 2018, superseding in their entirety the amended Bylaws adopted October 26, 2006.

IN WITNESS OF, I have signed my name and affixed the seal of the corporation to this certificate on February 16, 2019.


Secretary

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

DEPARTMENT OF THE TREASURY

Date:

JUL 26 1995

SAN DIEGO COMMUNITY HOUSING
CORPORATION
8799 BALBOA AVE. STE. 100
SAN DIEGO, CA 92123

Employer Identification Number:
33-0661980

Case Number:
955194009

Contact Person:
TYRONE THOMAS

Contact Telephone Number: OCCUPATIONAL TRAINING
(213) 894-2289 SERVICES, INC

Accounting Period Ending:
June 30

Foundation Status Classification:
170(b)(1)(A)(vi)

Advance Ruling Period Begins:
October 24, 1994

Advance Ruling Period Ends:
June 30, 1999

Addendum Applies:
No

RECEIVED

JUL 31 1995

Dear Applicant:

Based on information you 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).

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 expect to be a publicly supported organization described in sections 509(a)(2) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. 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 send us the 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, we will classify you 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, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make a final determination of your foundation status.

If we publish a notice in the Internal Revenue Bulletin stating that we

Letter 1045 (DO/CG)

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SAN DIEGO COMMUNITY HOUSING

will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts 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).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue 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 let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue 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, 2105, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If you are required to file a return you must file it by the 15th day of the fifth month after the end of your annual accounting period. We charge a penalty of \$10 a day when a return is filed late, unless there is reasonable

Letter 1045 (DO/CG)

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SAN DIEGO COMMUNITY HOUSING

cause for the delay. However, the maximum penalty we charge cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. We may also charge this penalty if a return is not complete. So, please be sure your return is complete before you file it.

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. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we said 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 us resolve any questions about your exempt status and foundation 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 heading of this letter.

Sincerely yours,


Richard R. Orsco
District Director

Letter 1045 (DC/CG)

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: DEC 29 1999

SAN DIEGO COMMUNITY HOUSING
CORPORATION
8799 BALBOA AVE 200
SAN DIEGO, CA 92123-1538

Employer Identification Number:
33-0661980
DIN:
17053275770039
Contact Person:
FRANCIS E BERNHARDT ID# 31258
Contact Telephone Number:
877) 829-5500
Our Letter Dated:
JULY 1995
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 T. Miller
Steven T. Miller
Director, Exempt Organizations

Letter 1050 (DO/CG)



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0752286401
Mar. 21, 2019 LTR 4168C 0
33-0661980 000000 00

00029049
BODC: TE

SAN DIEGO COMMUNITY HOUSING
CORPORATION
6160 MISSION GORGE RD STE 204
SAN DIEGO CA 92120-3411



023941

Employer ID number: 33-0661980
Form 990 required: Yes

Dear Taxpayer:

We issued you a determination letter in July 1995, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(03).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period:

- Form 990, Return of Organization Exempt From Income Tax
- Form 990EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

0752286401
Mar. 21, 2019 LTR 4168C 0
33-0661980 000000 00
00029050

SAN DIEGO COMMUNITY HOUSING
CORPORATION
6160 MISSION GORGE RD STE 204
SAN DIEGO CA 92120-3411

Thank you for your cooperation.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Teri M. Johnson".

Teri M. Johnson
Operations Manager, AM Ops. 3



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

1. Name of CONTRACTOR: **National Community Renaissance of California**
2. Address and Zip Code: **9692 Haven Ave. Suite 100 Rancho Cucamonga, CA 91730**
3. Telephone Number: **909-483-2444**
4. Name of Principal Contact for CONTRACTOR: **Chris Killian/Sr. Vice President - Construction**
5. Federal Identification Number or Social Security Number of CONTRACTOR:
33-0521215
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:
- ☐ A corporation (Attach Articles of Incorporation)
- ☒ A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status).
- ☐ A partnership known as: _____
(Name)
- Check one
() General Partnership (Attach statement of General Partnership)
() Limited Partnership (Attach Certificate of Limited Partnership)
- ☐ A business association or a joint venture known as: _____
(Attach joint venture or business association agreement)
- A Federal, State or local government or instrumentality thereof.

___ Other (explain)

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

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

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

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

(Attach extra sheet if necessary)

Please see list of board members and officers (with contact information)

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

No

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

No

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

Name, Address and
Zip Code

Position Title (if any) and
extent of interest

N/A

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

See list of NCRC executive leadership team contact information attached.

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

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

Affiliated nonprofit organization, shared board of directors.

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

Audited Financials are included.

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

N/A

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

The developer is utilizing low-income housing tax credit equity 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. Please see attached financial statements that detail cash available: the most recent audited consolidated balance sheet shows \$1,972,795,713.00 of total cash and cash equivalents from NCRC and its affiliates.

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

Amount: \$_____

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

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

Amount: \$_____

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

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

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

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

Citizens Business Bank
310 N. Harbor Blvd.
Fullerton, CA 928832
Contact: Peter Agarwal (714)773-0600

18. Has the CONTRACTOR or any of the CONTRACTOR's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past 10 years?
___ Yes X No

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

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

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

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

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

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

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

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

NA

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

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

- c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: \$ **300 million**

General description of such work:

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

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

Please see included Project List

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

Please see included NCRC General Contractor List

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

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

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

23. Does any member of the governing body of the San Diego Housing Commission ("COMMISSION"), Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of the COMMISSION, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the

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

☐ Yes ☒ No

If yes, explain.

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

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

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

☐ Yes ☒ No

If yes, explain:

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

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

See Certificates included.

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

Check coverage(s) carried:

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

- ☐ Independent Contractors
- ☐ Personal Injury

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

Check coverage(s) carried:

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

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

\$1M limit, see included certificate

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

N/A for General Contractor, will obtain from architect, engineers, and other third parties.

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

\$5M limit, see included certificate

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

Umbrella Liability Policy, see included certificate.

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

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

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

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

Government Entity
Making Complaint

Date

Resolution

None

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

None

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

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

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

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

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

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

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

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

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
April 2022	Nestor Senior Village SDHC	Current	\$3,330,000
November 2023	Iris at San Ysidro: SDHC City of San Diego	Current Current	\$2,300,000 \$5,000,000

36. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, been the subject of a complaint filed with the Contractor's State License Board (CSLB)? ___ Yes X No

If yes, explain:

37. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, had a revocation or suspension of a CONTRACTOR's License?
___ Yes X No

If yes, explain:

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

Name: Leilani Hines

Address: 300 N. Coast Hwy Oceanside, CA 92054

Phone: 760-435-3377

Project Name and Description: Greenbrier Village - PSH

Name: **Candi Roberts**

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

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

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

Name: **Sherry Brooks**

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

Phone: **619-235-2200**

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

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

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

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

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

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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


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

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

Executed this 10th day of June, 2024, at San Diego, California.

CONTRACTOR

By:


Signature

Chief Financial Officer

Title

CERTIFICATION

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

By: 

By: _____

Title: Chief Financial Officer

Title: _____

Dated: 6/10/2024

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.

ATTEST:

State of California

County of _____

Subscribed and sworn to before me this _____ day of _____, 20____.

Signature of Notary

Name of Notary

SEAL

*PLEASE SEE ATTACHED
JURAT*

CALIFORNIA JURAT

GOVERNMENT CODE § 8202

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 on

this 10th day of June, 2024, by
Date Month Year(1) Michael Finn(and (2) _____),
*Name(s) of Signer(s)*proved to me on the basis of satisfactory evidence to
be the person(s) who appeared before me.*Place Notary Seal and/or Stamp Above*

Signature

*Signature of Notary Public***OPTIONAL**

*Completing this information can deter alteration of the document or
fraudulent reattachment of this form to an unintended document.*

Description of Attached DocumentTitle or Type of Document: CertificationDocument Date: June 10, 2024 Number of Pages: 16

Signer(s) Other Than Named Above: _____

National Community Renaissance Organizational Docs

AMENDED AND RESTATED BYLAWS OF
NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
a California Nonprofit Public Benefit Corporation

ARTICLE I

NAME

The name of this corporation (the “Corporation”) shall be NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA.

ARTICLE II

PRINCIPLE PLACE OF BUSINESS, AREAS OF OPERATION AND PURPOSE

Section 1. Principal Office. The principal office for the transaction of the business of the Corporation (“principal executive office”) shall be fixed and located in 9421 Haven Avenue, Rancho Cucamonga, California, or at such other place as the Corporation’s Board of Directors (the “Board”) shall determine. The directors may change the principal office from one location to another. Any change of this location shall be noted by the Secretary on these Bylaws opposite this section or this section may be amended to state the new location.

Section 2. Other Offices. The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to do business.

Section 3. Geographic Areas of Operation as a Community Housing Development Organization (“CHDO”). The activities of the Corporation shall be undertaken primarily, but not exclusively, in the following geographic areas of operation: Kern County; Los Angeles County; Orange County; Riverside County; San Diego County; San Luis Obispo County; Santa Barbara County; Solano County; and Ventura County.

Section 4. Advice. It is the policy of the Corporation with respect to CHDO operations for low-income residents to advise and participate in planning the design, location of sites, development and management of each of its affordable housing undertakings. This shall be done through methods such as open town meetings, community surveys, special committees, or other means. In those areas of the Corporation's operations where housing will be developed, but which are not represented on the Board, such systems may include special committees of neighbors of a proposed development site, neighborhood advisory councils, or open town meetings.

Section 5. Objectives and Purposes. This Corporation has been formed under the California Nonprofit Public Benefit Corporation Law for the purposes stated in the Articles of Incorporation.

Section 6. Dedication of Assets. The properties and assets of this nonprofit Corporation are irrevocably dedicated to public benefit and/or charitable purposes. No part of the net earnings, properties, or assets of this Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any Director or Officer of this Corporation. On liquidation or

dissolution, all properties and 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 exempt status under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE III

MEMBERSHIP

Section 1. Members. The Corporation shall have no members. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board. All rights which would otherwise vest in the members shall vest in the Board.

Section 2. Associates. Nothing in this Article III shall be construed as limiting the right of the Corporation to refer to persons associated with it as “members” even though such persons are not members, and no such reference shall constitute anyone a member, within the meaning of Section 5056 of the California Nonprofit Corporation Law. The Corporation may confer by amendment of its Articles of Incorporation or of these Bylaws some or all of the rights of a member, as set forth in the California Nonprofit Corporation Law, upon any person or persons who do not have the right to vote for the election of directors or on a disposition of substantially all of the assets of the Corporation or on a merger or on a dissolution or on changes to the Corporation’s Articles of Incorporation or Bylaws, but no such person shall be a member within the meaning of said Section 5056.

ARTICLE IV

DIRECTORS

Section 1. Powers. Subject to limitations of the articles and these Bylaws, the activities and affairs of the Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the Corporation to any person or persons, a management company, or committees, however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws or statute:

- (a) To select and remove all of the other officers, agents, and employees of the Corporation, prescribe powers and duties for them as may not be inconsistent with law, the articles, or these Bylaws, fix their compensation, and require from them security for faithful service;
- (b) To conduct, manage, and control the affairs and activities of the Corporation and to make such policies, rules and regulations therefor not inconsistent with law, the articles, or these Bylaws, as they may deem best;

- (c) To adopt, make, and use a corporate seal, as they may deem necessary, and to alter the form of such seal from time to time as they may deem best;
- (d) To borrow money and incur indebtedness, and to cause to be executed and delivered in relation thereto, in the Corporation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities therefor; and
- (e) To carry on a business at a profit and apply any profit that results from the business activity to any activity in which it may lawfully engage as a tax-exempt corporation. No part of such profits shall inure to the benefit of any of its directors, trustees, officers, members, or to individuals.

Section 2. Number of Directors. The Board shall consist of between three (3) and fifteen (15) Directors until such number is changed by amendment of the Bylaws. The exact number of Directors shall be fixed, within these limits, by a resolution adopted by the Board.

Section 3. Selection and Term of Office. Directors shall be elected by a majority vote of the Directors at each annual meeting, including the vote(s) of any Director whose term of office expires with that meeting. Directors may serve any number of consecutive terms.

Section 4. Vacancies. Subject to the provisions of Section 5226 of the California Nonprofit Public Benefit Corporation Law, any director may resign effective upon giving written notice to either the Chairman of the Board, the Secretary, or the Board, unless the notice specified a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be selected before such time, to take office when the resignation becomes effective.

Vacancies in the Board shall be filled in the same manner as the Director(s) whose office is vacant was selected; vacancies filled by election by directors may be filled by a majority of the remaining Directors, although less than a quorum, or by a sole remaining director. Each Director so selected shall hold office until the expiration of the term of the replaced Director and until a successor has been selected and qualified.

A vacancy or vacancies in the Board shall be deemed to exist in case of the death, resignation, or removal of any Director or if the authorized number of Directors is increased.

The Board may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or found by a final order of judgment of any court to have breached any duty arising under the California Nonprofit Public Benefit Corporation Law.

No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

Section 5. Removal. Any Director may be removed, with or without cause, by the vote of the majority of the members of the entire Board at a special meeting called for that purpose, or at a regular meeting, provided notice of that meeting and of the removal questions are given as provided

in Section 10. Any vacancy caused by the removal of a Director shall be filled as provided in Section 4.

Section 6. Place of Meetings. Meetings of the Board may be held at any place within or outside the State of California that has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the Corporation.

Section 7. Annual Meetings. The Board shall hold an annual meeting for the purpose of organization, selection of Directors and officers, and the transaction of other business. Annual meetings of the Board shall be held on such dates and at such times as may be fixed by the Board. Notice of these meetings shall be in accordance with Section 10.

Section 8. Other Regular Meetings. Other regular meetings of the Board shall be held on such dates and at such times as may be fixed by the Board. Notice of these meetings shall be in accordance with Section 10.

Section 9. Special Meetings. Special meetings of the Board for any purpose or purposes may be called at any time by the Chairman of the Board, the Chief Executive Officer, or any three (3) Directors acting together.

Section 10. Notice of Meetings / Waiver of Notice. Notice of any meeting of the Board shall be given to all Directors at least 4 days in advance if given by first-class mail or at least 48 hours in advance if given by notice delivered personally, by telephone, or by electronic transmission in compliance with Section 1 of Article VIII of these Bylaws, provided that such notice may be waived by any Director as set forth in this Section 10. Notice shall not be given by electronic transmission if the Corporation is unable to deliver two (2) consecutive notices to a Director by that means, or if the inability to deliver the notice becomes known to the Secretary or other person responsible for giving such notice.

The transactions of any meeting of the Board, however called and noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding of the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about lack of adequate notice.

Section 11. Quorum. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn as provided in the Bylaws. As used in these Bylaws a quorum is determined not by reference to the total authorized directors, but by reference to the total number of directors fixed by the resolution of the Board or the number of Directors then in office. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number is required by law or by these Bylaws, except as provided in the next sentence. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of

Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 12. Participation in Meetings by Video or Teleconference. Members of the Board may participate in a meeting through use of conference telephone, videoconference, or similar communications equipment, so long as all members participating in such meeting can hear one another.

Section 13. Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place is fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 14. Action without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action; provided, however, that the consent of any Director who has a material financial interest in a transaction to which the Corporation is a party and who is an "interested director" as defined in Section 5233 of the California Corporations Code shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as a unanimous vote of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 15. Rights of Inspection. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the Corporation of which such person is a Director.

Section 16. Fees and Compensation. The Board may authorize the advance or reimbursement of actual reasonable expenses incurred by a Director or member of a committee in carrying out his or her duties. The Board also may authorize the payment to a Director of reasonable compensation for services as a Director.

Section 17. CHDO Directors. Regardless of other mechanisms used in these Bylaws for the selection of Directors or the filling of Board vacancies, at all times at least one third of the Board shall be composed of persons who fit the following categories: (1) residents of low-income neighborhoods; (2) low-income community residents; or (3) elected representatives of low-income neighborhood organizations. No more than one third of the Board, at any given time, shall be public officials or employees of local governments that provide this Corporation with funding.

Section 18. Chairman of the Board. The Chairman of the Board shall be selected by a majority vote of the Directors following the appointment or election of Directors at each annual meeting. The Chairman of the Board shall preside at meetings of the Board of directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of directors or prescribed by the Bylaws.

Section 19. Emeritus Board Members. The Board may appoint one or more Emeritus Board Members by a majority vote of the Directors. Individuals may be appointed as Emeritus Board Members only if such individuals shall have previously served at any time as a member of the Board. There is no requirement that such an individual have served as a member of the Board for specific duration/term to qualify for appointment. Emeritus Board Members shall be appointed at each annual meeting and shall serve terms of one year which shall end at the next succeeding annual Board meeting. Emeritus Board Members may serve any number of consecutive terms. Vacancies in an Emeritus Board Member position need not be filled.

Emeritus Board Members shall not be deemed Directors. Emeritus Board Members may not exercise the authority of the Board to make decisions on behalf of the Corporation but shall be limited to making recommendations to the Board or the Board's authorized representatives. Emeritus Board Members may not vote at meetings of the Board nor shall they be considered for purposes of determining the quorum for any meeting. Emeritus Board Members may be invited to observe and provide recommendations and advice, as the Chairman of the Board may determine to be appropriate, at any meeting of the Board.

Section 20. Restriction on Interested Directors. Not more than 49 percent of the persons serving on the Board of Directors at any time may be interested persons. An interested person is: (a) any person compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise; (b) any shareholder, employee or officer of any corporation, or partner or employee of any partnership, which has rendered compensated services to the Corporation within the previous 12 months; and (c) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, mother-in-law, or father-in-law of any person described in (a) or (b) of these Bylaws. Any violation of the provisions of this paragraph shall not, however, affect the validity or enforceability of any transaction entered into by the Corporation.

ARTICLE V

COMMITTEES

Section 1. Committees of the Board. The Board may appoint one or more committees, each consisting of two (2) or more Directors and no persons who are not Directors, and delegate to such committees any of the authority of the Board except with respect to:

- (a) the taking of any final action on matters which, under the Nonprofit Corporation Law of California, also requires members' approval or approval of a majority of all the members;
- (b) the filling of vacancies on the Board or in any committee;
- (c) the fixing of compensation of the Directors for serving on the Board or on any committee;
- (d) the amendment or repeal of these Bylaws or adoption of new bylaws;

- (e) the amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (f) the appointment of any other committees of the Board or the members of committees; and
- (g) the approval of any self-dealing transaction, as such transactions are defined in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law.

The Board may appoint alternate members of any committee who may replace any absent member at any meeting of the committee. The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of Article IV applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee.

Section 2. Executive Committee. The Board may appoint two (2) or more Directors and the Chairman of the Board of the Corporation, to serve as the Executive Committee of the Board. The Chairman of the Board shall serve as chair of the Executive Committee. Notwithstanding the more general quorum provisions set forth herein, a quorum of any meeting of the Executive Committee of the Board shall require the presence of the Chairman of the Board or his designee. The Executive Committee, unless limited by a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the Corporation between meetings of the Board; provided, however, that the Executive Committee shall not have the authority of the Board in reference to those matters enumerated in in Section 1 of this Article.

Section 3. Advisory Committees. The Board may establish one or more Advisory Committees to the Board. The members of any Advisory Committee may consist of Directors or nondirectors. Advisory committees may not exercise the authority of the Board to make decisions on behalf of the Corporation but shall be limited to making recommendations to the Board or the Board's authorized representatives and to implementing Board decisions and policies. Advisory Committees shall be subject to the supervision and control of the Board.

Section 4. Audit Committee. At all times that this Corporation is required by applicable law to have an independent audit, or at any time the Corporation voluntarily chooses to do so, the Corporation shall have an Audit Committee consisting of at least two (2) Directors and which may include nonvoting advisors. Directors who are employees of the Corporation or who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation (other than for service as Director) may not serve on the Audit Committee. The Audit Committee shall perform the duties and adhere to the guidelines set forth from time to time by the Board. These duties include, but are not limited to: (1) assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary; (2) negotiating the auditor's compensation;

(3) conferring with the auditor regarding the Corporation's financial affairs; and (4) reviewing and accepting or rejecting the audit. Members of the Audit Committee shall not receive compensation for their service on the Audit Committee in excess of that provided to Directors for their service on the Board. If the Corporation has a Finance Committee, a majority of the members of the Audit Committee may not concurrently serve as members of the Finance Committee, and the Chair of the Audit Committee may not serve on the Finance Committee.

