



EXECUTIVE SUMMARY

MEETING DATE: June 20, 2025

HCR25-042

SUBJECT: Loan Recommendation for Palm City Transit Village Phase 1

COUNCIL DISTRICT: 8

ORIGINATING DEPARTMENT: Real Estate

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

REQUESTED ACTION:

Approve a proposed residual receipts loan in an amount not to exceed \$1,670,734, to PCTV Phase 1 LP, a California limited partnership, to facilitate the new construction of Palm City Transit Village Phase 1 at 2340 Palm Ave., San Diego, CA 92154, in the Otay Mesa-Nestor neighborhood of San Diego, which will consist of 78 rental housing units that will remain affordable for 55 years for persons with income of 30 percent to 60 percent of San Diego's Area Median Income (AMI) and one unrestricted manager's unit.

EXECUTIVE SUMMARY OF KEY FACTORS:

- Palm City will include 29 studios, nine one-bedroom units, 20 two-bedroom units, 20 three-bedroom units, and one unrestricted three-bedroom manager's unit.
- Palm City is designed as the first phase in a high-quality, multiphase affordable housing development, including a total of 501 affordable and middle-income housing units, approximately 4,608 square feet of commercial space, a high-quality mobility hub, a childcare center of 2,108 square feet, and a robust amount of exterior fitness, play and recreational spaces.
- The overall site is approximately four acres and is at the MTS-owned Palm Trolley Station in the City of San Diego. This site is well-placed for access to popular South County locations, employment centers, and regional recreation activities.
- The Palm City development will consist of one six-story building. It will feature classic contemporary architecture. Design elements include flat roofs, balconies, metal gate elements, decks, walkways, and terraced gardens.
- The overall Palm City Transit Village development will consist of four phases, as described in this staff report.
- SDHC's proposed loan funding will be reserved only for the proposed Palm City Phase 1.
- National CORE has entered into a Memorandum of Understanding with its nonprofit affiliate, Hope Through Housing Foundation (HTH), to provide resident services.
- The estimated total development cost is \$67,154,227 (\$850,054/unit). The per-unit cost is due to several factors detailed in the staff report, including EPIC Grant improvements, share of on-site and off-site infrastructure improvements, MTS project labor agreement requirements, on-site bodega/grocery, and state prevailing wages. SDHC funds will not be used to construct the bodega commercial space.
- The site is adjacent to the Blue Line Palm Trolley Station. Two grocery stores are within 1 mile of the site. An elementary school is 0.7 of a mile from the site. A middle school is 1.7 miles away and a high school is 2 miles from the site.
- On November 16 and December 13, 2023, SDHC received SDHC Board approval and Housing Authority approval, respectively, to accept an award from the State of California Housing and Community Development Infill Infrastructure Grant Catalytic Qualifying Infill Area (IIGC) Program. A portion of the funds are to be used for Palm City,



REPORT

DATE ISSUED: June 12, 2025

REPORT NO: HCR25-042

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of June 20, 2025

SUBJECT: Loan Recommendation for Palm City Transit Village Phase 1

COUNCIL DISTRICT: 8

Advance notice of San Diego Housing Commission Board of Commissioners' hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(A)-(B) for Staff Recommendation No. 1.

REQUESTED ACTION

Approve a proposed residual receipts loan in an amount not to exceed \$1,670,734, to PCTV Phase 1 LP, a California limited partnership, to facilitate the new construction of Palm City Transit Village Phase 1 at 2340 Palm Ave., San Diego, CA 92154, in the Otay Mesa-Nestor neighborhood of San Diego, which will consist of 78 rental housing units that will remain affordable for 55 years for persons with income of 30 percent to 60 percent of San Diego's Area Median Income (AMI) and one unrestricted manager's unit.

STAFF RECOMMENDATIONS

That the San Diego Housing Commission (SDHC) Board of Commissioners (Board) take the following actions:

- 1) Approve a residual receipts loan in an amount not to exceed \$1,670,734, to PCTV Phase 1 LP, a California limited partnership, to facilitate the new construction of the Palm City Transit Village Phase 1 (Palm City), at 2340 Palm Ave., San Diego, CA 92154, in the Otay Mesa-Nestor neighborhood of San Diego, which will consist of 78 rental housing units that will remain affordable for 55 years for persons with income of 30 percent to 60 percent of San Diego's Area Median Income (AMI) and one unrestricted manager's unit.
- 2) Authorize SDHC's President and Chief Executive Officer (President and CEO), or designee, to:
 - a. Execute all necessary documents and instruments 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, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.
 - b. 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 \$1,670,734 maximum SDHC loan amount may not increase.
 - c. 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 SDHC Board upon advice of the General Counsel.