Section 5. Meeting and Action of Committees. The Board may adopt rules or charters for any committee not inconsistent with the provisions of these Bylaws.

ARTICLE VI

OFFICERS

Section 1. Officers. The officers of the Corporation shall be the President and Chief Executive Officer, the Executive Vice President, the Chief Financial Officer, the Secretary, the General Counsel, and such other officers as the Board may designate by resolution and appoint. Officers need not be Directors. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as the Chairman of the Board.

Section 2. Election. The officers of the Corporation, except those appointed in accordance with the provisions of Section 3 or Section 5 of this Article VI, shall be chosen annually by the Board, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

Section 3. Subordinate Officers. The Board may appoint, and may authorize the President and Chief Executive Officer or another officer to appoint, any other officers that the business of the Corporation may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or determined from time to time by the Board.

Section 4. Removal and Resignation. Any officer may be removed, with or without cause, by the Board of directors at any time or, except in case of an officer chosen by the Board, by an officer on whom such power of removal may be conferred by the Board. Any such removal shall be without prejudice to the rights, if any, of the officer under any contract of employment of the officer.

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these Bylaws for regular election or appointment to that office, provided that such vacancies shall be filled as

they occur and not on an annual basis.

Section 6. President and Chief Executive Officer. The President and Chief Executive Officer shall be the chief executive officer of the Corporation. He or she shall have such other powers and duties as may be prescribed by the Board or these Bylaws. The President and Chief Executive Officer shall be responsible to the Board, shall see that the Board is advised on all significant matters of the Corporation's business, and shall see that all orders and resolutions of the Board are carried into effect. The President and Chief Executive Officer shall be empowered to act, speak for, or otherwise represent the Corporation between meetings of the Board within the boundaries of policies and purposes established by the Board and as set forth in the Articles of Incorporation and these Bylaws. The President and Chief Executive Officer shall be responsible for keeping the Board informed at all times of staff performance as related to program objectives, and for implementing any personnel policies adopted by the Board.

Section 7. Executive Vice President. The Executive Vice President of the Corporation shall be responsible for managing the general operations and business of the Corporation under the supervision of the President and Chief Executive Officer and the Chairman of the Board.

Section 8. Secretary. The Secretary shall attend to the following:

- (a) Book of Minutes. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board may direct, a book of minutes of all meetings and actions of Directors, and committees of Directors, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, and the proceedings of such meetings.
- (b) Notices, Seal and Other Duties. The Secretary shall give, or cause to be given, notice of all meetings of the Board required by the Bylaws to be given. The Secretary shall keep the seal of the Corporation in safe custody. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

Section 9. Chief Financial Officer. The Chief Financial Officer shall attend to the following:

- (a) Books of Account. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.
- (b) Deposit and Disbursement of Money and Valuables. The Chief Financial Officer shall deposit all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board; shall disburse the funds of the Corporation as may be ordered by the Board; shall render to the Chief Executive Officer and the Directors, whenever they request it, an account of all

transactions as Chief Financial Officer and of the financial condition of the Corporation; and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

Section 10. General Counsel. The General Counsel shall be the chief legal officer of the Corporation.

ARTICLE VII

RECORDS AND REPORTS

Section 1. Corporate Records. The Corporation shall keep:

- (a) Adequate and correct books and records of accounts;
- (b) Written minutes of the proceedings of its Board and committees of the Board; and
- (c) The original or a copy of the Articles of Incorporation and Bylaws, as amended, to date.

Section 2. Annual Report.

- (a) Financial statements shall be prepared as soon as reasonably practicable after the close of the fiscal year. The financial statements shall contain in appropriate detail the following:
 - (1) The assets and liabilities, including trust funds, of this Corporation as of the end of the fiscal year;
 - (2) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
 - (3) The revenue or receipts of this Corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
 - (4) The expenses or disbursements of this Corporation, for both general and restricted purposes during the fiscal year;
 - (5) Any transaction during the previous fiscal year involving more than Fifty Thousand Dollars (\$50,000.00) in which the Corporation (or its parent or subsidiaries, if any) was a party and in which any Director or officer of the Corporation has a direct or indirect financial interest, or any of a number of such transactions in which the same person had a direct or indirect financial interest and which transactions in the aggregate involved more than Fifty Thousand Dollars (\$50,000.00); and
 - (6) The amount and circumstances of any indemnification or advances aggregating more than Ten Thousand Dollars (\$10,000.00) paid during the

fiscal year to any Director or officer of the Corporation.

- (b) Such financial statements shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.
- (c) The report shall be accompanied by any report of independent accountants or, if there is no such report, by the certificate of an authorized officer of this Corporation that such statements were prepared without an audit from the books and records of this Corporation. Such report may be furnished to the Directors by electronic transmission.

Section 3. Financial Audit. The Corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of Two Million Dollars (\$2,000,000.00) or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Any audited financial statements obtained by the Corporation, whether or not required by law, shall be made available for inspection by the Attorney General and by the general public within nine (9) months after the close of the fiscal year to which the statements relate. For three (3) years, such statements (a) shall be available at the Corporation's principal office during regular business hours and (b) shall be made available either by mailing a copy to any person who so requests in person or in writing, or by posting them on the Corporation's website.

ARTICLE VIII

OTHER PROVISIONS

Section 1. Electronic Transmission. Subject to any guidelines and procedures that the Board may adopt from time to time, the terms "written" and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means and may include electronic transmissions, such as facsimile or e-mail.

Section 2. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws.

Section 3. Amendments. These Bylaws may be amended or repealed by the vote of a majority of the Board.

Section 4. Fiscal Year. The fiscal year of this Corporation shall end on December 31.

Section 5. Corporate Seal. This Corporation shall have a seal which shall be specified by resolution of the Board of directors. The seal shall be affixed to all corporate instruments, but failure to affix it shall not affect the validity of the instrument.

ARTICLE IX

INDEMNIFICATION

Section 1. Right of Indemnity. To the fullest extent permitted by law, this Corporation shall indemnify its directors, officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. “Expenses.” as used in this Section 1, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

Section 2. Approval of Indemnity. On written request to the Board by any person seeking indemnification hereunder, the Board shall promptly determine under Section 5238 of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238 has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the Corporation, shall determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the court shall authorize indemnification.

Section 3. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Sections 1 and 2 of this Article IX in defending any proceeding covered by those sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 4. Insurance. This Corporation shall have the power and shall use its best efforts to purchase and maintain insurance on behalf of any Director, officer, or agent of the Corporation, against any liability asserted against or incurred by the Director, officer, or agent in any such capacity or arising out of the Director’s, officer’s, or agent’s status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under Section 1 of this Article IX; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any Director, officer, or agent of the Corporation for any self-dealing transaction, as described in Section 5233 of the California Corporations Code.

ARTICLE X

RESTRICTED ACTIVITIES

Section 1. This Corporation has been formed under the California Nonprofit Public Benefit Corporation Law as a charitable and public organization, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office or for or against any cause or measure being submitted to the people for a vote.

The Corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described above.

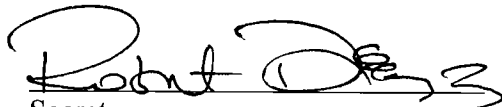
Section 2. Contracts with Directors and Officers.

- (a) No Director or officer of this Corporation, nor any other corporation, firm, association, or other entity in which one or more of this Corporation's Directors or officers are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with this Corporation, unless: (1) the material facts regarding such Director's or officer's financial interest in such contract or transaction and/or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes, or are known to all members of the Board prior to consideration by the Board of such contract or transaction; (2) such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the vote or votes of such interested Director(s); (3) prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation under the circumstances that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (4) this Corporation enters into the transaction for its own benefit, and the transaction is fair and reasonable to this Corporation at the time the transaction is entered into.
- (b) The provisions of this Section do not apply to a transaction which is part of an educational or charitable program of the Corporation if it: (1) is approved or authorized by the Corporation in good faith and without unjustified favoritism; and (2) results in a benefit to one or more Directors or officers or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this Corporation.

Section 3. Loans to Directors and Officers. The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or officer, unless approved by the Attorney General of the State of California; provided, however, that the Corporation may advance money to a Director or officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such Director or officer, provided that in the absence of such advance such Director or officer would be entitled to be reimbursed for such expenses by the Corporation.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the presently elected and acting Secretary of NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, a California nonprofit corporation, and the above Bylaws, consisting of 13 pages, are the Amended and Restated Bylaws of this Corporation as adopted at a meeting of the Board of directors held on the 9th of April, 2018.


Secretary

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:

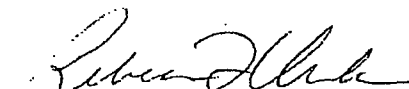
"I

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

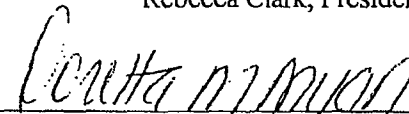
3. The foregoing amendment of the Articles of Incorporation has been duly approved by the Board of Directors.
4. The Corporation has no members.

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
10.7911

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

MAR 23 1992

MARCH FONG EL, 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.

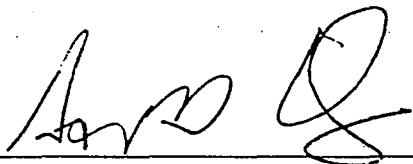
C. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of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

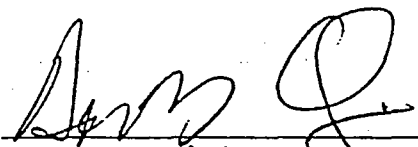
B. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes 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

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

Department of the Treasury

Date: JUN 13 2007

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

Person to Contact:
Gregory Renier
ID #31-07231
Toll Free Telephone Number:
877-829-5500
Employer Identification Number:
33-0521215

Dear Sir or Madam:

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

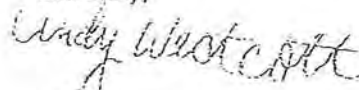
Our records indicate that a determination letter was issued in October 1996 that recognized you as exempt from Federal income tax, and reflect that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

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

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

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

Sincerely,



Cindy Westcott
Manager, Exempt Organizations
Determinations

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.

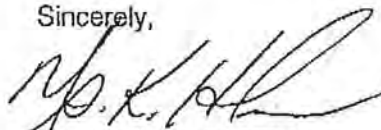
Our records indicate that a determination letter issued in October 1996 granted this organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

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

Internal Revenue Service

Date: April 22, 2004

Adam Kobus
400 Sansome St
San Francisco, CA 94111

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

Person to Contact
Ms. K. Hixson 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.

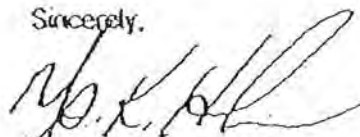
Our records indicate that a determination letter issued in October 1996 granted this organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

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. Hixson 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

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.

Southern California Housing
Development Corporation

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

Sincerely yours,

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

Garland A. Carter
Chief, Exempt Organizations
Technical Branch 5

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

DEPARTMENT OF THE TREASURY

Date: OCT 08 1995

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

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

Dear Applicant:

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

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

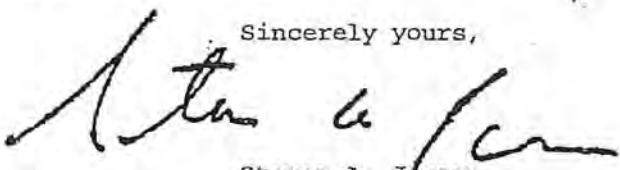
Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the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

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

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

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

Sincerely yours,



Steven A. Jensen
District Director

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

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

Person to Contact: J. O'Malley

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

Refer Reply to: E:EO:R:1

Date: SEP 30 1992

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

Dear Applicant:

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

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

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

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

The Southern California Housing
Development Corporation

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

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

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

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

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

The Southern California Housing
Development Corporation

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

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

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

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

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

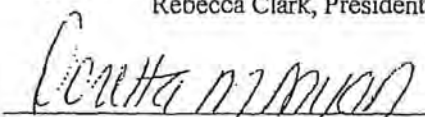
The name of this corporation is: NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA."

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 FONGUE, 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.

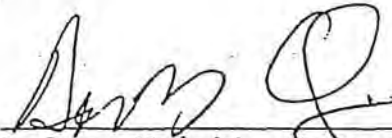
Dated:

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

Please provide the requested contact information for all Board Members. Check one designation next to each Board Member. If a person qualifies as both low-income and a public official they must be designated as a public official.

Please list only current or approved Board members. Do not list prospective Board members who have not been approved to join the Board. Use as many pages as necessary to include all Board members.

[illegible]

[illegible]

Executive Leadership Team



Leadership



Michael M. Ruane

PRESIDENT

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



Robert Diaz

EXECUTIVE VICE PRESIDENT & GENERAL COUNSEL

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

Robert joined National CORE in 2017 as its General Counsel and previously served as Chief Administrative Officer before assuming his current responsibilities. Prior to joining National CORE, Robert served in various capacities as an attorney in the areas of debt finance, corporate governance, banking regulations, mergers and acquisitions and general corporate law. Robert has also focused on the development and implementation of corporate controls and structure and has significant experience in large-scale regulatory remediation efforts in the financial industry.

Robert graduated from the University of Chicago Law School and received his B.S. degree in Business Administration from Chapman University. He was commissioned as an officer in the United States Army Reserve and served as a member of the Army's JAG Corps for 15 years.



Doretta "Dorrie" Bryan

SENIOR VICE PRESIDENT OF OPERATIONS

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



Leadership



Alyssa Cotter

VICE PRESIDENT, HOPE THROUGH HOUSING FOUNDATION

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

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



Michael Finn

CHIEF FINANCIAL OFFICER

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

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



Lesley Hampton

SENIOR VICE PRESIDENT OF DEVELOPMENT

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



Leadership



Chris Killian

SENIOR VICE PRESIDENT OF CONSTRUCTION

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



Barry Oglesby

VICE PRESIDENT OF FINANCE AND ACQUISITIONS

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

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



Leadership



Courtney Richard

SENIOR VICE PRESIDENT OF PROPERTY MANAGEMENT

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

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

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



Jill Van Balen

SENIOR VICE PRESIDENT OF MARKETING AND COMMUNICATIONS

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

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



Leadership



Alexa Washburn

CHIEF DEVELOPMENT OFFICER

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

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



Marissiko Wheaton-Greer, Ph.D.

DIRECTOR OF DIVERSITY, EQUITY AND INCLUSION

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

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

Ashley Wright

SENIOR VICE PRESIDENT OF DEVELOPMENT

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





Leadership

DEVELOPMENT LEADERSHIP TEAM



Tony Mize

VICE PRESIDENT OF ACQUISITIONS, TEXAS

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



John Seymour

VICE PRESIDENT OF ACQUISITIONS AND FORWARD PLANNING, SAN DIEGO

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



Ariana Brendle

VICE PRESIDENT OF ACQUISITIONS, FLORIDA

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



Leadership



Oscar Paul

DEVELOPMENT MANAGER, FLORIDA

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



Michael de la Torre

SENIOR VICE PRESIDENT, LOS ANGELES REGION

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

PUBLIC AFFAIRS



Lorraine Kindred

VICE PRESIDENT, PUBLIC AFFAIRS

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

Projects List

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
PROJECTS LISTING

	Project Name	Address	City	State	Total Cost	Equity	Source of Equity	Financed	Source of Financing	Housing Units	Commercial SF	Parking Spaces	Affordable Units	Other (SF/Unit)	Other-Specify Use
	Nestor Senior Village	1120 Nestor Way	San Diego	CA	\$ 33,045,385	\$ 15,874,393	9% LIHTC - Hudson Housing Capital	\$ 17,170,992	LIHTC 9% SD County NPLH, San Diego Housing Commission, FHLBSF AHP City Impact Fee Waiver, Deferred Fee.	74	0	83	73		30% AMI and below
	Valley Senior Village	337 E Valley Parkway	Escondido	CA	\$ 24,471,587	\$ 9,824,905	9% LIHTC - Hudson Housing Capital	\$ 14,646,682	LIHTC 9% FHLBSF AHP SD County NPLH IHTE, City Loan, SD County COSR	50	0	16	49		30%,50%,60%
2	Legacy Square	301 E. Santa Ana Blvd.	Los Angeles	CA	\$50,146,509	\$22,525,691	4% LIHTC-Bank of America	\$27,620,818	LIHTC 4% Tax-exempt Perm Loan-CCRC State of CA HCD AHSC CalHFA SNHP State of CA HCD NPLH	93	6,300	89	93		30%,50%,60%
3	456 West (San Pedro)	456-458 W. 9th Street	Pomona	CA	\$50,410,632	\$23,747,625	9% LIHTC - Raymond James	\$26,663,007	LIHTC 9% HCIDLA HOME	91	4,757	111	90		30%,50%,60%,80%
4	Veterans Park	424-446 West Commercial Street	Inglewood	CA	\$35,239,269	\$18,032,380	9% LIHTC - Hudson Housing Capital	\$17,206,890	LIHTC 9% Perm Loan-Union Bank State of CA HCD VHHP LACDA	61	0	109	60		30%,50%,60%
5	Fairview Heights	940-960 E. Redondo Blvd.	Rancho Cucamonga	CA	\$50,794,769	\$27,614,497	9% LIHTC - Bank of America	\$23,180,272	LIHTC 9% Perm Loan-Bank of America LACDA	101	5,748	111	100		30%,50%,80%
6	Day Creek Villas	12250 Firehouse Court	San Bernardino	CA	\$47,224,075	\$25,515,197	Hybrid 9%/4% LIHTC-Hudson Housing Capital	\$21,708,878	LIHTC 9%/4% Perm Loan-Chase Bank Perm tax-exempt Loan-Chase Bank City of Rancho Cucamonga FHLB AHP	140	0	119	138		30%,45%,50%,60%

7	Crestview Terrace	610 East Olive Street	Ontario	CA	\$79,694,194	\$24,875,254	4% LIHTC-Bank of America	\$54,818,940	LIHTC 4% Tax-exempt Perm Loan-Chase Bank State of CA HCD AHSC City of San Bernardino San Bernardino County Housing Authority Dignity Health Loan	184	0	119	182		30%,50%,60%,Market
8	Vista Verde	110 North Virginia Ave.	San Diego	CA	\$36,787,464	\$13,684,597	4% LIHTC-Hudson Housing Capital	\$23,102,867	LIHTC 4% Tax-exempt Perm Loan-Bank of the West City of Ontario Loan State of CA HCD TCC	101	0	186	100		30%,50%,60%
9	San Ysidro Senior Village	517 W. San Ysidro Blvd	San Diego	CA	\$17,560,130	\$10,314,635	9% LIHTC-Wells Fargo	\$7,245,495	San Diego Housing Commission, City of San Diego, 9% LIHTC, FHLB-SF AHP Funds, Permanent Loan	51	0	16	50		30-60%
10	Encanto Village	6315 Imperial Ave	Glendale	CA	\$24,643,028	\$12,212,452	9% LIHTC-Hudson Housing Capital	\$12,430,576	San Diego Housing Commission, City of San Diego, U.S. Department of Housing and Urban Development, 9% LIHTC, Bank of America/Permanent Loan	66	3,967	47	65		30-60%
11	Vista Grande Court	1116 Sonora Ave	San Diego	CA	\$26,557,644	\$13,982,442	9% LIHTC-Raymond James	\$12,575,202	City of Glendale, Capital One, NA, Century Housing, 9% LIHTC, Raymond James Tax Credit Funds, FHLB of San Francisco AHP Funds (City National Bank)	66	0	48	65		30-60%
12	Vista del Puente	1436 South 40th Street	Yorba Linda	CA	\$21,360,300	\$9,872,713	9% LIHTC-Hudson Housing Capital	\$11,487,587	9% LIHTC San Diego Housing Commission State of CA HCD VHHP FHLB AHP Perm Loan - CCRC Home Depot Foundation	52	0	39	51		30%,40%,50%