SUMMARY

Table 1 - Development Details

Address	2340 Palm Ave., San Diego, CA 92154
Council District	8
Community Plan Area	Otay Mesa Community Planning Area
Developer	National Community Renaissance (National CORE)
Development Type	New construction affordable multifamily
Construction Type	Type III over one level of Type I
Parking Type	The development has no parking spaces.
Local Amenities	<p>Mass Transit: The site is adjacent to the Blue Line Palm Trolley Station. San Diego Metropolitan Transit System (MTS) services the site by operating bus routes 932 (northbound and southbound), 933 (westbound) and 934 (eastbound).</p> <p>Grocery:</p> <ul style="list-style-type: none"> • Vons Supermarket, 665 Saturn Blvd., is 1.0 mile from the subject site. • Farm Fresh Market, 1879 Palm Ave., 0.8 of a mile from the subject site. <p>Schools:</p> <ul style="list-style-type: none"> • Sunnyslope Elementary, 2500 Elm Ave., is 0.7 of a mile from the subject site. • Southwest Middle School, 2710 Iris Ave., is 1.7 miles from the subject site. • Southwest High School, 1685 Hollister St., is 2.0 miles from the subject site.
Housing Type	Low-income individuals and families
Accessibility	Wheelchair accessibility in 15 percent of the units (12 units), and 10 percent of the units (8 units) will be accessible to residents with visual and/or hearing impairment. Seventy-five percent of the units (59 units) will be adaptable.
Lot Size	2.09 acres (91,040 sq ft ÷ 43,560 = 2.09)
Units	79 units (78 affordable)
Density	37.8 dwelling units per acre (79 units ÷ 2.09 acres = 37.8)
Unit Mix	78 affordable rental units: 29 studios, 9 one-bedroom units, 20 two-bedroom units, 20 three-bedroom units. 1 unrestricted manager's three-bedroom unit.
Gross Building Area	77,049 sq ft
Net Rentable Area	54,535 sq ft
Affordable Units in Service by Council District	Council District 8 includes 4,715 affordable rental housing units currently in service, which represents 17 percent of the 28,249 affordable rental housing units in service citywide.

The Development

Palm City is a proposed 78-unit, new-construction, affordable rental housing development for low-income persons. The development will be near Palm Avenue and Hollister Street at 2340 Palm Ave. in San Diego's Otay Mesa neighborhood (Attachment 1 – Site Map). Palm City will

include 29 studios, nine one-bedroom units, 20 two-bedroom units, 20 three-bedroom units, and one unrestricted three-bedroom manager's unit.

Palm City is designed as the first phase in a high-quality, multiphase affordable housing development, including a total of 501 affordable and middle-income housing units, approximately 4,608 square feet of commercial space, a high-quality mobility hub, a childcare center of 2,108 square feet, and a robust amount of exterior fitness, play and recreational spaces. The overall site is approximately four acres and is at the MTS-owned Palm Trolley Station in the City of San Diego. This site is well-placed for access to popular South County locations, employment centers, and regional recreation activities.

The proposed multiphase development will implement the Otay Mesa Community Plan, City of San Diego General Plan, the "City of Villages" Plan and Transportation Priority Areas, which California Senate Bill 743 defined as areas within one-half mile of an existing or planned major transit stop, if the planned major transit stop is scheduled to be completed within the planning horizon included in a Regional Transportation Improvement Program.

National CORE presented the Palm City Transit Village to the MTS Board of Directors in December 2018 and entered into an Exclusive Negotiation Agreement with MTS in July 2019. National CORE then negotiated a 99-year ground lease and entered into Disposition and Development Agreements with MTS on October 14, 2021. The four-acre parcel will be configured into separate Assessor's Parcels for four separate ground leases – one for each of the four residential phases of development. All four phases are expected to be completed by 2035.

The Palm City development will consist of one six-story building. It will feature classic contemporary architecture. Design elements include flat roofs, balconies, metal gate elements, decks, walkways, and terraced gardens.