13	Oakcrest Heights	22733 Oakcrest Circle	Oceanside	CA	\$26,546,337	\$14,686,886	9% LIHTC-Raymond James	\$11,859,451	Citibank Permanent Loan Raymond James LIHTC Equity – 9% City of Yorba Linda FHLB AHP CHFA - MHSA Orange County Housing Authority County of Orange	54	0	113	53		30-60%
	Mission Cove II	3251 Anchor Way	San Bernardino	CA	\$25,517,727	\$13,384,575	9% LIHTC-Hudson Housing Capital	\$12,133,152	City of Oceanside Bank of America Permanent Loan Hudson Housing Capital LIHTC Equity FHLB AHP	60	0	75	59		30-60%
	Olive Meadow	610 East Olive Street	Oceanside	CA	\$24,905,145	\$13,876,145	9% LIHTC-Wells Fargo	\$11,029,000	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	62	0	119	61		30-60%
	Mission Cove I	3247 Anchor Way	Santa Clarita	CA	\$45,923,986	\$27,572,778	9% LIHTC-Wells Fargo	\$18,351,208	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	90	10,500	254	89		30-60%
	Three Oaks	23610 Newhall Avenue	San Bernardino	CA	\$16,600,463	\$3,919,416	9% LIHTC-Wells Fargo	\$12,681,047	LIHTC - 9% City RDA/Bond & CDBG Funds Wells Fargo Const & Perm Loan	30	0	32	29		30-60%

	Valencia Vista	950 N. Valencia Avenue	Yorba Linda	CA	\$27,452,147	\$12,424,223	9% LIHTC-Wells Fargo	\$15,027,924	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	76	0	125	75		30-60%
	Oakcrest Terrace	22744 East Park Drive	Pasadena	CA	\$26,546,337	\$14,686,886	9% LIHTC-Raymond James	\$11,859,451	Citibank Permanent Loan Raymond James LIHTC Equity – 9% City of Yorba Linda FHLB AHP CHFA - MHSA Orange County Housing Authority County of Orange	69	0	134	68		30-60%
	Marv's Place	131-135 N. Mar Vista Avenue	San Clemente	CA	\$12,369,599	\$5,985,544	9% LIHTC-Raymond James	\$6,384,055	LIHTC - 9% City of Pasadena Housing Funds & PBVs County of Los Angeles Industry & First 5 Funds	20	0	20	19		30-60%
	Las Palmas Village	107-115 Avenida Serra	Montclair	CA	\$7,929,095	\$3,001,480	4% LIHTC-Raymond James	\$4,927,615	LIHTC - 4% City of San Clemente Inclusionary Funds HCD IIG Tax-exempt Bonds (Citibank) Citibank Subordinate Loan	19	0	23	18		30-60%
	San Emi	4115 Kingsley Street	San Marcos	CA	\$6,735,909	\$3,032,098	9% LIHTC-Raymond James	\$3,703,811	LIHTC - 9% HUD 811 City of Montclair AHP	18	0	14	17		30-60%
	Westlake Village II	405 Autumn Drive	Yucca Valley	CA	\$14,260,343	\$9,572,570	9% LIHTC-Boston Capital	\$4,687,773	LIHTC - 9% City of San Marcos RDA Loan Permanent Loan	57	0	55	56		30-60%

	Dumosa Senior Village	57110 Twentynine Palms Hig	Downey	CA	\$17,214,174	\$10,325,000	9% LIHTC-R4 Capital	\$6,889,174	LIHTC - 9% Town of Yucca Valley Funds County of San Bernardino HOME USDA Section 538 Permanent Loan AHP	75	0	50	74		30-60%
	Downey View	8314 2nd Street	San Marcos	CA	\$19,524,225	\$9,198,077	9% LIHTC- Hudson Housing Capital	\$10,326,148	LIHTC - 9% City of Downey HOME/Set-Asides Los Angeles County Industry Funds Permanent Bank Loan with JP Morgan Chase	50	0	98	49		30-60%
	Westlake Village I	405 Autumn Drive	Indio	CA	\$25,131,662	\$9,739,756	9% LIHTC- Boston Capital	\$15,391,906	LIHTC - 9% City of San Marcos RDA Loan FHLB AHP Permanent Loan	49	6,140	128	48		30-60%
	Desert Meadows	44071 Clinton Street	Los Angeles	CA	\$23,947,533	\$9,033,842	4% LIHTC- Union Bank	\$14,913,691	LIHTC - 4% County of Riverside RDA Funds FHLB AHP State of CA HCD MHP Funds Perm Loan - Union Bank	80	0	172	79		25%,35%,40%
	Alta Vista	5051 E. 3rd Street	Los Angeles	CA	\$25,635,859	\$13,510,983	9% LIHTC- Hudson Housing Capital	\$12,124,876	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	60	0	114	59		30-60%
Totals					\$ 844,175,527	\$ 402,027,040		\$ 442,148,488		1,999	37,412	2,619	1,969	-	

General Contractor Contracts List

Completed in 2024																		
Project Name	City	Units	Population	PSH Units	Wages	Start DDs	Start Date	End Date	Months	Estimate Date	Notes	Hard Cost	GC Fee (Core)	General Conditions	Insurance & Bonds	Total	Per Unit	
Metrolink South	Rialto	55	Family	0	Standard	ASAP	04/01/22	01/05/24	21	03/14/22	C of O received 1/12/24	14,465,308.30	1,012,571.58	1,012,571.58	115,000.00	16,605,451.46	301,917.30	
Vista de La Sierra	Riverside	80	Family	39	Fed / Standard	04/05/21	03/15/22	01/09/24	22	02/02/22	TCO received 1/9/24. C of O by 1/19/24. Permit cards signed off 1/24/24, C of O in hand 1/26/24, less community room, plan check revision still pending.	25,719,701.63	2,161,258.00	1,439,500.00	282,113.00	29,602,572.63	370,032.16	
Santa Angelina	Placentia	65	Senior	21	Residential PW	10/01/21	06/08/22	04/12/24	23	03/22/22	4/17/24 - Received C of O	17,763,046.70	1,243,413.27	1,243,413.27	444,076.17	20,693,949.41	318,368.45	
Santa Angelina - Church	Placentia	0	Church	0	Standard	10/01/21	06/08/22	10/24/23	17	03/22/22	10/24/23 - Received final for new Parish Hall building, church is moving in.	2,206,159.81	154,431.19	154,431.19	55,154.00	2,570,176.18	-	
3rd and Dangler	East LA	78	Family	39	Fed		05/17/21	05/31/24	37	03/22/21	TCO Received 5/16/24	26,590,860.00	2,127,268.80	1,595,451.60	664,772.00	30,978,352.40	397,158.36	
		278										86,745,076.44	6,698,942.84	5,445,367.64	1,561,115.16	100,450,502.0		
Currently Under Construction																		
Project Name	City	Units	Population	PSH Units	Wages	Start DDs	Start Date	End Date	Months	Last Estimate	Notes	Hard Cost	GC Fee (Core)	General Conditions	Insurance & Bonds	Total	Per Unit	
Greenbrier	Oceanside	60	PSH	50	Residential PW	01/06/22	12/01/22	06/28/24	19	08/09/22	Closed escrow and received NTP 12/12/22. 2/20/24 - Elevator and switchgear both onsite and being installed. Projected TCO by June 2024.	14,091,876.68	986,431.37	986,431.37	352,296.92	16,417,036.33	273,617.27	
Midway (Miraflores)	Anaheim	86	Family	8	Standard	07/12/21	04/15/22	08/30/24	25	02/16/22	Working through Zeyn Street issues with city/Encore. Site work in progress.	23,815,490.60	2,143,394.15	1,190,774.53	297,693.63	27,447,352.92	319,155.27	
Prisma Lofts Utility Relocation	Pomona	0		0	State IIG	06/23/22	12/01/23	09/01/24	9	07/20/23	1/5/24-Work is shut down till further notice, existing sewer is 8" not 15", need to re-design and resubmit plans	1,240,919.79	86,864.39	86,864.39	43,432.19	1,458,080.75	-	
Las Coronas	Corona	232	Family	0	State & Fed		04/17/23	09/30/24	18	CapX	1st Phase started around April 19th. 3/19/24 - Per Armstrong, completion date projected for September 2024.	20,000,000.00	1,400,000.00	1,400,000.00	450,000.00	23,250,000.00	100,215.52	
Orchard View	Buena Park	66	Senior	8	Standard	09/30/21	06/30/23	10/30/24	16	02/25/23	2/25/23 Schedule increase from 14 to 16 months due to switchgear lead times. 6/28/23 - NTP received. 7/18/23 discovered water well. 9/18/23 received approved site wall plans, still working through agreement with Korean Church.	16,252,727.30	1,218,954.55	1,056,427.27	436,504.00	18,964,613.12	287,342.62	
Vista Santa Fe	Vista	54	Senior	30	State & Fed	03/01/22	04/11/23	10/31/24	19	01/20/23	NTP received 4/7/23. Switchgear and Elevator on site. Project on schedule.	13,946,843.51	1,115,747.48	836,810.61	348,671.09	16,248,072.69	300,890.23	
Oak View Ranch - Family	Murrieta	119	Family	8	Standard	01/21/22	06/01/23	06/27/25	21	05/02/23	Received approved building plans 10/3/23. 3/12/24- hoping to start framing and paving in May 2024. Switchgear being delivered March 2025.	36,085,083.28	2,886,806.66	2,165,105.00	644,259.39	41,781,254.33	351,102.98	
The Iris	San Ysidro	100	Family	15	State & Fed	08/19/20	11/01/23	09/01/25	20	08/04/23	NTP received 11/14/23. 5/7/24 Utilities FINALLY disconnected in street, Demo permit in hand.	32,894,256.73	2,467,069.25	2,138,126.69	657,885.13	38,157,337.81	381,573.38	
HB Oasis Conversion	Huntington Beach	64	PSH	64	State & Fed	04/03/23	06/03/24	12/03/25	18	04/25/24	3/28/23 - Need to contract all design consultants and do a DD kick off meeting. 2nd round 9% application. Start of construction March 2024. NTP executed 5/16/24.	12,945,884.52	1,035,670.76	776,753.07	161,823.56	14,920,131.91	233,127.06	
515 Pioneer	Glendale	340	Senior/Family	12 DD	Standard	07/26/21	12/13/22	12/13/25	36	10/10/22	Need gas disconnected so we can demo, Ian working with Fortney to help push. 3/12/24 - still needing retaining wall permit.	89,347,998.15	5,807,619.88	6,701,099.86	1,005,164.98	102,861,882.8	302,534.95	
		1121									Total:	260,621,080.56	19,148,558.49	17,338,392.78	4,397,730.89	301,505,762.7	268,961.43	
Starting in 2024																		
Project Name	City	Units	Population	PSH Units	Wages	Start DDs	Start Date	End Date	Months	Last Estimate	Notes	Hard Cost	GC Fee (Core)	General Conditions	Insurance & Bonds	Total	Per Unit	
Villa Serena Phase II	San Marcos	63	Family	5	Fed	04/03/23	06/03/24	04/03/26	22	05/01/24	9/21/23 - Per Ashley, continue with plan check. 12/7/23 - Project has been awarded!	31,045,490.24	2,173,184.32	2,173,184.32	388,068.63	35,779,927.50	567,935.36	
8th street	Beaumont	48	Family PSH???	47	Fed	02/01/23	06/24/24	12/24/25	18	04/17/24	8/29/23 Could be funded off waitlist and need to start May of 2024. 9/12/23 Submit plan check ASAP. 3/19/24 - Per MDLT, start date pushed back to 6/10/24	17,284,732.00	1,037,083.92	1,382,778.56	432,118.30	20,136,712.78	419,514.85	
Palm Ave. MTS Phase 0	San Diego	0	Family		PLA		08/01/24	08/01/26	24	09/30/23	Need to verify if funding will be ready to close for August Const Start Dates	14,104,665.62	987,326.59	987,326.59	493,663.30	16,572,982.10	#DIVIDE BY ZERO	
Villa Plumosa (Rehab)	Yorba Linda	76	Family - Rehab		Standard		08/15/24	08/15/25	12	04/18/24	3/26/24 - Re-start design team.	6,747,536.73	404,852.20	539,802.94	84,344.21	7,776,536.08	102,322.84	
327 Harbor - Phase 0 OSP	San Pedro	47	Family		Residential PW	09/15/23	09/02/24	11/02/26	26	02/14/24	Likely that the start date will push to the right, requesting a 90 day extension. Project could start as late as October.	22,929,036.96	1,605,032.59	1,605,032.59	515,903.33	26,655,005.47	567,127.78	
Citrus Grove	Rialto	152	Family - Rehab		Standard		09/09/24	05/09/26	20	09/07/23	On HOLD until we hear back regarding valuation	11,352,789.00	681,167.34	908,223.12	141,909.86	13,084,089.32	86,079.54	
		386									Total:	103,464,250.55	6,888,646.96	7,596,348.12	2,056,007.63	120,005,253.2	310,894.44	

Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/4/2023

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

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

PRODUCER IMA, Inc. - Colorado Division 1705 17th Street, Suite 100 Denver CO 80202	CONTACT NAME: IMA Denver Team PHONE (A/C, No, Ext): 303-534-4567 E-MAIL ADDRESS: DenAccountTechs@imacorp.com FAX (A/C, No):
INSURED National Community Renaissance of California 9421 Haven Avenue Rancho Cucamonga CA 91730	INSURER(S) AFFORDING COVERAGE INSURER A: James River Insurance Company INSURER B: *Lexington Insurance Co INSURER C: The Travelers Indemnity Company of America INSURER D: Great American Assurance Company INSURER E: INSURER F:

COVERAGES**CERTIFICATE NUMBER:** 1064338404**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
B	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> \$0 Deductible GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:	Y	Y	3406407823	1/1/2023	1/1/2024	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 \$
B	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y	Y	3406407823	1/1/2023	1/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<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	Y	Y	00087615-4	1/1/2023	1/1/2024	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$
C	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	Y	UB001L80733823 (CA) UB001L81541823 (AOS)	1/1/2023 1/1/2023	1/1/2024 1/1/2024	<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
D	Excess Second Layer Liability	Y	Y	EXC4455262	1/1/2023	1/1/2024	Each Occurrence \$15,000,000 Aggregate \$15,000,000

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

Certificate Holder(s) is included as Additional Insured(s) on the General, Automobile, and Excess Liability policies if required by written contract or agreement subject to the policy terms and conditions. A Waiver of Subrogation is provided in favor of Additional Insured(s) on the General, Automobile, and Excess Liability policies if required by written contract or agreement subject to the policy terms and conditions. This Insurance is Primary and Non-Contributory on the General, Automobile, and Excess Liability policies if required by written contract or agreement and subject to the policy terms and conditions.

As applicable to General Liability & Excess Liability, subject to the policy terms and conditions, there is no exclusion for Abuse & Molestation or Assault & Battery.

See Attached...

CERTIFICATE HOLDER**CANCELLATION**

Info 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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Financials

National Community Renaissance of California

Consolidating Financial Statements

September 30, 2023

Unaudited

National Community Renaissance of California

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

September 30, 2023

Unaudited

Assets

	National Community Renaissance of California	Housing Affiliates	Eliminations	Total
Assets				
Cash and cash equivalents	\$ 28,344,788	\$ 21,517,298	\$ -	\$ 49,862,086
Reserve for security deposits held in trust	2,282,002	2,987,303	-	5,269,305
Restricted cash	41,501,711	27,904,111	-	69,405,822
Investments in available-for-sale securities	43,405,490	-	-	43,405,490
Accounts receivable, net	10,613,085	4,032,910	(8,799,770)	5,846,224
Prepaid expenses	2,829,263	236,021	-	3,065,283
Advance due from affiliate, net	26,886,540	-	(22,908,700)	3,977,840
Notes and interest receivable	114,351,944	498,948	(85,772,626)	29,078,266
Project development costs receivable	953,550	10	-	953,560
Developer fee receivable	17,138,649	-	(15,786,794)	1,351,856
Equity investments in partnerships	30,391,381	45,426	(7,544,083)	22,892,723
Lease right-of-use assets	1,470,612	51,972,780	-	53,443,392
Property, equipment and improvements, net	344,554,518	1,196,976,364	(66,003,914)	1,475,526,967
Deferred costs, net	31,907	1,869,105	-	1,901,012
Total assets	\$ 664,755,439	\$ 1,308,040,274	\$ (206,815,888)	\$ 1,765,979,825

Liabilities and Net Assets

Liabilities				
Accounts payable	\$ 9,266,006	\$ 30,276,983	\$ -	\$ 39,542,990
Security deposits payable	2,171,231	2,970,504	-	5,141,735
Accrued expenses	2,334,324	981,786	(16,423)	3,299,687
Deferred revenue	8,130,734	184,315	(3,976,592)	4,338,456
Lease right-of-use liability	-	7,549,046	-	7,549,046
Accrued Interest	63,459,448	85,719,429	(13,705,456)	135,473,420
Mortgages and notes payable, net	404,365,827	895,990,204	(90,728,510)	1,209,627,521
Due to affiliates	9,131,657	15,323,077	(13,872,669)	10,582,065
Developer fee payable	1,731,354	7,045,212	(8,415,399)	361,167
Total liabilities	500,590,581	1,046,040,556	(130,715,050)	1,415,916,088
Net assets				
Without donor restriction, controlling	\$ 117,872,266	\$ 19,404,031	\$ (99,519,161)	\$ 37,757,136
Without donor restriction, non-controlling	-	242,595,687	23,418,323	266,014,010
Total net assets without donor restrictions	117,872,266	261,999,718	(76,100,838)	303,771,146
Net assets with donor restrictions	46,292,592	-	-	46,292,592
Total net assets	164,164,858	261,999,718	(76,100,838)	350,063,738
Total liabilities and net assets	\$ 664,755,439	\$ 1,308,040,274	\$ (206,815,888)	\$ 1,765,979,825

National Community Renaissance of California

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

For the Period Ending September 30, 2023

Unaudited

Unrestricted Net Assets

	National Community Renaissance of California	Housing Affiliates	Temporarily Restricted Net Assets	Eliminations	Total
Revenues and gains					
Rental income	\$ 33,858,190	\$ 41,600,274	\$ -	\$ -	\$ 75,458,464
Other rental income	1,141,068	745,676	-	-	1,886,745
Social Service fees	1,997,585	-	-	(1,739,522)	258,063
Consulting, development and partnership fees	26,195,763	333,222	-	(21,252,678)	5,276,307
Management fees rev	5,277,580	-	-	(4,543,122)	734,458
Grants, including release of temporarily restricted net assets	2,406,717	51,639	179,284	-	2,637,640
Interest Income	5,534,932	384,850	-	(2,023,648)	3,896,134
Other revenue	2,248,605	7,805	-	(421,762)	1,834,649
	<u>78,660,441</u>	<u>43,123,466</u>	<u>179,284</u>	<u>(29,980,731)</u>	<u>91,982,459</u>
Expenses					
Program services	41,283,631	60,022,386	-	(85,563)	101,220,454
Management and general	28,764,729	9,534,567	-	(7,409,223)	30,890,072
Fundraising expense	293,472	-	-	-	293,472
Total expenses	<u>70,341,832</u>	<u>69,556,953</u>	<u>-</u>	<u>(7,494,786)</u>	<u>132,403,998</u>
Change in net assets before non- controlling interest	8,318,609	(26,433,487)	179,284	(22,485,944)	(40,421,539)
Less: attributable to non-controlling interest		(25,282,573)			(25,282,573)
Changes in net assets	<u>\$ 8,318,609</u>	<u>\$ (1,150,914)</u>	<u>\$ 179,284</u>	<u>\$ (22,485,944)</u>	<u>\$ (15,138,966)</u>

National Community Renaissance of California

AND SUBSIDIARIES

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

December 31, 2022

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**

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NOVOGRADAC
& COMPANY LLP®

Report of Independent Auditors

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

Opinion

We have audited the accompanying consolidated financial statements of National Community Renaissance of California and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of National Community Renaissance of California and Subsidiaries as of December 31, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of National Community Renaissance of California and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Changes in Accounting Principles

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Community Renaissance of California and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Community Renaissance of California and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position, consolidating statement of activities and changes in net assets, and consolidating statement of income are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and they are not a required part of the consolidated financial statements. The consolidating statement of income presents earnings before interest, taxes, depreciation and amortization, which is a basis of accounting other than accounting principles generally accepted in the United States of America.


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

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 26, 2023, on our consideration of National Community Renaissance of California and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of National Community Renaissance of California and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering National Community Renaissance of California and Subsidiaries' internal control over financial reporting and compliance.

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

Walnut Creek, California
June 26, 2023

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	National Community Renaissance of California	Housing Affiliates	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 25,454,340	\$ 23,768,471	\$ -	\$ 49,222,811
Reserve for security deposits held in trust	2,231,142	2,738,893	-	4,970,035
Restricted cash	21,432,002	25,557,527	-	46,989,529
Investments in available-for-sale securities	56,336,559	-	-	56,336,559
Accounts receivable, net	8,751,109	3,804,400	-	12,555,509
Prepaid expense	2,008,639	802,815	-	2,811,454
Advance due from affiliates, net	27,629,042	20	(22,993,998)	4,635,064
Notes and interest receivable	81,318,287	490,282	(74,507,313)	7,301,256
Project development costs receivable	953,550	-	-	953,550
Developer fee receivable	21,269,060	-	(20,018,984)	1,250,076
Equity investments in partnerships	23,206,984	45,426	(15,853,664)	7,398,746
Lease right-of-use assets	1,500,777	51,992,841	-	53,493,618
Property, equipment and improvements, net	300,442,652	1,086,719,837	(74,537,293)	1,312,625,196
Deferred costs, net	50,175	1,849,046	-	1,899,221
	<u>\$ 572,584,318</u>	<u>\$ 1,197,769,558</u>	<u>\$ (207,911,252)</u>	<u>\$ 1,562,442,624</u>
Total assets				
	<u>\$ 572,584,318</u>	<u>\$ 1,197,769,558</u>	<u>\$ (207,911,252)</u>	<u>\$ 1,562,442,624</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 5,545,429	\$ 28,923,125	\$ -	\$ 34,468,554
Security deposits payable	2,139,295	2,607,627	-	4,746,922
Accrued expenses	4,633,211	893,203	-	5,526,414
Deferred revenue	3,021,687	503,104	(2,680,895)	843,896
Lease right-of-use liability	-	7,549,046	-	7,549,046
Accrued interest	59,211,840	76,410,122	(12,986,474)	122,635,488
Mortgages and notes payable, net	352,673,074	819,499,254	(71,439,663)	1,100,732,665
Due to affiliates	2,461,196	16,687,767	(15,547,877)	3,601,086
Developer fee payable	575,081	15,666,083	(14,123,157)	2,118,007
Total liabilities	430,260,813	968,739,331	(116,778,066)	1,282,222,078
Net assets				
Without donor restriction, controlling	97,988,770	9,919,487	(114,551,509)	(6,643,252)
Without donor restriction, non-controlling	-	219,110,740	23,418,323	242,529,063
Total net assets without donor restrictions	97,988,770	229,030,227	(91,133,186)	235,885,811
Net assets with donor restrictions	44,334,735	-	-	44,334,735
Total net assets	142,323,505	229,030,227	(91,133,186)	280,220,546
Total liabilities and net assets	<u>\$ 572,584,318</u>	<u>\$ 1,197,769,558</u>	<u>\$ (207,911,252)</u>	<u>\$ 1,562,442,624</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, 2022

	National Community Renaissance of California	Housing Affiliates	Net Assets with donor restrictions	Eliminations	Total
REVENUE AND OTHER INCOME					
Rental income, net of vacancy	\$ 41,545,300	\$ 49,624,627	\$ -	\$ -	\$ 91,169,927
Other rental income	2,879,313	1,200,717	-	-	4,080,030
House sales, net of costs of sales	2,602,228	-	-	-	2,602,228
Social service fee income	1,650,255	-	-	(1,395,292)	254,963
Consulting, development and partnership fees	21,393,175	269,040	-	(18,719,020)	2,943,195
Management fees	3,691,522	14,027	-	(2,957,389)	748,160
Grants and contributions, including release of net assets with donor restrictions	6,893,461	107,680	(658,510)	-	6,342,631
Contributions of nonfinancial assets	445,419	-	-	-	445,419
Interest income	4,924,433	92,236	-	(4,739,925)	276,744
Other income	528,779	59,325	-	-	588,104
Total revenue and other income	86,553,885	51,367,652	(658,510)	(27,811,626)	109,451,401
EXPENSES					
Program services	46,960,292	75,483,636	-	(3,428,548)	119,015,380
Management and general	36,870,711	9,928,359	-	(4,511,630)	42,287,440
Fundraising expenses	581,965	-	-	-	581,965
Total expenses	84,412,968	85,411,995	-	(7,940,178)	161,884,785
Changes in net assets from operations	2,140,917	(34,044,343)	(658,510)	(19,871,448)	(52,433,384)
OTHER CHANGES					
Realized losses - Available-for-sale securities, net	-	-	(546,440)	-	(546,440)
Unrealized losses - Available-for-sale securities	-	-	(1,100,175)	-	(1,100,175)
Total other changes	-	-	(1,646,615)	-	(1,646,615)
Changes in net assets before non-controlling interest	2,140,917	(34,044,343)	(2,305,125)	(19,871,448)	(54,079,999)
Less: attributable to non-controlling interest	-	(32,815,002)	-	-	(32,815,002)
Changes in net assets, controlling interest	<u>\$ 2,140,917</u>	<u>\$ (1,229,341)</u>	<u>\$ (2,305,125)</u>	<u>\$ (19,871,448)</u>	<u>\$ (21,264,997)</u>

see accompanying notes

National Community Renaissance of California and Wholly-Owned Subsidiaries						Housing Affiliates			
	Program Services		Management and General	Fundraising Expense	Program Services		Management and General	Eliminations	Total
	\$	-	\$	\$	\$	-	\$		
EXPENDITURES									
General and administrative									
Contracted program services - Hope Through Housing									
Housing		511,730	-	-		-	-	-	\$ 11,278,873
Lease expense		280,257	461,662	-		379,382	-	-	511,730
Fundraising events		-	-	411,624		-	-	-	1,121,301
Payroll		8,680,895	20,739,316	170,341		8,067,975	-	-	411,624
Utilities		5,504,569	102,415	-		5,866,788	-	-	37,658,527
Repairs and maintenance		8,761,895	72,873	-		8,456,128	-	-	11,473,772
Property management fees		-	156,384	-		-	5,677,953	(5,005,572)	17,290,896
Legal and other professional services		230,120	2,954,266	-		-	670,755	-	828,765
Taxes and insurance		3,193,298	320,840	-		2,830,923	-	-	3,855,141
Interest expense		7,750,853	2,774,635	-		21,261,459	-	(3,428,548)	6,345,061
Depreciation and amortization expense		10,686,027	382,523	-		28,620,981	-	-	28,358,399
Casualty losses		-	240,354	-		-	-	-	39,689,531
Other expenses		1,360,648	966,221	-		-	-	493,942	240,354
Total expenditures	\$	46,960,292	\$ 36,870,711	\$ 581,965	\$	75,483,636	\$ 9,928,359	\$ (7,940,178)	\$ 161,884,785

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**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Controlling</u>	<u>Non-Controlling</u>	<u>Total</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS			
Net assets without donor restrictions, January 1, 2022	\$ 21,387,865	\$ 228,737,248	\$ 250,125,113
Contributions	-	28,983,816	28,983,816
Distributions	-	(336,009)	(336,009)
Changes in net assets	(21,264,997)	(32,815,002)	(54,079,999)
Transfers of limited partner interests	(17,959,010)	17,959,010	-
Reclassification of intercompany equity to debt	11,192,890	-	11,192,890
Balance at December 31, 2022	<u>\$ (6,643,252)</u>	<u>\$ 242,529,063</u>	<u>\$ 235,885,811</u>
NET ASSETS WITH DONOR RESTRICTIONS			
Net assets with donor restrictions January 1, 2022	\$ 46,639,860	\$ -	\$ 46,639,860
Grant income - Pledge agreement grant	339,200	-	339,200
Grant and contribution income - Hope Through Housing	1,773,274	-	1,773,274
Release of donor restrictions	(2,770,984)	-	(2,770,984)
Realized losses - Available-for-sale securities, net	(546,440)	-	(546,440)
Unrealized losses - Available-for-sale securities	(1,100,175)	-	(1,100,175)
Balance at December 31, 2022	<u>\$ 44,334,735</u>	<u>\$ -</u>	<u>\$ 44,334,735</u>

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE CORPORATION
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	\$ (54,079,999)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Contributions of nonfinancial assets	(445,419)
Forgiveness by lender	(389,518)
Bad debts	180,708
Interest expense - debt issuance costs	639,879
Depreciation and amortization	39,689,531
Amortization of operating lease right-of-use liability	258,911
Unrealized losses - available-for-sale securities	1,100,175
(Increase) decrease in assets:	
Accounts receivable	(3,722,014)
Prepaid expenses	5,961,556
Advance due from affiliates	(3,307,090)
Developer fee receivable	9,318
Investments	145,939
Notes and interest receivable	(6,316,483)
Operating lease right-of-use assets (ground leases)	(16,160,922)
Increase (decrease) in liabilities:	
Accounts payable	(18,781,560)
Accrued expenses	694,720
Security deposits payable	155,459
Deferred revenue	(18,556)
Operating lease right-of-use liabilities (ground leases)	7,549,046
Accrued interest	5,293,459
Due to affiliates	159,425
Developer fee payable	416,475
Net cash used in operating activities	<u>(40,966,960)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of available-for-sale securities	(82,475,171)
Sales of available-for-sale securities	25,038,437
Purchases of limited partner interests	(800,000)
Proceeds from sales of fixed assets	542
Purchases of property, equipment and improvements	(145,274,644)
Payment of deferred costs	797,844
Payment of construction payables	(3,794,341)
Net cash used in investing activities	<u>(206,507,333)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Payment of right-of-use finance leases (ground leases)	(37,332,696)
Principal payments of mortgages and notes payable	120,322,298
Proceeds from mortgages and notes payable	147,525,530
Payment of debt issuance costs	(600,844)
Capital contributions	28,983,816
Capital distributions	(336,009)
Net cash provided by financing activities	<u>258,562,095</u>

NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH 11,087,802

CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR 90,094,573

CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR \$ 101,182,375

Cash and cash equivalents \$ 49,222,811

Tenant security deposits 4,970,035

Restricted cash 46,989,529

Total cash, cash equivalents and restricted cash \$ 101,182,375

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid for interest - expensed \$ 23,704,819

SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:

Increase in right-of-use assets and liabilities \$ 12,712,682

Disposal of fixed assets \$ 326,075

Increase in property, equipment and improvements from accounts payable - construction \$ 27,961,103

Increase in fixed assets from capitalized amortization \$ 33,247

Disposal of fully depreciated deferred charges \$ 294,814

Decrease in notes payable from forgiveness by lender \$ 389,518

Reclassifications of intercompany debt to equity \$ 11,192,890

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. Organization and nature of operations

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

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

NCRC has an economic relationship with National Community Renaissance Development Corporation (“NCRDC”), 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.

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

Principles of consolidation

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

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

- Count On Us Foundation
- San Antonio Gateway Housing Corporation
- Southern California Affordable Housing Corporation
- SCHDC of Inland Empire
- SCHDC of Los Angeles
- SCHDC of Orange
- SCHDC of Riverside
- National Community Renaissance of Texas, Inc.
- SCHDC of Rancho Cucamonga

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. Organization and nature of operations (continued)

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

- Monterey Village Apartments
- Mountainside Apartments
- Sycamore Springs Apartments

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

Projects and subsidiaries which are owned 100% by NCRC, either directly or through wholly-owned subsidiaries, as of December 31, 2022 are as follows:

Affordable housing projects:

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

Under development:

- | | |
|---|-------------------------------------|
| ● Buena Park Senior Housing | ● Palm Avenue Station TOD |
| ● Iris at San Ysidro, LP | ● Pasadena C2 Senior Apartments, LP |
| ● Long Beach Villas | ● Rancho San Pedro |
| ● Murietta Affordable Housing Development | ● Richmar Station San Marcos, LP * |
| ● NCRC Placentia, LLC | ● SGNTR VC, LLC |
| ● NCRC Prisma, LP | ● Waterman Specific Plan |
| ● Newhall Mission Village | |

* wholly-owned as of year-end due to investor buy-out (Note 5); previously a Housing Affiliate

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

Permanent supportive housing projects:

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

Seller carryback loans:

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

Passthrough entities:

- ANF Family Partners, LP
- CG Affordable Housing Partners, LLC
- CORE Hermosa Village 1 MGP, LLC
- Core Managing General Partner LLC
- CORE Rialto Metro South MGP, LLC
- Corona Del Rey Housing Partners GP, LLC
- Day Creek Housing Partners 2 MGP, LLC
- Day Creek Senior Housing Ptrs MGP, LLC
- enCORE 14612-14654 Blythe, LLC
- enCORE 14732 Blythe, LLC
- enCORE 15125 Saticoy, LLC
- enCORE 21205-21215 Saticoy, LLC
- enCORE 6706 Hayvenhurst, LLC
- enCORE 8503 Tobias, LLC
- enCORE 9010 Tobias, LLC
- enCORE Orion and Langdon, LLC
- Mission Cove Family I MGP, LLC
- National CORE Newhall Ave. Hsg MGP, LLC
- NCR Jordan Bayou, LLC
- NCRC AM GP, LLC
- NCRC CS GP, LLC
- NCRC Dangler, LLC
- NCRC EG MGP, LLC
- NCRC Fairview MGP, LLC
- NCRC Glendale GP, LLC
- NCRC Golden Pierce, LLC
- NCRC Greenbrier, LLC
- NCRC ISY GP, LLC
- NCRC Lake Forest, LLC
- NCRC Legacy MGP, LLC
- NCRC Mariposa LLC
- NCRC NSV GP, LLC
- NCRC Ontario GP, LLC
- NCRC PIONEER GP LLC
- NCRC Pomona Veterans, LLC
- NCRC Prisma GP LLC
- NCRC San Pedro MGP, LLC
- NCRC Santa Fe SV LLC
- NCRC Valley Seniors MGP, LLC
- NCRC VDP, LLC
- River Canyon GP, LLC
- San Ysidro Senior Village GP, LLC
- Val 9 MGP, LLC
- VS Phase 1 GP, LLC
- Waterman Gardens Partners 1 MGP, LLC
- WG Partners 2 MGP, LLC

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

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

For-profit housing affiliate	General partner	GP %
3rd & Dangler, LP	NCRC Dangler, LLC	0.01%
Anaheim Midway, LP	NCRC AM GP, LLC	0.01%
Avenida Serra Housing Partners, LP	Avenida Serra Hsg Ptrs GP, LLC	0.01%
Avenida Serra Hsg Ptrs GP, LLC	SCHDC of Orange	79.00%
Cathedral Family Housing Ptrs, LP	River Canyon GP, LLC	0.01%
Citrus Grove Housing Partners, LP	SCHDC of Inland Empire	0.01%
Cobblestone Apartments, LP	Cobblestone GP, LLC	0.01%
Cobblestone GP, LLC	NCRC	79.00%
CP Senior Apartments, LP	CP Senior GP, LLC	0.009%
CP Senior GP, LLC	NCRC	79.00%
Cudahy Senior Apartments, LP	NCRC CS GP, LLC	0.005%
Day Creek Senior Housing Partners, LP	NCRC	0.009%
Day Creek Senior Housing Partners 2, LP	Day Creek Senior Hsg Ptrs 2 MGP, LLC	0.01%
Desert Meadows Housing Partners, LP	SCHDC of Inland Empire	0.01%
Downey Housing Partners, LP	SCHDC of Los Angeles	0.01%
Eagle Rock Housing Partners, LP	SCHDC of Los Angeles	0.01%
East Rancho Verde Housing Partners, LP	SCHDC of Inland Empire	0.01%
EMI Partners, LP	SCHDC of Inland Empire	0.01%
Fontana Housing Partners, LP **	SCHDC of Orange	0.012%
Fontana II Housing Partners, LP ***	SCHDC of Orange	0.005%
Fontana III Housing Partners, LP ***	SCHDC of Orange	0.005%
Fontana IV Housing Partners, LP	SCHDC of Orange	0.005%
Golden Pierce Housing Partners, LP	NCRC Golden Pierce, LLC	0.009%
Greenbrier Village, LP	NCRC	0.0051%
HB Housing Partners, LP	SCHDC of Inland Empire	0.005%
HB Oasis	NCRC	50.00%
Ivy Valley Housing Partners LP	NCRC Valley Seniors MGP, LLC	0.005%
Ken-Tal Senior Housing Partners, LP	SCHDC of Orange	0.005%
Legacy Square, LP	NCRC Legacy MGP, LLC	0.008%
LINC-CORE Fairview Metro, LP	NCRC Fairview MGP, LLC	0.005%
LINC-CORE Housing Ptrs Glendale, LP	NCRC Glendale GP, LLC	0.005%
LINC-CORE Pioneer, LP	NCRC Pioneer GP, LLC	0.005%
LINC-CORE San Pedro Lofts, LP	NCRC	0.005%
Mar Vista Union Housing Partners, LP	SCHDC of Los Angeles	0.01%
Mission Cove Family I Housing, LP	Mission Cove Family I MGP, LLC	0.01%

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

For-profit housing affiliate	General partner	GP %
Mission Cove Family II Housing, LP	SCHDC of Orange	0.01%
Mission Village Senior Apartments, LP	SCHDC of Inland Empire	0.005%
Montclair Senior Housing Partners, LP	San Antonio Gateway Hsg Corp	0.01%
NCRC Encanto, LP	NCRC	0.01%
NCRC Lake Forest, LP	NCRC Lake Forest, LLC	0.01%
NCRC NSV, LP	NCRC NSV GP, LLC	0.01%
NCRC SYSV, LP	San Ysidro Senior Village GP, LLC	0.01%
Normandie Senior Housing Ptrs, LP	Normandie Senior Hsg Ptrs GP, LLC	0.008%
Normandie Senior Hsg Ptrs GP, LLC	SCHDC of Los Angeles	79.00%
Oceanside Housing Partners, LP	SCHDC of Orange	0.01%
Oceanside Senior Housing, LP	SCHDC of Orange	0.01%
Parkside SD Apartments, LP	Parkside GP, LLC	0.01%
Parkside GP, LLC	NCRC	79.00%
Paseo del Oro Apartments, LP	Paseo del Oro GP, LLC	0.01%
Paseo del Oro GP, LLC	NCRC	79.00%
Rancho Workforce Housing Partners, LP	SCHDC of Inland Empire	0.0045%
Renaissance Village Housing Partners, LP	RV Housing Partners GP, LLC	0.01%
RV Housing Partners GP, LLC	SCHDC of Inland Empire	79.00%
Rialto Metrolink South Housing Ptrs, LP	CORE Rialto Metro South MGP, LLC	0.0005%
Richmar Housing Partners, LP	SCHDC of Orange	0.01%
Santa Fe Senior Village, LP	NCRC Santa Fe SV, LLC	50.00%
Savi Ranch Housing Partners, LP	SCHDC of Orange	0.01%
Savi Ranch II Housing Partners, LP	Oakcrest Heights MGP, LLC	0.01%
Oakcrest Heights MGP, LLC	NCRC	79.00%
SVSM Apartments, LP	SVSM GP, LLC	0.01%
SVSM GP, LLC	NCRC	79.00%
The Promenade Housing Partners, LP	The Promenade Hsg Ptrs GP, LLC	0.01%
The Promenade Hsg Ptrs GP, LLC	NCRC	79.00%
Val 9 Housing Partners, LP	Val 9 MGP, LLC	0.008%
Veterans Park Fund, LP	NCRC Pomona Veterans, LLC	0.01%
Virginia-Holt Housing, LP	NCRC Ontario GP, LLC	0.01%
Vista del Sol Apartments, LP	Vista Del Sol GP, LLC	0.008%
Vista Del Sol GP, LLC	NCRC	79.00%
Vista Dunes Housing Partners, LP ***	Vista Dunes GP, LLC	0.01%
Vista Dunes GP, LLC	SCHDC of Inland Empire	75.00%
VS Phase 1, LP	VS Phase 1 GP, LLC	0.01%
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%

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

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

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

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

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

2. Summary of significant accounting policies

Basis of accounting

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

Non-controlling interests

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

Basis of presentation

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

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

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.