The development will include a commercial space, consisting of a 2,500-square-foot, on-site bodega grocery store. The bodega will offer residents convenient access to groceries, household items, and prepared foods. For some residents, especially in areas with limited access to larger supermarkets, the bodega will provide food security and support the local economy within the affordable housing development. PCTV1 LP will enter into a commercial lease with Malick Infill Development, which will own and operate this bodega. The bodega will cost an estimated \$867,000 to construct the shell and will be funded with tax credit equity. All tenant improvements will be financed by the tenant at a later date. SDHC funds will not be used to construct this bodega commercial space.

The overall multiphase Palm City Transit Village development will consist of the following:

- Phase 1 (building A) by National CORE will consist of 79 units with a mix of studios, one-, two-, and three-bedroom units. Phase 1 will include the bodega.
- Phase 2 (buildings B and C) by National CORE will consist of 111 units with a mix of one-, two-, and three-bedroom units. Phase 2 will include a childcare facility.
- Phase 3 (buildings D and E) by National CORE will consist of 111 units with a mix of studios, one-, two-, and three-bedroom units. Phase 3 will also include ground floor retail space.
- Phase 4 (building F) by a for-profit developer, Malick Infill Development, will consist of 200 units with a mix of one-, two- and three-bedroom units with potential micro-units for middle-income households (80 percent to 110 percent of AMI). Upon full build-out, Palm City Transit Village will provide a total of 191 on-site parking spaces. A total of 80 parking spaces will be reserved for MTS's off-site park-and-ride users.

SDHC's proposed loan funding will be reserved only for the proposed Palm City Phase 1.

Resident Services

National CORE has entered into a Memorandum of Understanding with its nonprofit affiliate, Hope Through Housing Foundation (HTH), to provide resident services. HTH will provide a full-time Service Coordinator. Responsibilities will include but are not limited to: (a) providing tenants with information about available services in the community; (b) assisting tenants to access services through referral and advocacy; and (c) organizing community-building and/or other enrichment activities for tenants, such as holiday events, tenant council, etc., as well as adult educational, health and wellness, or skill building classes. HTH will also provide financial literacy, computer training, home-buyer education, GED classes, resume-building classes, English as a Second Language, nutrition class, exercise class, health information, art class, parenting class, on-site food cultivation and preparation classes, and smoking cessation classes.

Developer's Request

In response to SDHC's Fiscal Year (FY) 2024 Notice of Funding Availability (NOFA), National CORE applied for a loan. On May 15, 2024, SDHC staff provided a preliminary recommendation of an award of a residual receipts loan up to \$1,670,734, subject to SDHC Board approval. The developer proposes to construct 79 new apartment units, with financing that would include the proposed SDHC loan, a 9 percent low-income housing tax credits allocation from the California Tax Credit Allocation Committee (CTCAC), a City of San Diego loan, a State of California EPIC grant, and other necessary third-party financing as described in this report.

On November 16 and December 13, 2023, SDHC received SDHC Board approval and Housing Authority approval, respectively, to accept an award from the State of California Housing and Community Development Infill Infrastructure Grant Catalytic Qualifying Infill Area (IIGC) Program. A portion of the funds are to be used for Palm City, as shown in the Sources and Uses Table 3.

The Property

The subject site area is an MTS-owned, vacant 2.09 acres. It is currently used as an MTS concrete parking lot. The concrete surface will be razed during the proposed construction site preparation.

Directly adjacent to the site to the north is the Blue Line Palm Avenue Trolley Station. A single-family residential neighborhood is directly adjacent to the site on its south and west boundaries. A mix of commercial uses and single-family residential are established opposite the site on the east side of Hollister Avenue.

Appraisal

An appraisal of the subject site with an effective date of December 4, 2024, valued the property at \$3,800,000. The appraisal was obtained by the developer and was conducted by the Kinetic Valuation Group. The appraisal received is in line with CTCAC's requirements. A new updated appraisal is in process and will be completed before applying to CTCAC on July 8, 2025.

National CORE and MTS have negotiated an approach to long-term site control to reduce costs. With the land appraised at \$3,800,000, this 99-year ground lease will have an annual five percent annual net cash flow ground lease payment.

Prevailing Wages

Due to proposed the funding sources for Palm City and National CORE entering into a Project Labor Agreement with MTS for the project, Palm City will be subject to paying the higher of federal prevailing wages and California state prevailing wages.