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

Basis of presentation (continued)

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

Estimates

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

Economic concentrations

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

Cash and cash equivalents

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

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

Concentration of credit risk

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

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

Investments in available-for-sale securities

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

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

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

Fair value measurements

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

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

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

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

Fair value measurements (continued)

The fair values of securities available-for-sale are determined by obtaining quoted prices on nationally recognized securities exchanges. If quoted prices are not available, fair values are measured using matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities, or other model-based valuation techniques requiring observable inputs other than quoted prices such as yield curve, prepayment speeds, and default rates. Level 1 securities include U.S. treasury securities and mutual funds that are traded on an active exchange or by dealers or brokers in active over-the-counter markets. The fair value of these securities is determined by quoted prices on an active exchange or over-the-counter market. Level 2 securities primarily include mortgage-backed securities, collateralized mortgage obligations, U.S. government agency securities and municipal bonds in markets that are active.

The following tables present the NCRC's assets that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of December 31, 2022:

	December 31, 2022			
	Level 1	Level 2	Level 3	Fair Value Measurements
Assets				
Money market funds	\$ 3,480,904	\$ -	\$ -	\$ 3,480,904
Fixed income	-	52,855,655	-	52,855,655
Total assets	<u>\$ 3,480,904</u>	<u>\$ 52,855,655</u>	<u>\$ -</u>	<u>\$ 56,336,559</u>

Accounts receivable

Accounts receivable is stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are generally written off through a charge to the valuation allowance and a credit to trade accounts receivable. As of December 31, 2022, the balance of the allowance for doubtful accounts was \$70,579 and bad debt expense for tenant receivables for the year ended December 31, 2022 was \$180,708.

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, 2022, the allowance for doubtful accounts was \$0.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

2. Summary of significant accounting policies (continued)

Notes receivable

Notes receivable are stated at unpaid principal balances. There are no deferred loan origination fees or unearned discounts. Intercompany notes receivable and notes payable are eliminated upon consolidation.

NCRC considers a loan impaired when based on current information or factors, it is probable that NCRC will not collect the principal and interest payments according to the loan agreement. Management considers many factors in determining whether a loan is impaired, such as payment history and value of collateral. Loans that are contractually delinquent less than 90 days are generally not considered impaired, unless the borrower has claimed bankruptcy or NCRC has received specific information concerning the loan impairment. NCRC reviews delinquent loans to determine impaired accounts. NCRC measures impairment on a loan-by-loan basis by either using the fair value of collateral or the present value of expected cash flows.

NCRC's key credit quality indicator is a loan's performance status, defined as accruing or non-accruing. Performing loans are considered to have a lower risk of loss, while nonaccrual loans are those which NCRC believes have a higher risk of loss. Loans that are 90 days or more past due, based on the contractual terms of the loan, are classified on nonaccrual status. Loans may also be placed on nonaccrual when management believes, after considering economic conditions, business conditions, and collection efforts, that the loans are impaired or collection of interest is doubtful. Uncollectable interest previously accrued is charged off, or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received and the principal balance is believed to be collectable. There were no loans on nonaccrual status as of December 31, 2022.

A loan previously classified on nonaccrual status will resume accruing interest based on the contractual terms of the loan when payments on the loan become current. Loans may also resume accruing interest if management no longer believes a loan is impaired or the collection of principal and interest is no longer in doubt. As of December 31, 2022, management believes that NCRC's loans receivable are fully collectable and as such, the allowance for loan loss is zero.

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, 2022, \$0 of project development costs were expensed.

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

Equity investments in partnerships

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

Such investments include cooperative investment in Housing Partnership Network Group Insurance Initiative (see Note 5), and the following:

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

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 2022.

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

Leases

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

Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activity. NCRC has elected the practical expedient to not reassess classification of existing leases. Operating and finance lease right-of use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Generally, NCRC's ground lease right-of-use assets are recorded at the fair market value of the land leased, with the lease payment prepaid in full at the commencement date. Otherwise, NCRC uses its incremental borrowing rate at the commencement date in determining the present value of lease payments.

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

Lease right-of-use assets and liabilities as of December 31, 2022 consist of the following ground leases with unrelated party lessors:

Operating Property Lessee	Commence- ment	Term (years)	Classification	Asset	Liability
Anaheim Midway, LP	2022	55	Finance	\$ 7,200,000	\$ -
LINC-CORE Pioneer, LP	2022	78	Finance	2,400,000	-
HB Oasis	2022	55	Finance	10,900,000	-
Golden Pierce Housing Ptrs, LP	2022	90	Finance	3,181,018	-
NCRC NSV, LP	2022	90	Finance	3,651,678	-
Linc-CORE San Pedro Lofts, LP	2022	67	Finance	5,875,000	5,875,000
Total finance leases				43,207,696	5,875,000
Mission Cove Family I	2016	99	Operating	5,538,375	-
Waterman Gardens Ptrs 1, LP	2016	75	Operating	950,187	-
Bell Housing Partners, LP	2005	60	Operating	1,500,777	-
Ken-Tal Senior Partners, LP	2005	65	Operating	1,489,164	1,512,682
LINC-CORE Fairview Metro	2019	66	Operating	807,419	161,364
Total operating leases				10,285,922	1,674,046
Grand total				<u>\$ 53,493,618</u>	<u>\$ 7,549,046</u>

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

2. Summary of significant accounting policies (continued)

Fixed assets and depreciation

Purchases of property, equipment or improvements costing more than \$5,000 are recorded at cost. Major improvements are charged to the fixed asset account, while maintenance and repairs, which do not extend the life of the respective assets, are expensed. When fixed assets are retired or otherwise disposed, the cost of the fixed asset and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in income.

Buildings are generally depreciated over their estimated useful lives of 40 years under the straight-line method. Land improvements are depreciated over their estimated useful life of 15-20 years under the straight-line method. Furniture and equipment are generally depreciated over their useful life of 5-10 years under the straight-line method. Computer equipment and vehicles are depreciated over their estimated useful lives of 3 and 5 years, respectively, under the straight-line method. Depreciation expense for the year ended December 31, 2022 was \$39,468,608.

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 2022.

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, 2022 was \$220,923. The deferred costs consist of the following as of December 31, 2022:

Tax credit fees	\$ 3,720,865
Accumulated amortization	<u>(1,821,644)</u>
Deferred costs, net	<u>\$ 1,899,221</u>

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.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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DECEMBER 31, 2022

2. Summary of significant accounting policies (continued)

Revenue recognition for tenant leases and tenant charges

NCRC's wholly-owned subsidiaries and affiliates are the lessors of affordable housing rental projects and account for tenant leases as operating leases. At the commencement of an operating lease, no income is recognized; subsequently, lease payments received are recognized on a straight-line basis. Rental revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Other income includes fees for late payments, cleaning, damages, laundry facilities and other charges and is recorded when earned. Advance receipts of revenue are deferred and classified as liabilities until earned. Subsidy payments from HUD under Section 8 of the National Housing Act account for a portion of the rental income. See Note 10.

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.

Contractor fees

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

Developer fees

Developer fees are earned in connection with the construction and oversight of the development of properties. The developer fees are recognized as revenue commencing with the closing of a project's construction loan (the "Closing") based on the percentage of completion method, taking into account the total anticipated development costs and potential operating deficit obligation through the period from the Closing through the end of the operating deficit obligation period (typically three years from the achievement of Breakeven Operations, as defined in partnership agreements). Generally, 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.

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

Grant revenue

Grants received from governments, agencies and others are recognized when all significant conditions are met, all due diligence has been completed and they are approved by staff or board committee. Funds received but not yet spent are recorded as net assets with donor restrictions. Funds for qualifying costs incurred and recognized as revenue but not yet received are recorded as accounts receivable. See Note 14.

Contributions - private donations

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

Contributions of nonfinancial assets – in-kind donations

For the year ended December 31, 2022, \$280,257 of contributed nonfinancial assets was for rents whereby Hope Through Housing Foundation leases a portion of NCRC's facilities at no charge and then subleases the space to unrelated parties at fair market rents for use as preschool or daycare facilities. This amount is recognized as contributions of nonfinancial assets on the accompanying consolidated statement of activities and corresponding rent expense on the accompanying consolidated statement of functional expenses.

For the year ended December 31, 2022, \$165,162 of contributions consist of contributed household goods, food, school supplies, toys, gift cards and sporting event tickets. These donations are recorded at estimate fair value based on wholesale values that would be received for selling similar products or goods in the United States at the date of donation. Most of these donations are unrestricted. Donor restrictions, if applicable, include restrictions on use at a specific rental apartment community and/or restriction on use for a specific program. Contributed nonfinancial assets are generally utilized in the same year of donation, whereby the donor restriction expires in the same year of donation.

Income taxes

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

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

Income taxes (continued)

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

Functional expenses

The costs of providing program services and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Accordingly, certain costs have been allocated among program services, management and general, and fundraising expenses. Such allocations are determined by management on an equitable basis, including considerations of time and effort. Payroll expenses are allocated based on time and effort. In general, NCRC's corporate expenses and subsidiaries' rental property management fees are management and general; fundraising expenses are incurred by NCRC corporate and Hope Through Housing Foundation; and ordinary operating expenses of subsidiaries' rental properties are program expenses.

Change in accounting principle

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, *Leases* ("FASB ASC 842") to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the balance sheet by lessees and the disclosure of key information about leasing arrangements.

FASB ASC 842 was adopted January 1, 2022, with certain practical expedients available. With respect to tenant leases, FASB ASC 842 did not have a material impact on the consolidated financial statements.

NCRC elected the available practical expedients to account for its existing ground leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain a lease under the new standard, (b) whether classification of a lease would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of adopting FASB ASC 842, on January 1, 2022, lease right-of-use asset of \$10,040,334 and lease right-of-use liability of \$1,505,016 were recognized.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO FINANCIAL STATEMENTS
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3. Liquidity and availability of financial assets

The following represents NCRC's financial assets at December 31, 2022:

Financial assets at yearend:

Cash and cash equivalents	\$ 49,222,811
Restricted cash, including security deposits	51,959,564
Investments in available-for-sale securities	56,336,559
Accounts receivable, net	<u>12,555,509</u>
Total financial assets	170,074,443

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

Investments in available-for-sale securities restricted for use for affordable housing loans	(56,336,559)
Net assets with donor restrictions	<u>(44,334,735)</u>

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

\$ 69,403,149

Financial assets available to meet general expenditures over the next twelve months are not subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statement of financial position date. NCRC's goal is generally to maintain financial assets to meet at least 90 days of operating expenses. In addition to these liquid funds, NCRC has an available line of credit in the amount of up to \$20,000,000, of which \$4,750,000 has been drawn as of December 31, 2022.

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 \$1,068,333 held in escrow in connection with various purchase and sales agreements as of December 31, 2022.

A summary of the restricted cash balances as of December 31, 2022 is as follows:

Operating reserves	\$ 16,437,524
Replacement reserves	18,768,941
Other reserves and escrows	8,002,107
Tax and insurance reserves	3,505,943
Residual receipts reserves	<u>275,014</u>
Total restricted cash	<u>\$ 46,989,529</u>

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO FINANCIAL STATEMENTS
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5. Equity investments

On March 30, 2004, NCRC invested in the Housing Partnership Network Group Insurance Initiative, a cooperative of other real estate investment companies, whose purpose is to offer low-cost insurance and worker's compensation to companies with a history of low-loss ratios. In 2004, NCRC purchased one share of Class A stock for \$10,000, and 277 shares of Class B stock at \$1,000 per share. In 2013, NCRC purchased 275 Class C shares at \$555 per share. NCRC is entitled to dividend payments in proportion to their investment once they are declared. No dividends were received during the year ended December 31, 2022. The investment is accounted for under the equity method of accounting and the investment has been recorded at cost. As of December 31, 2022, the investment balance was \$697,815.

Investments also includes \$6,000,000 paid over the course of 2017 and 2018 to acquire the limited partner interests in twenty Housing Affiliates for \$300,000 each, from an unrelated party. Additionally, during 2022, \$800,000 was paid in total to acquire the limited partner interests in ten Housing Affiliates from various unrelated parties. These amounts were paid outside the partnerships, as such the amounts do not eliminate upon consolidation.

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

6. Property, equipment and improvements, net

Property, equipment and improvements consist of the following as of December 31, 2022:

Land	\$ 153,168,223
Buildings and improvements	1,243,039,437
Furniture, fixtures and equipment	48,805,497
Construction in progress	<u>256,679,669</u>
Subtotal	1,701,692,826
Less: accumulated depreciation	<u>(389,067,630)</u>
Total property, equipment and improvements, net	<u>\$ 1,312,625,196</u>

Office building purchase and lease

On November 18, 2022, NCRC purchased a 74,000 square foot, three story office property for \$18,250,000 from an unrelated party, for use as NCRC's corporate offices. Concurrent with the sale, the seller leased back 55,000 square feet, which was reduced to 25,000 square feet by March 2023. The operating lease is for five years, with two 2-year options to extend. For the year ended December 31, 2022, rental income of \$225,682 was earned and is included in rental income on the accompanying consolidated statement of activities. Future expected lease income over the next five years is as follows:

2023	\$ 868,461
2024	767,834
2025	798,150
2026	812,946
2027	<u>693,980</u>
Total	<u>\$ 3,932,371</u>

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

7. Mortgages and notes payable, net

Mortgages and notes payable are as follows as of December 31, 2022:

Lender	Secured Entity	Interest rate	Monthly principal and int or other repymt terms	Maturity	2022 Principal balance
Bank of New York Mellon Trust Co. (Bond Trustee)	NCRC	3.27%	(6)	12/1/2032	\$ 100,000,000
Dept. of Housing and Urban Development	San Antonio Gateway Hsg Corp	0.00%	(3)	3/1/2066	\$ 10,604,000
Citizens Business Bank	NCRC	4.70%	\$ 62,411	11/9/2032	\$ 11,864,206
Citibank - AHP	NCRC	0.00%	(3)	9/1/2071	\$ 680,000
Citibank - AHP	NCRC	0.00%	(4)	4/1/2069	\$ 480,000
Citizens Business Bank - line of credit	NCRC	Variable	(4)	10/15/2023	\$ 4,750,000
JP Morgan Chase	NCRC (Note for Rancho Verde)	3.39%	\$ 11,206	8/1/2047	\$ 1,000,000
JPMorgan - AHP	NCRC	0.00%	(4)	5/1/2067	\$ 500,000
The Robert Wood Johnson Foundation	NCRC	2.00%	(7)	8/5/2028	\$ 500,000
Wells Fargo Bank - line of credit	NCRC	2.00%	(4)	11/12/2023	\$ 989,979
Wells Fargo Bank - line of credit	NCRC	2.00%	(4)	11/12/2023	\$ 343,750
Wells Fargo Bank - line of credit	NCRC	2.00%	(4)	11/12/2023	\$ 156,250
City National Bank - AHP	NCRC	0.00%	(3)	3/30/2072	\$ 590,000
Los Angeles County Development Authority	3rd & Dangler LP	3.00%	(3)	6/2/2078	\$ 5,342,447
Los Angeles County Development Authority	3rd & Dangler LP	3.00%	(3)	6/2/2078	\$ 1,416,800
JP Morgan Chase Bank	3rd & Dangler LP	Variable	(4)	1/10/2024	\$ 9,369,107
Chase Commercial Term Lending	NCRC Interim Spring Valley	5.09%	\$ 12,852	10/31/2032	\$ 3,370,926
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
Anaheim Housing Authority	Anaheim Midway LP	3.00%	(1)	(a)	\$ 2,450,995
Anaheim Housing Authority	Anaheim Midway LP	3.00%	(1)	(a)	\$ 3,574,800
Anaheim Housing Authority	Anaheim Midway LP	2.25%	(1)	(a)	\$ 7,200,000
City of Los Angeles	NCRC Titta Inn, LLC	0.00%	(3)	7/16/2025	\$ 8,580,000
County of San Diego	Greenbrier Village LP	0.00%	(4)	2/28/2080	\$ 2,064,883
JP Morgan Chase Bank	Greenbrier Village LP	Variable	(3)	2/6/2044	\$ 217,715
City of Oceanside	Greenbrier Village LP	3.00%	(1)	12/31/2079	\$ 1,468,753
JP Morgan Chase Bank	Ivy Valley Housing Partners LP	Variable	(4)	2/13/2024	\$ 1,900,272
County of San Diego	Ivy Valley Housing Partners LP	Variable	(3)	(b)	\$ 6,248,628
City of Escondido	Ivy Valley Housing Partners LP	3.00%	(1)	(b)	\$ 1,653,480
City of Los Angeles	NCRC Super 8 LLC	0.00%	(3)	12/21/2025	\$ 8,890,000
MUFG Union Bank	Veterans Park Fund LP	1.70%	(3)	5/1/2037	\$ 10,143,339
Los Angeles County Development Authority	Veterans Park Fund LP	3.00%	(3)	5/1/2078	\$ 3,150,000
Los Angeles County Development Authority	Veterans Park Fund LP	3.00%	(3)	5/1/2078	\$ 2,000,000

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NOTES TO FINANCIAL STATEMENTS
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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	2022 Principal balance
Hsg Authority, City of Glendale (Measure S)	Linc-CORE Pioneer LP	3.00%	(3)	(d)	\$ 14,593,538
California Housing Finance Agency	Linc-CORE Pioneer LP	Variable	(4)	12/29/2025	\$ 2,498,941
NCRC	Linc-CORE Pioneer LP	0.00%	(3)	12/31/2080	\$ 615,094
LINC Housing Corporation	Linc-CORE Pioneer LP	0.00%	(3)	12/31/2080	\$ 615,094
City of Lake Forest	NCRC Lake Forest LP	Variable	(3)	(b)	\$ 3,700,000
Orange County Housing Authority	NCRC Lake Forest LP	Variable	(3)	(b)	\$ 915,256
California Housing Finance Agency	NCRC Lake Forest LP	3.00%	(1)	(b)	\$ 1,259,848
Wells Fargo Bank	NCRC Lake Forest LP	Variable	(4)	12/21/2025	\$ 12,996,392
California Department of Housing and Community Development (HCD)	HB Oasis	Variable	(1)	4/1/2037	\$ 10,800,000
CCRC	Woods Family Housing Ptrs, LP	8.50%	\$ 10,765	11/1/2043	\$ 1,261,300
LACDC - CDBG funds	Woods Family Housing Ptrs, LP	3.00%	(1)	9/1/2063	\$ 1,000,000
LACDC - First District Loan	Woods Family Housing Ptrs, LP	3.00%	(1)	9/1/2063	\$ 1,000,000
LACDC - HOME funds	Woods Family Housing Ptrs, LP	3.00%	(1)	9/1/2063	\$ 2,047,376
LACDC - Industry funds	Woods Family Housing Ptrs, LP	3.00%	(1)	9/1/2063	\$ 1,249,201
LACDC - Maravilla funds	Woods Family Housing Ptrs, LP	3.00%	(1)	9/1/2063	\$ 1,000,000
NCRC (HCD Grant)	Woods Family Housing Ptrs, LP	0.00%	(1)	1/1/2066	\$ 2,465,846
Greystone Servicing	NCRC / Arbor Villas Apts	3.96%	\$ 26,906	11/1/2049	\$ 5,340,200
Century Housing	Rialto Housing Partners, LP	Variable	\$ 10,450	1/26/2028	\$ 2,255,000
Home-City	Rialto Housing Partners, LP	3.00%	(1)	1/1/2054	\$ 1,000,000
City of Oceanside	Oceanside Senior Hsg Ptrs, LP	3.00%	(1)	7/1/2063	\$ 3,772,340
JPMorgan Chase Bank	Oceanside Senior Hsg Ptrs, LP	5.08%	\$ 4,956	10/1/2038	\$ 645,928
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	\$ 2,023,469
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	\$ 777,784
Berkadia Commercial Mort.	Corona de Oro Apts. LP	7.25%	\$ 8,784	7/1/2032	\$ 726,618
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	\$ 80,380
JPMorgan Chase Bank	NCRC / Corona del Rey	Variable	\$ 21,524	2/1/2031	\$ 1,786,447
California HCD	Cobblestone Apartments, LP	3.00%	(2)	3/1/2058	\$ 1,345,219
City of Escondido	Cobblestone Apartments, LP	2.98%	(1)	8/1/2073	\$ 3,168,027
Escondido Hsg Partners, LP - Seller Carryback	Cobblestone Apartments, LP	2.95%	(1)	8/1/2073	\$ 191,334