Project Sustainability

- Palm City will be constructed in excess of CTCAC's minimum energy-efficiency standards. The development will be a zero-net-energy, all-electric, carbon-neutral building, targeting LEED for Homes Gold (with a possibility for Platinum). Palm City will feature Energy Efficiency:
 - 100 percent electric building: Gas combustible fixtures will not be incorporated into the building's design.
 - Energy Code: The project will meet and exceed the 2022 Energy Code. The project will use the performance modeling approach to identify those measures that will impact overall building energy use, providing the greatest energy return on investment.
 - High-Performance Building Envelope: The project will be designed with high performance and tight building envelopes to minimize heat loss and to reduce stress on the mechanical system. The design will ensure that the building is tightly sealed, and that insulation is installed correctly.
 - High-Efficiency Lighting with Daylight Sensors: The project will use high-efficiency LED lighting throughout common areas and residential units and will deploy circuiting of hallway lighting that will allow for automatic dimming during low-occupancy hours, while always maintaining code-minimum lighting. Occupancy sensors will be used in all common areas and non-residential areas of the project.
 - Renewable Energy Systems: The project will deploy an on-site renewable energy system capable of offsetting 100 percent of the project's Title 24 electricity loads. It will have a large solar canopy to contribute to energy needs.
- Water Efficiency:
 - High-Performance Hot Water Delivery: Palm City will focus on conserving water and the energy required to heat hot water. It will pursue the design of a hot water distribution system that helps minimize water loss, while also ensuring that energy required to heat hot water will be minimized.
 - High-Efficiency, Low-Flow Plumbing Fixtures: The project will install low-flow and ultra-low-flow water fixtures (meeting the Water Sense standards).
 - Landscaping: Landscaping for the project will meet and exceed the local, state, and LEED for Homes requirements for water conservation. The project will use 100 percent native landscape features and drip irrigation for 100 percent of the designed landscape.

National CORE prioritizes environmental sustainability in the construction and management of its buildings. Incorporating passive design and energy-efficient features such as solar panels lead to buildings that require less energy to operate and increased financial stability for residents. The use of eco-friendly materials and practices ensures better indoor air quality, promoting healthier living environments and reducing the risk of respiratory issues and allergies. National CORE is a high-performance developer/builder with a proven track record for aggressively adhering to and going beyond the standard requirements of the California Energy Code. National CORE was named a USGBC Power Builder in 2018 – a distinction reserved for a select group of developers who have demonstrated an ongoing commitment to high performance and sustainability.

Palm City has received an \$8,000,000 grant from the California Energy Commission's (CEC) Electric Program Investment Charge (EPIC) for affordable housing development that incorporates innovative clean energy technologies and practices in the design, construction, and operation of affordable housing.

Accessibility

CTCAC requires wheelchair accessibility in 15 percent of the units, and 10 percent of the units accessible to residents with visual and/or hearing impairment. The same units can satisfy both accessibility requirements. The Palm City units will be accessible in accordance with the Americans with Disabilities Act and Section

504. Federal HOME Investment Partnerships Program funds awarded to the City of San Diego and administered by SDHC may 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

The property is vacant. No relocation is necessary.

Development Team

The developer is National CORE. The proposed borrower will be PCTV Phase 1 LP. It will have NCRC PCTV Phase 1 LLC as its Managing General Partner and a to-be-determined tax credit investor limited partner (Attachment 2 – Organization Chart). National CORE is an award-winning nonprofit corporation headquartered in Rancho Cucamonga, California. Established in 1992, National CORE owns more than 10,000 homes in three states, including 9,000 units in California. It is a vertically integrated company with in-house construction capability. It has completed multiple successful developments that have utilized SDHC loans. National CORE is in full compliance with its previous SDHC loans. Based upon the developer's past experience and past development performance, staff has determined that the developer has the requisite capacity to successfully complete the proposed Palm City development.

Table 2 - Development Team Summary

ROLE	FIRM/CONTACT
Developer	National CORE
Owner/Borrower	PCTV Phase 1 LP
Managing General Partner	NCRC PCTV Phase 1, LLC
Administrative General Partner	NCRC PCTV Phase 1 GP, LLC
Tax Credit Investor Limited Partner	To be determined
Architect	Studio E Architects
General Contractor	National CORE
Property Management	National CORE
Construction and Permanent Lender	To be determined
Tenant Services Providers	Hope Through Housing Foundation
Construction/Permanent Lender	To be determined

Property Management

Palm City'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 in assets under ownership and management.