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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	2022 Principal balance
Pacific Western Bank	Cobblestone Apartments, LP	5.00%	\$ 10,678	9/1/2050	\$ 1,906,049
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	\$ 786,218
San Bernardino County	Yucca Valley Senior Hsg Ptrs, LP	3.00%	(1)	12/1/2069	\$ 1,622,830
Town of Yucca Valley	Yucca Valley Senior Hsg Ptrs, LP	0.50%	(1)	4/1/2068	\$ 2,925,000
City of Downey	Downey Housing Partners, LP	3.00%	(1)	2/1/2068	\$ 4,550,000
City of Downey	Downey Housing Partners, LP	3.00%	(1)	2/1/2068	\$ 450,000
Housing Authority of Los Angeles County	Downey Housing Partners, LP	3.00%	(1)	2/1/2070	\$ 2,386,720
JP Morgan Chase	Downey Housing Partners, LP	5.88%	\$ 13,201	9/1/2045	\$ 1,969,645
CDC - County of LA Homeless 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%	\$ 4,865	10/1/2040	\$ 639,121
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	0.00%	(1)	3/1/2065	\$ 5,388,834
NCRC Infill Grant Loan	Normandie Senior Hsg Ptrs, LP	0.00%	(1)	1/1/2065	\$ 1,033,418
City of Rancho Cucamonga Redev Agency	East Rancho Verde Hsg Ptrs, LP	1.50%	(1)	6/1/2060	\$ 6,500,000
Cnty of San Bernardino, Dept. of CDH	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	\$ 1,220,629
California Community Reinvestment Corp	Fontana II Hsg Ptrs, LP	6.75%	\$ 8,821	12/1/2036	\$ 916,613
City of Fontana	Fontana II Hsg Ptrs, LP	1.00%	(1)	2/1/2059	\$ 2,500,000
Bank of the West - AHP	Fontana III Hsg Ptrs, LP	0.00%	(3)	3/1/2061	\$ 350,000
City of Fontana	Fontana III Hsg Ptrs, LP	1.00%	(1)	6/1/2060	\$ 7,153,254
NorthMarq Capital, LLC	Fontana III Hsg Ptrs, LP	5.79%	Variable	4/1/2036	\$ 1,266,000
JPMorgan Chase	Malvern Housing Partners, LP	8.06%	\$ 2,780	10/1/2026	\$ 109,708
City of Rancho Cucamonga RDA	Malvern Housing Partners, LP	1.00%	(1)	4/15/2056	\$ 3,801,209
County of San Bernardino	Malvern Housing Partners, LP	3.00%	\$ 2,218	12/1/2022	\$ 400,000
City of Hawthorne	NCRC / Hawthorne Terrace	Variable	(1)	10/1/2059	\$ 250,000
City of Hawthorne	NCRC / Hawthorne Terrace	3.00%	(1)	10/1/2059	\$ 1,998,855
JPMorgan Chase Bank	NCRC / Hawthorne Terrace	5.55%	\$ 11,142	10/1/2029	\$ 1,369,000
NCRC	Hope Through Access	0.00%	(1)	(c)	\$ 2,000,000
City of Victorville	Victorville Housing Ptrs, LP	3.00%	(1)	9/1/2057	\$ 794,602
US Bank	Victorville Housing Ptrs, LP	6.66%	\$ 11,689	10/28/2022	\$ 1,144,069
City of Victorville	Victorville Housing Ptrs, LP	3.00%	(1)	9/2/2057	\$ 970,733
CCRC	Escondido Senior Hsg Ptrs, LP	7.37%	\$ 12,460	11/1/2041	\$ 1,529,528
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

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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	2022 Principal balance
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	\$ 718,911
LACDC	Santa Fe Springs Hsg Ptrs, LP	3.00%	(1)	3/1/2032	\$ 622,200
SFSCDC	Santa Fe Springs Hsg Ptrs, LP	3.00%	(1)	9/1/2057	\$ 1,432,129
US Bank	Santa Fe Springs Hsg Ptrs, LP	5.36%	\$ 24,598	4/1/2034	\$ 2,599,640
City of Oceanside	Oceanside Housing Ptrs, LP	3.00%	(1)	6/1/2061	\$ 6,244,000
MuniMae TE Bond Subsidiary, LLC	Oceanside Housing Ptrs, LP	5.75%	\$ 23,980	5/1/2049	\$ 3,899,970
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	\$ 399,611
Citibank N.A. - Subordinate Loan	Avenida Serra Hsg Partners, LP	1.00%	(1)	10/1/2070	\$ 187,249
City of San Clemente	Avenida Serra Hsg Partners, LP	3.36%	(1)	12/31/2070	\$ 3,430,771
NCRC	Avenida Serra Hsg Partners, LP	0.00%	(1)	3/1/2069	\$ 730,800
California Housing Finance Agency	SCHDC / Mountainside Apts	7.25%	\$ 44,171	9/1/2026	\$ 1,769,157
City of Oceanside	Mission Cove Family I Hsg, LP	0.00%	(3)	10/1/2072	\$ 5,900,000
Citi Bank, N.A	Mission Cove Family I Hsg, LP	5.54%	\$ 4,555	10/1/2038	\$ 575,400
Citibank, N.A.	Mission Cove Family I Hsg, LP	1.00%	(3)	4/1/2071	\$ 1,340,606
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	\$ 4,405,348
California Housing Finance Agency	Mission Cove Family I Hsg, LP	3.00%	(1)	3/1/2071	\$ 943,470
Bank of America	Mission Cove Family II Hsg, LP	5.26%	\$ 14,255	5/1/2035	\$ 2,603,698
City of Oceanside	Mission Cove Family II Hsg, LP	3.00%	(1)	5/1/2073	\$ 4,178,983
NCRC Loan (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	\$ 1,102,194
Agency IV - First 5 LA	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	6/1/2072	\$ 931,437
AHP Funds	Mar Vista Union Hsg Ptrs, LP	0.00%	(3)	6/1/2070	\$ 300,000
CDC - County of Los Angeles	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	3/1/2072	\$ 895,726
City of Pasadena	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	4/1/2065	\$ 1,417,273
Federal Home Funds	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	7/1/2067	\$ 1,475,397
Inclusionary Housing Fund	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	7/1/2067	\$ 646,077
Brookfield University Commons, LLC	UC Housing Partners, LP	2.00%	(3)	11/1/2059	\$ 1,463,164
California HCD	UC Housing Partners, LP	3.00%	(2)	7/1/2062	\$ 6,382,879
CSCDA	UC Housing Partners, LP	5.60%	\$ 23,618	8/1/2037	\$ 2,830,642
AHP Funds	Mission Village Senior Hsg, LP	0.00%	(3)	3/1/2065	\$ 500,000
Redev Agency of the Cnty 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	\$ 2,353,844

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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	2022 Principal balance
California Housing Finance Agency	SCHDC / Monterey Village	7.25%	\$ 34,791	10/1/2026	\$ 1,393,466
California Housing Finance Agency	SCHDC / Monterey Village	6.00%	\$ 33,444	10/1/2034	\$ 3,394,427
Victorville RDA	SCHDC / Monterey Village	3.00%	(1)	12/1/2035	\$ 4,864,812
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	\$ 808,521
JPMorgan Chase Bank - AHP	Bell Housing Ptrs, LP	0.00%	(3)	1/1/2034	\$ 240,000
California Housing Finance Agency	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/1/2072	\$ 1,699,143
Citi Bank	Savi Ranch II Hsg Ptrs, LP	5.70%	\$ 16,920	7/1/2035	\$ 2,773,433
City of Orange	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/7/2072	\$ 1,504,100
City of Yorba Linda	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/1/2072	\$ 2,000,000
Orange County Housing Authority	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/7/2072	\$ 140,200
Pacific Western Bank - AHP	Savi Ranch II Hsg Ptrs, LP	0.00%	(3)	6/7/2072	\$ 530,000
RDA - City of Yorba Linda	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/1/2072	\$ 2,415,321
City of San Bernardino HOME Funds	Waterman Gardens Ptrs 1, LP	3.00%	(1)	(a)	\$ 734,000
Housing Authority of San Bernardino	Waterman Gardens Ptrs 1, LP	2.33%	(1)	(a)	\$ 663,000
Wells Fargo Bank	Waterman Gardens Ptrs 1, LP	3.65%	\$ 35,164	10/1/2057	\$ 8,312,489
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	\$ 3,056,503
Citi Bank - Subordinate Loan	Savi Ranch Housing Ptrs, LP	1.00%	(1)	4/1/2070	\$ 550,000
City of Yorba Linda	Savi Ranch Housing Ptrs, LP	3.00%	(1)	3/1/2066	\$ 6,212,314
NCRC	Savi Ranch Housing Ptrs, LP	0.00%	(3)	9/1/2071	\$ 680,000
Bank of the West	Promenade Housing Ptrs, LP	4.83%	\$ 20,284	5/1/2054	\$ 3,942,717
CDC of the City of West Covina	Promenade Housing Ptrs, LP	2.82%	(1)	4/1/2072	\$ 6,056,621
Executive Lodge, LP - Seller Carryback	Promenade Housing Ptrs, LP	5.00%	(1)	12/31/2072	\$ 1,356,422
NCRC	Promenade Housing Ptrs, LP	3.00%	(1)	12/31/2072	\$ 575,014
Bolt Housing Partners, LP - Seller Carryback	Parkside SD Apartments, LP	3.80%	(1)	6/30/2055	\$ 2,699,411
Pacific Western Bank	Parkside SD Apartments, LP	5.00%	\$ 13,543	3/1/2037	\$ 2,577,589
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	\$ 6,607,397
City of San Marcos	Paseo Del Oro Apartments, LP	3.00%	(1)	12/1/2073	\$ 3,465,670
County of San Diego	Paseo Del Oro Apartments, LP	5.98%	(3)	3/1/2073	\$ 1,497,051
San Marcos Hsg Partners, LP – Seller Carryback	Paseo Del Oro Apartments, LP	4.50%	(1)	3/1/2073	\$ 4,801,338
California Community Reinvestment Corp	Fontana IV Hsg Ptrs, LP	6.50%	\$ 13,896	9/1/2045	\$ 1,978,297
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	\$ 1,651,345
City of Bell CDC	Bell Gardens Hsg Partners, LP	3.00%	(1)	4/1/2060	\$ 3,812,203
City of L.A. HOME Funds	Bell Gardens Hsg Partners, LP	3.00%	(1)	3/1/2063	\$ 2,785,367
Housing Authority Co.of L.A.	Bell Gardens Hsg Partners, LP	3.00%	(1)	3/1/2063	\$ 1,500,000

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7. Mortgages and notes payable, net (continued)

Lender	Secured Entity	Interest rate	Monthly principal and int or other repymt terms	Maturity	2022 Principal balance
CA Community Reinvestment Corp	Cathedral Family Hsg Ptrs, LP	7.25%	\$ 3,355	3/1/2028	\$ 508,970
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
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	\$ 587,769
JPMorgan Chase Bank	NCRC / Rancho Verde Apts	5.16%	\$ 11,206	4/1/2025	\$ 1,817,336
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	\$ 4,139,864
NCRC	Renaissance Village Hsg Ptrs, LP	3.06%	(1)	3/1/2030	\$ 650,812
NCRC	Renaissance Village Hsg Ptrs, LP	3.06%	(1)	7/1/2069	\$ 400,000
NCRC - Seller Carryback	Renaissance Village Hsg Ptrs, LP	3.06%	(1)	7/1/2069	\$ 9,198,872
City of Montclair RDA	Montclair Family Hsg Ptrs, LP	3.00%	(1)	5/1/2061	\$ 1,943,765
County of San Bernardino (HOME)	Montclair Family Hsg Ptrs, LP	5.00%	(1)	5/1/2061	\$ 1,500,000
US Bank	Montclair Family Hsg Ptrs, LP	7.73%	\$ 9,802	11/1/2037	\$ 1,060,082
AHP Funds	EMI Housing Partners, LP	0.00%	(1)	3/1/2044	\$ 158,357
City of Montclair	EMI Housing Partners, LP	4.00%	(1)	4/1/2069	\$ 682,119
Wells Fargo Bank	EMI Housing Partners, LP	0.00%	(1)	10/1/2055	\$ 2,869,900
NCRC - bond financing	Santee Apts, LP	4.75%	(1)	8/1/2037	\$ 4,178,737
California HCD	Santee Apts, LP	3.00%	(2)	12/1/2058	\$ 4,844,952
Community Development Commission	Santee Apts, LP	3.00%	(1)	3/1/2055	\$ 3,016,248
County of San Diego	Santee Apts, LP	3.00%	(1)	12/1/2055	\$ 240,000
County of San Diego	Santee Apts, LP	3.00%	(1)	7/15/2077	\$ 804,658
California Housing Finance Agency	HB Housing Partners LP	5.30%	\$ 8,330	12/20/2037	\$ 1,035,830
City of Rancho Cucamonga	HB Housing Partners LP	3.00%	(3)	3/11/2029	\$ 9,000,000
City of Montclair Redevelopment Agency	Montclair Senior Hsg Ptrs, LP	3.00%	(1)	7/1/2063	\$ 1,528,280
San Antonio Gateway Housing Corp - Seller Carryback	Montclair Senior Hsg Ptrs, LP	0.00%	(3)	3/1/2066	\$ 10,604,000
California Housing Finance Agency	SCHDC / Sycamore Springs Apts	7.25%	\$ 30,186	9/1/2026	\$ 1,209,039
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	\$ 2,311,444
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 - Seller Carryback	SVSM Apartments, LP	0%	(1)	3/31/2073	\$ 6,609,821
Citibank	SVSM Apartments, LP	5.09%	\$ 85,499	10/1/2050	\$ 16,206,172
San Marcos Redevelopment Agency	SVSM Apartments, LP	3.00%	(1)	12/31/2073	\$ 5,467,067
California HCD	Eagle Rock Hsg Partners, LP	3.00%	(2)	6/1/2066	\$ 1,708,526
City of Los Angeles (HOME)	Eagle Rock Hsg Partners, LP	4.45%	(1)	12/1/2063	\$ 2,325,360
NHDC Tres Lomas, LP - Seller Carryback	Eagle Rock Hsg Partners, LP	4.45%	(1)	12/1/2069	\$ 692,428
US Bank (EastWest Bank)	Eagle Rock Hsg Partners, LP	8.00%	\$ 4,243	6/1/2039	\$ 462,186

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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	2022 Principal balance
San Diego Housing Commission	Ken Tal Senior Partners, LP	5.00%	\$ 1,691	12/1/2034	\$ 205,867
San Diego RDA	Ken Tal Senior Partners, LP	3.00%	(1)	10/30/2059	\$ 5,216,424
CCRC (Wells Fargo bond trustee)	Citrus Grove Hsg Ptrs, LP	6.25%	\$ 5,110	6/1/2041	\$ 671,532
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	\$ 716,876
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	\$ 898,523
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	\$ 3,730,647
JPMorgan Chase Bank	Yorba Linda Housing Ptrs, LP	0.00%	(1)	11/1/2039	\$ 750,000
California Community Reinvestment Corp.	Rancho Workforce Housing, LP	6.04%	\$ 51,996	10/1/2040	\$ 7,720,199
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	\$ 891,709
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
San Marcos RDA	Villa Serena Apartments, LP	3.00%	(1)	2/1/2027	\$ 2,458,401
NCRC	Villa Serena Apartments, LP	5.00%	\$ 5,178	3/1/2036	\$ 601,280
Community Dev. Commission of National City	Vista del Sol Apartments, LP	3.00%	(1)	12/31/2073	\$ 7,150,761
Copper Hills Apartments, LP - Seller Carryback	Vista del Sol Apartments, LP	5.00%	(1)	12/31/2074	\$ 2,500,000
Pacific Western Bank	Vista del Sol Apartments, LP	4.00%	\$ 39,815	2/1/2054	\$ 8,510,635
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	\$ 3,041,133
WPH	Vista Terraza Hsg Partners, LP	4.70%	(1)	4/1/2060	\$ 4,673,244
City of San Bernardino	Val 9 Housing Partners, LP	3.00%	(1)	9/1/2071	\$ 500,000
County of San Bernardino	Val 9 Housing Partners, LP	3.00%	(1)	3/1/2070	\$ 1,500,000
Housing Authority of San Bernardino	Val 9 Housing Partners, LP	3.00%	(1)	8/1/2070	\$ 810,000
PNC Bank	Val 9 Housing Partners, LP	3.47%	\$ 41,791	11/1/2046	\$ 9,783,714
Wells Fargo Bank	Val 9 Housing Partners, LP	3.00%	(1)	12/1/2071	\$ 750,000
California HCD	Courson Senior Partners, LP	3.00%	(1)	6/1/2062	\$ 2,341,584
City of Palmdale RDA	Courson Senior Partners, LP	3.00%	(1)	12/1/2060	\$ 2,850,000
FHLB-AHP California Community	Courson Senior Partners, LP	0.00%	(3)	1/1/2039	\$ 350,000
Reinvestment Corporation (CCRC)	Courson Senior Partners, LP	6.25%	\$ 6,773	4/1/2039	\$ 835,482