Tenant Service Providers

National CORE has contracted with its affiliate, Hope Through Housing Foundation (HTH), to provide tenant services at Palm City. Such services include but are not limited to:

- providing tenants with information about available services in the community,
- assisting tenants to access services through referral and advocacy,
- organizing community-building and/or other enrichment activities for tenants (such as holiday events, tenant council, etc.), and
- Providing adult educational, health, and skill-building classes. Such classes will include financial literacy, computer training, homebuyer education, GED, resume building, nutrition, exercise, health information, art, parenting, food cultivation and preparation, and smoking cessation.

HTH has over 30 years of experience providing dedicated programs for tenant families.

FINANCING STRUCTURE

Palm City has an estimated total development cost of \$67,154,227 (\$850,054/unit). Financing will include a combination of sources as described in Table 3. The developer's pro forma is included as Attachment 3 and summarized below.

Table 3 – Estimated Sources and Uses Financing

Estimated Sources	Amounts	Financing Uses	Amounts	Per Unit
Permanent Loan	\$7,653,504	Predevelopment Costs Off-site improvements	\$100,000 4,709,460	\$ 1,266 59,613
State of California Energy Commission Electric Program Investment Charge (EPIC) Grant	8,000,000	Construction costs \$36,690,054 On-site work 3,669,207 Gen'l Req/Profit/Overhead 5,650,297 Contingency <u>+2,362,527</u> Total construction \$ 48,372,085	48,372,085	612,305
City of San Diego Loan	6,229,266	Financing Costs	3,387,042	42,874
State of California Infill Infrastructure Grant Program (IIG), via SDHC	4,836,235	Other Soft Costs Insurance and Performance Bonds	1,745,323 1,040,967	22,093 13,177
SDHC Proposed loan	1,670,734	Development Impact fees	1,718,796	21,757
Regional Early Action Planning grant (REAP HIT) (via SANDAG)	1,129,555	Architect and Engineering Costs EPIC Design & Engineering Costs	1,920,000 1,067,000	24,304 13,506
Deferred Developer Fee	461,695	Reserves	328,554	4,159
General Partner Contribution	100	Legal Costs	265,000	3,354
Limited Partner Equity	37,173,138	Developers' fee	2,500,000	31,646
Total Development Cost	\$67,154,227	Total Development Cost (TDC)	\$67,154,227	\$850,054

SDHC's proposed \$1,670,734 residual receipts loan may be partly funded with the City of San Diego Affordable Housing Fund (Inclusionary Housing funds and/or Housing Trust Fund) and with U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME) funds, which the SDHC administers. The total amount of SDHC funding sources shall not exceed \$1,670,734. The final determination of SDHC's funding sources will be made by SDHC's President and CEO, or designee, contingent upon budget availability. The proposed loan terms are summarized in Attachment 4.

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

Developer Fee

\$2,500,000 – Gross Developer's Fee
- 461,695 – Deferred Developer Fee
\$2,038,305 – Net Developer Fee

The proposed developers' fee complies with the CTCAC's developer fee guidelines.

Development Cost Key Performance Indicators

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

Table 4 –Key Performance Indicators

Development Cost Per Unit	$\$67,154,227 \div 79 \text{ units} =$	\$850,054
Housing Commission Subsidy Per Unit	$\$1,670,734 \div 79 \text{ units} =$	\$21,149
Land Cost Per Unit	$\$100,000 \div 79 \text{ units} =$	\$1,266
Gross Building Square Foot Hard Cost	$\$48,372,085 \div 77,049 \text{ sq. ft.} =$	\$628
Net Rentable Square Foot Hard Cost	$\$48,372,085 \div 54,535 \text{ sq. ft.} =$	\$887

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.

Table 5 –Comparable Development Projects

New Construction	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
Proposed Subject Palm City	2025	79	\$67,154,227 (with prev. wage, commercial space)	\$850,054	\$21,149	\$628
Serra Mesa Apartments	2025	60	\$43,803,370 (with prev. wage)	\$730,056	\$41,667	\$648
Rose Creek Village	2024	60	\$36,137,259 (with prev. wage)	\$602,288	\$33,333	\$587
Skyline (aka Rancho Bernardo Transit Village)	2023	100	\$90,943,122 (with prev. wage and commercial & office component)	\$909,431	\$0	\$332

Palm City's \$850,054 cost per unit is higher than typical multifamily affordable new construction developments. This is partially due to the following factors:

Table 5A – Estimated Cost Increase Factors

TDC Cost Increase Factors	Cost Amounts	Cost Per Unit
EPIC Grant improvements - 1*	\$6,933,000	\$87,759
Share of On-site and Off-site Infrastructure Improvements – 2*	\$4,709,459	\$59,613
MTS Project Labor Agreement Requirements	\$3,669,023	\$46,443
On-site bodega/grocery	\$867,000	\$10,975
State Prevailing Wages	\$10,500,000	\$132,917
Total Cost Increase Factors	\$26,678,482	\$337,702

¹ These improvements were 100 percent funded by the EPIC grant. They include: a microgrid system, a photovoltaic system, smart controls, and associated infrastructure.