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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	2022 Principal balance
CitiBank, N.A.	Westlake Housing Partners, LP	5.87%	\$ 3,930	6/1/2030	\$ 633,213
City of San Marcos	Westlake Housing Partners, LP	3.00%	(1)	12/31/2071	\$ 13,330,252
NCRC - AHP	Westlake Housing Partners, LP	0.00%	(1)	4/1/2069	\$ 480,000
Berkadia	Richmar Housing Partners, LP	5.12%	\$ 5,764	9/1/2049	\$ 1,008,001
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 - AHP loan	Day Creek Senior Hsg Partners, LP	0.00%	(3)	10/28/2075	\$ 1,390,000
City of Rancho Cucamonga	Day Creek Senior Hsg Partners, LP	2.91%	(4)	12/31/2073	\$ 4,896,303
JPMorgan Chase Bank	Day Creek Senior Hsg Partners, LP	5.16%	\$ 11,586	7/31/2056	\$ 2,222,431
Century Housing Corporation - AHP loan	Day Creek Senior Hsg Ptrs 2, LP	0.00%	(3)	12/31/2073	\$ 490,000
City of Rancho Cucamonga	Day Creek Senior Hsg Ptrs 2, LP	3.00%	(4)	10/28/2073	\$ 5,700,000
City of Rancho Cucamonga - Seller Carryback	Day Creek Senior Hsg Ptrs 2, LP	2.91%	(4)	12/31/2073	\$ 2,803,697
JPMorgan Chase Bank	Day Creek Senior Hsg Ptrs 2, LP	5.16%	\$ 8,059	6/14/2021	\$ 1,545,824
Bank of America	NCRC Encanto, LP	5.73%	\$ 21,399	8/1/2036	\$ 3,752,774
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)	11/30/2073	\$ 5,000,000
Pacific Western Bank	NCRC SYSV, LP	5.50%	\$ 1,583	7/1/2038	\$ 286,756
Pacific Western Bank	NCRC SYSV, LP	0.00%	(3)	12/1/2073	\$ 1,000,000
San Diego Housing Commission	NCRC SYSV, LP	3.00%	(1)	12/31/2075	\$ 760,000
Century Housing Corporation	LINC-CORE Hsg Ptrs-Glendale, LP	5.68%	\$ 12,402	6/11/2037	\$ 2,204,005
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
US Bank	Virginia Holt Housing, LP	4.57%	\$ 15,699	11/22/2038	\$ 3,248,058
Ontario Housing Authority	Virginia Holt Housing, LP	0.00%	(1)	4/1/2074	\$ 1,556,493
Ontario Housing Authority	Virginia Holt Housing, LP	3.00%	(1)	4/1/2074	\$ 2,000,000
Century Housing Corporation - AHP loan	Virginia Holt Housing, LP	3.00%	(3)	12/31/2073	\$ 14,729,325
Bank of America	Waterman Gardens Ptrs 2, LP	3.57%	\$ 15,699	11/22/2038	\$ 42,352,572
City of San Bernardino	Waterman Gardens Ptrs 2, LP	3.00%	(4)	9/30/2074	\$ 1,350,000
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
California Housing Finance Agency	Santa Angelina	3.00%	\$6,299	6/1/2077	\$ 2,519,696
JP Morgan Chase Bank	Santa Angelina	variable	(4)	10/8/2024	\$ 5,020,100

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7. Mortgages and notes payable, net (continued)

Lender	Secured Entity	Interest rate	Monthly principal and int or other repymt terms	Maturity	2022 Principal balance
Bank of America	LINC-CORE Fairview Metro, LP	variable	variable	3/17/2023*	\$ 27,809,840
LACDA (measure H)	LINC-CORE Fairview Metro, LP	3.00%	\$ 6,162	12/17/2076	\$ 4,077,000
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%	\$ -	12/17/2076	\$ 899,124
LACDA Measure H	LINC-CORE Fairview Metro, LP	3.00%	(1)	12/1/2076	\$ 2,644,383
NCRC - Bond financing	Iris at San Ysidro LP	5.50%	(4)	4/26/2023	\$ 5,082,504
NCRC - Bond financing	NCRC Mountain View LLC	variable	(4)	4/30/2024	\$ 3,988,474
City of Riverside	Golden Pierce Housing Partners LP	3.00%	(1)	12/31/2077	\$ 1,000,000
Housing Authority of the City of Riverside	Golden Pierce Housing Partners LP	3.00%	(3)	12/31/2077	\$ 798,949
Bank of America	Golden Pierce Housing Partners LP	variable	(4)	11/1/2024	\$ 5,687,625
NCRC	Golden Pierce Housing Partners LP	0.00%	(3)	(d)	\$ 533,234
County of San Diego	NCRC NSV LP	0.00%	(3)	4/7/2077	\$ 3,345,432
San Diego Housing Commission	NCRC NSV LP	4.00%	(3)	12/31/2078	\$ 2,215,353
JP Morgan Chase Bank	NCRC NSV LP	5.41%	(3)	8/5/2040	\$ 1,217,874
City of Los Angeles	Linc-CORE San Pedro Lofts, LP	4.00%	(1)	(a)	\$ 4,310,251
Bank of America	Linc-CORE San Pedro Lofts, LP	variable	(4)	1/1/2024	\$ 16,922,561
LINC Community Development Corp	Linc-CORE San Pedro Lofts, LP	3.00%	(4)	1/1/2024	\$ 1,184,246
NCRC	Linc-CORE San Pedro Lofts, LP	3.00%	(4)	1/1/2024	\$ 1,184,246
Rialto Housing Authority	Rialto Metrolink South Hsg Ptrs, LP	variable	(3)	(b)	\$ 4,550,000
Rialto Housing Authority	Rialto Metrolink South Hsg Ptrs, LP	0.25%	(1)	12/31/2079	\$ 3,030,000
City of San Marcos	Richmar Station San Marcos, LP	3.00%	(1)	2/4/2068	\$ 4,148,010
California Housing Finance Agency	Legacy Square, LP	3.00%	(1)	(a)	\$ 1,514,240
Bank of America	Legacy Square, LP	variable	(4)	8/1/2023*	\$ 26,246,018
City of San Marcos	VS Phase 1, LP	0.00%	(3)	(a)	\$ 9,861,219
City of San Marcos	VS Phase 1, LP	3.00%	(1)	(a)	\$ 1,434,832
San Diego HHS Agency	VS Phase 1, LP	3.00%	(3)	3/18/2078	\$ 4,953,857
California Housing Finance Agency	VS Phase 1, LP	0.00%	(1)	(a)	\$ 1,067,000
Wells Fargo Bank	VS Phase 1, LP	0.00%	(3)	(a)	\$ 17,145,985
San Marcos RDA	West Mission Partners, LLC	3.00%	(1)	5/1/2031	\$ 1,320,000
JP Morgan Chase Bank	CP Senior Apartments, LP	Variable	Variable	7/22/2055	\$ 21,166,830
NCRC	CP Senior Apartments, LP	2.25%	(1)	7/1/2075	\$ 1,603,598
NCRC	CP Senior Apartments, LP	2.25%	(1)	7/1/2075	\$ 1,165,125
NCRC - Seller Carryback	CP Senior Apartments, LP	3.00%	(1)	7/22/2075	\$ 13,447,000
Subtotal					\$ 1,199,904,327
Less: intercompany notes eliminated upon consolidation					<u>(88,841,617)</u>
Consolidated subtotal					1,111,062,710
Less: unamortized debt issuance costs					<u>(10,330,045)</u>
Mortgages and notes payable, net					<u>\$ 1,100,732,665</u>

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

7. Mortgages and notes payable, net (continued)

- (a) Maturity Date will be 55 years from completion of construction.
- (b) Maturity Date will be 55 years from the Certificate of Occupancy.
- (c) Maturity Date will be 55 years from the later of commencement date or conversion date.
- (d) Maturity Date will be 55 years from the date of conversion.
- (1) Payment is based on residual receipts.
- (2) Payment in the amount of .42% per annum.
- (3) Full payment at maturity.
- (4) Interest only monthly, principal payment at maturity.
- (5) From \$10,000 to \$55,000 until maturity.
- (6) Interest due June 1 and December 1 each year.
- (7) Interest only quarterly, principal payment at maturity.

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

Debt issuance costs are being amortized to interest expense over the term of the loans. For the year ended December 31, 2022, the effective interest rate was 2.89%. During 2022, amortization expense for debt issuance costs was \$639,879.

As mentioned in Note 1, during 2022, NCRC closed on \$100,000,000 of Taxable Bonds, Series 2022 (Social Bonds) (the "Bonds"). The sales price of the Bonds was \$98,986,523, representing the principal amount of the bonds net of underwriting costs and fees. As of December 31, 2022, \$57,436,734 of Bond proceeds have not yet been loaned out and are held as available-for-sale securities (see Note 2). For the year ended December 31, 2022, interest expense on the Bonds was \$2,652,333.

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

2023	\$ 69,918,582
2024	45,632,143
2025	40,482,810
2026	5,724,927
2027	4,903,185
Thereafter	<u>944,401,063</u>
Total	<u>\$ 1,111,062,710</u>

Over the next three years, maturities listed above include approximately \$131,000,000 in construction loans that are expected to be converted to permanent financing or otherwise refinanced with permanent financing. See Note 16.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

8. Net assets with donor restrictions

Note Payable La Quinta Redevelopment Agency

During the year ended June 30, 2008, NCRC acquired a partially constructed project from the La Quinta Redevelopment Agency (the "Agency") for \$24,000,000 pursuant to the Amended and Restated Affordability Housing Agreement dated October 31, 2007. NCRC gave the Agency a note in the same amount of \$24,000,000. The \$24,000,000 represented the amount that the Agency had spent on construction as of the date of the sale of the partially completed project to NCRC. The note does not bear interest and is automatically forgiven five years after the date that Vista Dunes Housing Partners, 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, 2022, \$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, 2022, NCRC has a balance of net assets with donor restrictions of \$4,305,076 attributable to the loan forgiveness.

There were additional advances from the Agency totaling \$1,910,067. The entire amount was forgiven in a prior year and is classified as net assets with donor restrictions on the consolidated statement of financial position. Release of restriction on this grant commenced in February 2015 and will continue over a 46-year period on the straight-line basis. For the year ended December 31, 2022, \$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, 2022, NCRC has a balance of net assets with donor restrictions of \$1,525,325 attributable to the forgiveness of advances.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

8. Net assets with donor restrictions (continued)

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, 2022, \$429,293 of net assets with donor restrictions were added to net assets without donor restrictions. Amortization in subsequent years will be approximately \$429,300 per year. As of December 31, 2022, NCRC has a balance of net assets with donor restrictions of \$36,070,787 attributable to the extended affordability agreement.

Pledge Agreement grant

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

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

For the year ended December 31, 2022, the Redevelopment Agency funded \$339,200 under the Pledge Agreement, which is included as an increase in net assets with donor restrictions on the accompanying consolidated statement of changes in net assets. The funding is accounted for as grant income with donor restrictions. As expenditures from the replacement reserves are made, net assets with donor restrictions are released in the same amount. For the year ended December 31, 2022, \$977,129 of net assets with donor restrictions were released to net assets without donor restrictions. As of December 31, 2022, NCRC has a balance of net assets with donor restrictions of \$2,765,969 attributable to the Pledge Agreement grant.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022, \$806,774 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, 2022, accrued retirement plan payables totaled \$823,147 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, 2022, the affiliates received \$3,015,874 under these agreements, which is included in rental income on the accompanying consolidated statement of activities.

11. Related party transactions

In the ordinary course of business, NCRC has significant related party transactions with its wholly-owned subsidiaries and its affiliates. It provides funding in connection with the development and management of projects. In certain cases, NCRC pays operating expenses on behalf of affiliates. Such amounts are unsecured, non-interest bearing and payable upon demand. NCRC earns construction contractor's fees, supervisory management and asset management fees, construction supervisory management fees, social services fees and property management fees in connection with services rendered to consolidated affiliated entities. Such amounts are generally payable from available cash flows. All intercompany amounts are eliminated upon consolidation.

Advances due from affiliates

The amounts loaned by NCRC to affiliates primarily represent development loans and other entity expenses that do not eliminate upon consolidation. These loans are unsecured, due on demand and some bear interest. As of December 31, 2022, such amounts due are \$1,138,608.

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, 2022, such advances totaled \$3,496,456, 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, 2022.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

11. Related party transactions (continued)

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. 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, 2022, 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, 2022, 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, 2022, no amounts were due under these guarantees.

13. Surplus cash and residual receipts

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

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

14. Commitments and contingencies

Grant and property use restrictions

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

Litigation

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

Other

As general 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.

15. 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.

16. Subsequent events

Subsequent events have been evaluated through June 26, 2023, which is the date the financial statements were available to be issued. The following is a summary of significant transactions through June 26, 2023:

In March 2023, LINC-CORE Fairview Metro, LP's \$27,809,840 construction loan (see Note 7) was refinanced with a \$9,019,000 mortgage loan and the remainder paid down with equity contributions from the investor limited partner in this Housing Affiliate. The new loan has a 4.69% interest rate and shall mature in 2038.

Legacy Square, LP's \$26,246,018 construction loan (see Note 7) is in the process of being refinanced into a permanent loan after recently receiving certificate of occupancy.



SUPPLEMENTARY INFORMATION CONSOLIDATING SCHEDULES

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2022

	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	\$ 7,909,247	\$ 3,097,451	\$ 14,447,642	\$ -	\$ 25,454,340	\$ 23,768,471	\$ -	\$ 49,222,811
Reserve for security deposits held in trust	-	-	2,231,142	-	2,231,142	2,738,893	-	4,970,035
Restricted cash	1,592,132	-	21,492,543	(1,652,673)	21,432,002	25,557,527	-	46,989,529
Investments in available-for-sale securities	56,336,559	-	-	-	56,336,559	-	-	56,336,559
Accounts receivable, net	4,473,338	125,097	4,152,674	-	8,751,109	3,804,400	-	12,555,509
Prepaid expense	1,667,949	10,218	330,472	-	2,008,639	802,815	-	2,811,454
Advance due from affiliates, net	49,309,154	952,850	2,306,630	(24,939,592)	27,629,042	20	(22,993,998)	4,635,064
Notes and interest receivable	33,443,952	1,041,572	62,282,348	(15,449,585)	81,318,287	490,282	(74,507,313)	7,301,256
Project development costs receivable	953,550	-	-	-	953,550	-	-	953,550
Developer fee receivable	22,689,387	-	-	(1,420,327)	21,269,060	-	(20,018,984)	1,250,076
Equity investments in partnerships	26,281,926	-	35,967	(3,110,909)	23,206,984	45,426	(15,853,664)	7,398,746
Lease right-of-use assets	-	-	1,500,777	-	1,500,777	51,992,841	-	53,493,618
Property, equipment and improvements, net	22,170,042	422,189	283,188,511	(5,338,090)	300,442,652	1,086,719,837	(74,537,293)	1,312,625,196
Deferred costs, net	-	-	50,175	-	50,175	1,849,046	-	1,899,221
Total assets	\$ 226,827,236	\$ 5,649,377	\$ 392,018,881	\$ (51,911,176)	\$ 572,584,318	\$ 1,197,769,558	\$ (207,911,252)	\$ 1,562,442,624
LIABILITIES AND NET ASSETS								
Accounts payable	\$ 3,735,205	\$ 189,310	\$ 1,620,914	\$ -	\$ 5,545,429	\$ 28,923,125	\$ -	\$ 34,468,554
Security deposits	(8,044)	-	2,147,339	-	2,139,295	2,607,627	-	4,746,922
Accrued expenses	3,708,744	205,622	718,845	-	4,633,211	893,203	-	5,526,414
Deferred revenue	2,870,655	224,750	240,792	(314,510)	3,021,687	503,104	(2,680,895)	843,896
Lease right-of-use liability	-	-	-	-	-	7,549,046	-	7,549,046
Accrued interest	-	-	59,963,103	(751,263)	59,211,840	76,410,122	(12,986,474)	122,635,488
Mortgages and notes payable, net	120,365,456	-	249,709,572	(17,401,954)	352,673,074	819,499,254	(71,439,663)	1,100,732,665
Due to affiliates	2,162,649	28,079	24,159,101	(23,888,633)	2,461,196	16,687,767	(15,547,877)	3,601,086
Developer fee payable	-	-	1,715,421	(1,140,340)	575,081	15,666,083	(14,123,157)	2,118,007
Total liabilities	132,834,665	647,761	340,275,087	(43,496,700)	430,260,813	968,739,331	(116,778,066)	1,282,222,078
Net assets								
Net assets without donor restrictions, controlling	64,591,405	2,662,986	38,124,424	(7,390,045)	97,988,770	9,919,487	(114,551,509)	(6,643,252)
Net assets without donor restrictions, non-controlling	-	-	-	-	-	219,110,740	23,418,323	242,529,063
Total net assets without donor restrictions	64,591,405	2,662,986	38,124,424	(7,390,045)	97,988,770	229,030,227	(91,133,186)	235,885,811
Net assets with donor restrictions	29,401,166	2,338,630	13,619,370	(1,024,431)	44,334,735	-	-	44,334,735
Total net assets	93,992,571	5,001,616	51,743,794	(8,414,476)	142,323,505	229,030,227	(91,133,186)	280,220,546
Total liabilities and net assets	\$ 226,827,236	\$ 5,649,377	\$ 392,018,881	\$ (51,911,176)	\$ 572,584,318	\$ 1,197,769,558	\$ (207,911,252)	\$ 1,562,442,624

see report of independent auditors

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - SUPPLEMENTAL SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022

Net Assets without Donor Restrictions									
	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	\$ 441,746	\$ -	\$ 41,103,554	\$ -	\$ 41,545,300	\$ 49,624,627	\$ -	\$ -	\$ 91,169,927
Other rental revenue	1,038,615	-	1,840,698	-	2,879,313	1,200,717	-	-	4,080,030
House sales, net of costs of sales	-	-	2,602,228	-	2,602,228	-	-	-	2,602,228
Social service fee income	-	2,545,777	-	(895,522)	1,650,255	-	-	(1,395,292)	254,963
Consulting, development and partnership fees	30,294,607	-	443,509	(9,344,941)	21,393,175	269,040	-	(18,719,020)	2,943,195
Management fees	6,336,814	-	26,303	(2,671,595)	3,691,522	14,027	-	(2,957,389)	748,160
Grants and contributions, including release of net assets with donor restrictions	2,655,185	1,896,369	2,341,907	-	6,893,461	107,680	(658,510)	-	6,342,631
Contributions of nonfinancial assets	-	445,419	-	-	445,419	-	-	-	445,419
Interest income	2,861,230	-	2,314,371	(251,168)	4,924,433	92,236	-	(4,739,925)	276,744
Other income	-	323,515	205,264	-	528,779	59,325	-	-	588,104
Total revenue and other income	43,628,197	5,211,080	50,877,834	(13,163,226)	86,553,885	51,367,652	(658,510)	(27,811,626)	109,451,401
PROGRAM EXPENSES									
Contracted program services - Hope Through Housing	-	511,730	-	-	511,730	-	-	-	511,730
Lease expense	-	280,257	-	-	280,257	379,382	-	-	659,639
Payroll	-	2,262,934	6,439,621	(21,660)	8,680,895	8,067,975	-	-	16,748,870
Utilities	-	936	5,503,633	-	5,504,569	5,866,788	-	-	11,371,357
Repairs and maintenance	-	6,561	8,755,334	-	8,761,895	8,456,128	-	-	17,218,023
Legal and other professional services	-	230,120	-	-	230,120	-	-	-	230,120
Taxes and insurance	-	19,803	3,173,495	-	3,193,298	2,830,923	-	-	6,024,221
Interest expense	-	-	8,002,021	(251,168)	7,750,853	21,261,459	-	(3,428,548)	25,583,764
Depreciation and amortization expense	-	34,120	10,651,907	-	10,686,027	28,620,981	-	-	39,307,008
Other program expenses	-	1,360,648	-	-	1,360,648	-	-	-	1,360,648
Total program expenses	-	4,707,109	42,526,011	(272,828)	46,960,292	75,483,636	-	(3,428,548)	119,015,380
MANAGEMENT AND GENERAL EXPENSES									
General and administrative	4,181,910	934,714	2,582,598	-	7,699,222	3,579,651	-	-	11,278,873
Lease expense	421,439	-	40,223	-	461,662	-	-	-	461,662
Payroll	20,427,744	311,572	-	-	20,739,316	-	-	-	20,739,316
Utilities	102,415	-	-	-	102,415	-	-	-	102,415
Repairs and maintenance	72,873	-	-	-	72,873	-	-	-	72,873
Property management fees	18,828	-	3,788,246	(3,650,690)	156,384	5,677,953	-	(5,005,572)	828,765
Legal and other professional services	2,280,094	42,824	631,348	-	2,954,266	670,755	-	-	3,625,021
Taxes and insurance	320,840	-	-	-	320,840	-	-	-	320,840
Interest expense	2,774,635	-	-	-	2,774,635	-	-	-	2,774,635
Depreciation and amortization expense	382,523	-	-	-	382,523	-	-	-	382,523
Casualty losses	-	-	240,354	-	240,354	-	-	-	240,354
Other expenses	573,309	-	1,417,343	(1,024,431)	966,221	-	-	493,942	1,460,163
Total management and general expenses	31,556,610	1,289,110	8,700,112	(4,675,121)	36,870,711	9,928,359	-	(4,511,630)	42,287,440
FUNDRAISING EXPENSES									
Payroll	-	170,341	-	-	170,341	-	-	-	170,341
Fundraising events	259,999	126,964	24,661	-	411,624	-	-	-	411,624
Total fundraising expenses	259,999	297,305	24,661	-	581,965	-	-	-	581,965
Total expenses	31,816,609	6,293,524	51,250,784	(4,947,949)	84,412,968	85,411,995	-	(7,940,178)	161,884,785
Changes in net assets from operations	\$ 11,811,588	\$ (1,082,444)	\$ (372,950)	\$ (8,215,277)	\$ 2,140,917	\$ (34,044,343)	\$ (658,510)	\$ (19,871,448)	\$ (52,433,384)
OTHER CHANGES									
Realized losses - Available-for-sale securities, net	-	-	-	-	-	-	(546,440)	-	(546,440)
Unrealized losses - Available-for-sale securities	-	-	-	-	-	-	(1,100,175)	-	(1,100,175)
Total other changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,646,615)	\$ -	\$ (1,646,615)
Changes in net assets	\$ 11,811,588	\$ (1,082,444)	\$ (372,950)	\$ (8,215,277)	\$ 2,140,917	\$ (34,044,343)	\$ (2,305,125)	\$ (19,871,448)	\$ (54,079,999)
NET ASSETS									
Controlling interest									
Without donor restrictions, beginning of year	\$ 54,878,192	\$ 2,161,031	\$ 45,877,281	\$ (7,016,894)	\$ 95,899,610	\$ 23,626,129		\$ (98,137,874)	\$ 21,387,865
Contributions	-	-	-	-	-	8,244,577	-	(8,244,577)	-
Distributions (partnerships)	-	-	(422,860)	422,860	-	(509,500)	-	509,500	-
Return of capital (non-profit entities)	-	-	(8,443,697)	8,443,697	-	-	-	-	-
Transfer of previously wholly-owned to affiliate	-	-	2,065,622	-	2,065,622	(2,065,622)	-	-	-
Transfers of limited partner interests	-	-	(11,005,144)	-	(11,005,144)	(6,953,866)	-	-	(17,959,010)
Reclassification of intercompany equity to debt	-	-	11,192,890	-	11,192,890	(11,192,890)	-	11,192,890	11,192,890
Changes in net assets without donor restrictions	9,713,213	501,955	(1,139,668)	(9,239,708)	(164,208)	(1,229,341)	-	(19,871,448)	(21,264,997)
Without donor restrictions, end of year	\$ 64,591,405	\$ 2,662,986	\$ 38,124,424	\$ (7,390,045)	\$ 97,988,770	\$ 9,919,487		\$ (114,551,509)	\$ (6,643,252)
With donor restrictions, beginning of year	\$ 31,499,541	\$ 754,231	\$ 14,386,088	\$ -	\$ 46,639,860	\$ -	\$ -	\$ -	\$ 46,639,860
Increase in net assets with donor restrictions	-	2,797,705	339,200	(1,024,431)	2,112,474	-	-	-	2,112,474
Release of net assets with donor restrictions	(451,760)	(1,213,306)	(1,105,918)	-	(2,770,984)	-	-	-	(2,770,984)
Realized losses - Available-for-sale securities, net	(546,440)	-	-	-	(546,440)	-	-	-	(546,440)
Unrealized losses - Available-for-sale securities	(1,100,175)	-	-	-	(1,100,175)	-	-	-	(1,100,175)
With donor restrictions, end of year	\$ 29,401,166	\$ 2,338,630	\$ 13,619,370	\$ (1,024,431)	\$ 44,334,735	\$ -	\$ -	\$ -	\$ 44,334,735
Non-controlling interest									
Without donor restrictions, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,318,925	\$ 23,418,323	\$ -	\$ 228,737,248
Contributions	-	-	-	-	-	28,983,816	-	-	28,983,816
Distributions	-	-	-	-	-	(336,009)	-	-	(336,009)
Transfers of limited partner interests	-	-	-	-	-	17,959,010	-	-	17,959,010
Changes in net assets without donor restrictions	-	-	-	-	-	(32,815,002)	-	-	(32,815,002)
Without donor restrictions, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,110,740	\$ 23,418,323	\$ -	\$ 242,529,063

see report of independent auditors

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF INCOME (EBITDA) (Non-GAAP) – SUPPLEMENTAL SCHEDULE *
FOR THE YEAR ENDED DECEMBER 31, 2022

	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	\$ 441,746	\$ -	\$ 41,103,554	\$ -	\$ 41,545,300	\$ 49,624,627	\$ -	\$ -	\$ 91,169,927
Other rental revenue	1,038,615	-	1,840,698	-	2,879,313	1,200,717	-	-	4,080,030
House sales, net of costs of sales	-	-	2,602,228	-	2,602,228	-	-	-	2,602,228
Social service fee income	-	2,545,777	-	(895,522)	1,650,255	-	-	(1,395,292)	254,963
Consulting, development and partnership fees	30,294,607	-	443,509	(9,344,941)	21,393,175	269,040	-	(18,719,020)	2,943,195
Management fees	6,336,814	-	26,303	(2,671,595)	3,691,522	14,027	-	(2,957,389)	748,160
Grants and contributions, including release of net assets with donor restrictions	2,655,185	1,896,369	2,341,907	-	6,893,461	107,680	(658,510)	-	6,342,631
Contributions of nonfinancial assets	-	445,419	-	-	445,419	-	-	-	445,419
Other income	-	323,515	205,264	-	528,779	59,325	-	-	588,104
Total revenue and other income	40,766,967	5,211,080	48,563,463	(12,912,058)	81,629,452	51,275,416	(658,510)	(23,071,701)	109,174,657
PROGRAM EXPENSES									
Contracted program services - Hope Through Housing	-	511,730	-	-	511,730	-	-	-	511,730
Lease expense	-	280,257	-	-	280,257	379,382	-	-	659,639
Payroll	-	2,262,934	6,439,621	(21,660)	8,680,895	8,067,975	-	-	16,748,870
Utilities	-	936	5,503,633	-	5,504,569	5,866,788	-	-	11,371,357
Repairs and maintenance	-	6,561	8,755,334	-	8,761,895	8,456,128	-	-	17,218,023
Legal and other professional services	-	230,120	-	-	230,120	-	-	-	230,120
Taxes and insurance	-	19,403	3,074,102	-	3,093,505	2,779,415	-	-	5,872,920
Other program expenses	-	1,360,648	-	-	1,360,648	-	-	-	1,360,648
Total program expenses	-	4,672,589	23,772,690	(21,660)	28,423,619	25,549,688	-	-	53,973,307
MANAGEMENT AND GENERAL EXPENSES									
General and administrative	4,181,910	934,714	2,582,598	-	7,699,222	3,579,651	-	-	11,278,873
Lease expense	421,459	-	40,223	-	461,662	-	-	-	461,662
Payroll	20,427,744	311,572	20,739,316	-	20,739,316	-	-	-	20,739,316
Utilities	102,415	-	-	-	102,415	-	-	-	102,415
Repairs and maintenance	72,873	-	-	-	72,873	-	-	-	72,873
Property management fees	18,828	-	3,788,246	(3,650,690)	156,384	5,677,953	-	(5,005,572)	828,765
Legal and other professional services	2,280,094	42,824	631,348	-	2,954,266	670,755	-	-	3,625,021
Taxes and insurance	319,119	-	-	-	319,119	-	-	-	319,119
Other expenses	573,309	-	1,417,343	(1,024,431)	966,221	-	-	493,942	1,460,163
Total management and general expenses	28,397,731	1,289,110	8,459,758	(4,675,121)	33,471,478	9,928,359	-	(4,511,630)	38,888,207
FUNDRAISING EXPENSES									
Payroll	-	170,341	-	-	170,341	-	-	-	170,341
Fundraising events	259,999	126,964	24,661	-	411,624	-	-	-	411,624
Total fundraising expenses	259,999	297,305	24,661	-	581,965	-	-	-	581,965
Total operating expenses	28,657,730	6,259,004	32,257,109	(4,696,781)	62,477,062	35,478,047	-	(4,511,630)	93,443,479
NET OPERATING INCOME (LOSS) (EBITDA)	12,109,237	(1,047,924)	16,306,354	(8,215,277)	19,152,390	15,797,369	(658,510)	(18,560,071)	15,731,178
DEPRECIATION AND AMORTIZATION									
Depreciation expense	(382,523)	(34,120)	(10,620,288)	-	(11,036,931)	(28,431,677)	-	-	(39,468,608)
Amortization expense	-	-	(31,619)	-	(31,619)	(189,304)	-	-	(220,923)
Depreciation and amortization expense	(382,523)	(34,120)	(10,651,907)	-	(11,068,550)	(28,620,981)	-	-	(39,689,531)
OTHER INCOME AND (LOSS)									
Casualty losses	-	-	(240,354)	-	(240,354)	-	-	-	(240,354)
Realized losses - Available-for-sale securities, net	-	-	-	-	-	-	(546,440)	-	(546,440)
Unrealized losses - Available-for-sale securities	-	-	-	-	-	-	(1,100,175)	-	(1,100,175)
Other income and (loss), net	-	-	(240,354)	-	(240,354)	-	(1,646,615)	-	(1,886,969)
INCOME (LOSS) BEFORE INTEREST AND TAXES	11,726,714	(1,082,044)	5,414,093	(8,215,277)	7,843,486	(12,823,612)	(2,305,125)	(18,560,071)	(25,845,322)
INTEREST									
Interest income	2,861,230	-	2,314,371	(251,168)	4,924,433	92,236	-	(4,739,925)	276,744
Interest expense	(2,774,635)	-	(8,002,021)	251,168	(10,525,488)	(21,261,459)	-	3,428,548	(28,358,399)
Interest, net	86,595	-	(5,687,650)	-	(5,601,055)	(21,169,223)	-	(1,311,377)	(28,081,655)
TAXES									
Franchise tax fees	(1,721)	(400)	(99,393)	-	(101,514)	(51,508)	-	-	(153,022)
CHANGES IN NET ASSETS	11,811,588	(1,082,444)	(372,950)	(8,215,277)	2,140,917	(34,044,343)	(2,305,125)	(19,871,448)	(54,079,999)

* 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).

see report of independent auditors



SUPPLEMENTARY INFORMATION REQUIRED BY THE UNIFORM GUIDANCE

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2022

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing 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	\$ 851,051
U.S. Department of Housing and Urban Development, passed through from City of Los Angeles HCID, and Union Station Homeless Services			
<i>COVID-19</i> : Emergency Solutions Grant Program	14.231	2020PHK51-NC1 2020PHK42-NC1A	985,918
Total expenditures of federal awards			<u>\$ 1,836,969</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, 2022

1. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the expenditures of National Community Renaissance of California (the "Organization") and subsidiaries under programs of the federal government for the year ended December 31, 2022. 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* and *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed. Assistance Listing numbers ("AL No.") are provided when available. The Organization elected not to use the 10% de minimis indirect cost rate.

3. Outstanding federal loans and grants

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

AL No.	Program title	Funds received in 2022	Prior year funds with continuing compliance requirements	Total outstanding funds December 31, 2022
14.239	HOME Investment Partnerships Program	\$ 0	\$ 630,380	\$ 630,380
14.231	Emergency Solutions Grant Programs	\$ 439,151	\$ 546,767	\$ 985,918

No. HOME units	Project	Pass-through entity	AL No.	Outstanding balance as of December 31, 2022
11	Clark	Long Beach Affordable Housing Coalition, Inc.	14.239	\$ 550,000
13	Hawthorne	City of Hawthorne	14.239	0*
11	Corona del Rey	County of Riverside	14.239	80,380
35	Total of HOME Investments Partnership Program loans			<u>\$ 630,380</u>

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2022

3. Outstanding federal loans and grants (continued)

* Hawthorne's HOME loan of \$207,645 was forgiven during 2022.

No. units	Project	Pass-through entity	AL No.	Funds expended as of December 31, 2022
49	Titta's Inn	City of Los Angeles	14.231	\$ 495,370
52	Super 8	City of Los Angeles	14.231	490,548
101		Total of Emergency Solutions Grant Program expenditures		<u>\$ 985,918</u>

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, 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 26, 2023.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Walnut Creek, California
June 26, 2023

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

To the Board of Directors of
National Community Renaissance of California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited National Community Renaissance of California's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of National Community Renaissance of California's major federal programs for the year ended December 31, 2022. National Community Renaissance of California's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, National Community Renaissance of California complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding National Community Renaissance of California's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of National Community Renaissance of California's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of National Community Renaissance of California's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

Purpose of this Report

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

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

Novogradac & Company LLP

Walnut Creek, California
June 26, 2023

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.239	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
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022

There were no prior year audit findings.



**COUNCIL PRESIDENT PRO TEM JOE LACAVA
FIRST COUNCIL DISTRICT**

**COUNCILMEMBER JENNIFER CAMPBELL
SECOND COUNCIL DISTRICT**

M E M O R A N D U M

DATE: June 26, 2024

TO: Lisa Jones, Executive Director, San Diego Housing Authority

FROM: Council President Pro Tem Joe LaCava, First District
Councilmember Jennifer Campbell, Second District

SUBJECT: Request to Hear HRC24-053 Loan Recommendation for Rose Creek Village

Per section 98.0301(e) (2)(c) of the San Diego Municipal Code, we respectfully request that Item 104, HRC24-053 Loan Recommendation for Rose Creek Village from the June 21st, 2024, San Diego Housing Commission Board of Commissioners be docketed at the next available Housing Authority meeting.

Thank you for your prompt attention to this request. If you have any questions, please contact, Brian Elliott, my Deputy Chief of Staff, at 619-236-6611 or BElliott@sandiego.gov.

cc: Council President Sean Elo-Rivera
Mara Elliott, City Attorney
Matt Yagyagan, Director of Policy, Office of Mayor Todd Gloria
Molly Weber, Senior Vice President, Policy and Land Use, San Diego Housing Commission
Scott Marshall, Vice President of Communications & Government Relations, San Diego Housing Commission

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO AUTHORIZING THE SAN DIEGO
HOUSING COMMISSION TO LOAN AN AMOUNT NOT TO
EXCEED \$2,000,000 TO ROSE CREEK VILLAGE LP FOR
RESIDUAL RECEIPTS FOR THE ACQUISITION AND
CONSTRUCTION OF ROSE CREEK VILLAGE.

WHEREAS, San Diego Community Housing Corporation (SDCHC) and National
Community Renaissance (National CORE), SDCHC and National CORE referred to collectively
as “Co-Developers,” submitted an application to the San Diego Housing Commission’s (Housing
Commission) Fiscal Year 2024 Notice of Funding Availability (FY 2024 NOFA) for a loan for
the acquisition and new construction of the property located at 2662 Garnet Avenue, San Diego,
in the Pacific Beach neighborhood to be known as Rose Creek Village (Project); and

WHEREAS, the Project is a proposed 60-unit, new construction, affordable, transit-
priority development which will consist of 59 rental housing units that will remain affordable for
55 years for persons with income from 30 percent to 60 percent of San Diego’s Area Median
Income (AMI) and one unrestricted manager’s unit; and

WHEREAS, the Project’s residents will have access to a range of services, including case
management, mental health assessment and counseling, substance abuse prevention, wellness
services, peer-to-peer support groups, and crisis counseling; and

WHEREAS, the Project has an estimated total development cost of \$36,137,259, which the
Co-Developers propose to finance from the proposed FY 2024 NOFA loan, a 9 percent tax credits
allocation from the California Tax Credit Allocation Committee (CTCAC), a City of San Diego

(City) loan, a No Place Like Home (NPLH) loan from the County of San Diego, a State Infill Infrastructure Grant (IIG), and other necessary third-party financing as further described in the Staff Report; and

WHEREAS, the Project will be the City's first tax credit-funded project in a City beach community; and

WHEREAS, the proposed borrower will be Rose Creek Village LP, a California limited partnership, which will have NCRC Rose Creek GP LLC as its managing general partner, SDCHC Rose Creek LLC as its administrative general partner, and a to-be-determined tax credit investor limited partner; and

WHEREAS, the proposed \$2,000,000 residual receipts loan will be partly funded with the City of San Diego Affordable Housing Fund and partly funded with United States Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME) funds, which the Housing Commission administers; and

WHEREAS, the Housing Commission has also provided a preliminary award recommendation of 47 Project Based Vouchers (PBVs) for Rose Creek Village to assist individuals with income from 30 percent of AMI to 60 percent of AMI, contingent upon completion of a subsidy layering review, execution of an Agreement to Enter into Housing Assistance Payment, and verification of services; and

WHEREAS, the tenants for 29 PBVs will be selected from the Housing Commission's low-income PBV Wait List and will receive supportive services from the Hope Through Housing Foundation; and

WHEREAS, the tenants for 18 PBVs will be Veterans Affairs Supportive Housing (VASH) vouchers for veterans experiencing homelessness selected from the Regional Task

Force on Homelessness' Coordinated Entry System and will receive supportive services from the Veterans Affairs Healthcare System; and

WHEREAS, City's Planning Department staff determined that the authorization of a residual receipts loan for the acquisition and new construction of Rose Creek Village (Activity) is consistent with and is covered in the Environmental Impact Report (EIR) for the Pacific Beach Community Plan and Local Coastal Program, (SCH No. 92071032) which was certified by City Council Resolution No. R-283639 (Mar. 29, 1994), this Activity is a subsequent discretionary action and is not considered a separate project for the purposes of CEQA review under CEQA Guidelines sections 15378(c) and 15060(c)(3), and there is no change in circumstance, additional information, or project changes to warrant additional environmental review for this Activity under California Public Resources Code section 21166 and CEQA Guidelines section 15162; and

WHEREAS, City's Planning Department staff determined approval of this Activity will not result in a significant impact on the quality of human environment under the National Environmental Policy Act (NEPA) under Title 24 of the Code of Federal Regulations, section 58.40(g)(1); and

WHEREAS, on June 21, 2024, the Board voted unanimously to approve the Housing Commission's residual receipts loan to Rose Creek Village LP for the acquisition and new construction of the Project; and

WHEREAS, under San Diego Municipal Code section 98.0301(e)(2)(C), City Council President Pro Tem Joe LaCava and Councilmember Jennifer Campbell provided written notice dated June 26, 2024, to the Housing Authority Executive Director to refer this matter to the Housing Authority for final action; and

WHEREAS, the Office of the City Attorney has drafted this resolution based on the information provided by Housing Commission staff, and verified by the Housing Commission's General Counsel, with the understanding that this information is sufficient to allow for a proper and complete analysis of this matter; NOW, THEREFORE,

BE IT RESOLVED, by the Housing Authority, as follows:

1. The Housing Commission is authorized to loan Rose Creek Village LP, a California limited partnership, an amount not to exceed \$2,000,000 for the acquisition and new construction of the property located at 2662 Garnet Avenue, San Diego, in the Pacific Beach neighborhood to be known as Rose Creek Village, contingent upon Rose Creek Village LP receiving all necessary third-party funding commitments, subject to the Housing Commission General Counsel's approval.
2. The Housing Commission's President and Chief Executive Officer (President and CEO), or designee, is authorized to execute any and all documents necessary to effectuate the transaction in a form approved by the General Counsel, and to take such actions as are necessary, convenient, and appropriate to implement the approvals upon advice of the General Counsel.
3. The Housing Commission's President and CEO, or designee, is authorized to adjust financing terms and conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the \$2,000,000 maximum loan amount may not increase.
4. The Housing Commission's President and CEO, or designee, is authorized to substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability.

5. The Housing Commission's President and CEO, or designee, is authorized to take such actions as are necessary, convenient, and appropriate to implement this approval and delegation of authority by the Board upon advice of the General Counsel.

6. Housing Commission staff will notify the Housing Authority and the City Attorney's Office about any subsequent amendments or modifications to the loan documents, and other required documents, including amendments to any documents.

APPROVED: MARA W. ELLIOTT, General Counsel

By _____
Hilda, R. Mendoza
Sr. Deputy General Counsel

HRM:nja
07/11/2024
Or. Dept: SDHC
Doc. No. 3717081