- 2 *The subject site is an unimproved concrete parking lot. Significant preparation work improvements will be required before building construction can start.*

If the above Cost Increase Factors are deducted from the Palm City project's total development cost, then the cost per unit would drop from \$850,054/unit to \$512,352/unit.

	Amounts	Cost Per Unit
Current TDC	\$67,154,227	\$850,054
Minus Cost Increase Factors (above)	-26,678,482	-337,702
Total Without Cost Increase Factors	\$40,475,745	\$512,352

FISCAL CONSIDERATIONS

The funding sources and uses proposed to be approved by this action are included in the Housing Authority-approved FY 2025 SDHC Budget.

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

- Affordable Housing Fund and/or HOME – up to \$1,670,734.

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

- SDHC Loan – up to \$1,670,734.

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 SDHC loan amount does not exceed the approved total loan amount, should the operational need arise or should such actions be to SDHC's benefit.

Estimated Development Schedule

The estimated development timeline is as follows:

Milestones	Estimated Dates
<ul style="list-style-type: none"> • CTCAC tax credit application • CTCAC allocation meeting • Estimated escrow/loan closing • Estimated start of construction work • Estimated completion of construction work 	<ul style="list-style-type: none"> • July 8, 2025 • September 30, 2025 • December 2025 • December 2025 • September 2027

SDHC STRATEGIC PLAN

This item relates to Strategic Priority Area No. 1 in SDHC's Strategic Plan for Fiscal Year (FY) 2022-2024: Increasing and Preserving Housing Solutions. SDHC is in the process of developing a new Strategic Plan.

AFFORDABLE HOUSING IMPACT

Affordability

Palm City will be subject to an SDHC Declaration of Covenants and Restrictions, in addition to applicable tax credit agreements, which will restrict affordability of 78 units for 55 years.

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

Table 6 –Affordability and Monthly Estimated Rent Table

Unit Type	AMI	Units	CTCAC Gross Rents
Studios (440 sq. ft.)	30% (currently \$34,750/year for a one-person household)	3	\$868
Studios (440 sq. ft.)	40% (currently \$46,350/year for a one-person household)	6	\$1,158
Studios (440 sq. ft.)	50% (currently \$57,900/year for a one-person household)	9	\$1,447
Studios (440 sq. ft.)	60% (currently \$69,480/year for a one-person household)	11	\$1,737
Subtotal Studio Units	--	29	
One bedroom (570 sq. ft.)	30% (currently \$39,700/year for a two-person household)	1	\$930
One bedroom (570 sq. ft.)	40% (currently \$52,950/year for a two-person household)	2	\$1,240
One-bedroom (570 sq. ft.)	50% (currently \$66,150/year for a two-person household)	3	\$1,550
One bedroom (570 sq. ft.)	60% (currently \$79,380/year for a two-person household)	3	\$1,860
Subtotal One-Bedroom Units	--	9	
Two bedrooms (810 sq. ft.)	30% (currently \$44,650/year for a three-person household)	2	\$1,116
Two bedrooms (810 sq. ft.)	40% (currently \$59,560/year for a three-person household)	4	\$1,489
Two bedrooms (810 sq. ft.)	50% (currently \$74,450/year for a three-person household)	6	\$1,861
Two bedrooms (810 sq. ft.)	60% (currently \$89,340/year for a three-person household)	8	\$2,233
Subtotal Two-Bedroom Units	--	20	--
Three bedrooms (1095 sq. ft.)	30% (currently \$49,600/year for a four-person household)	2	\$1,290
Three bedrooms (1095 sq. ft.)	40% (currently \$66,150/year for a four-person household)	4	\$1,720
Three bedrooms (1095 sq. ft.)	50% (currently \$82,700/year for a four-person household)	6	\$2.150
Three bedrooms (1095 sq. ft.)	60% (currently \$99,240/year for a four-person household)	8	\$2,580
Subtotal Three-Bedroom Units	--	20	--

Subtotal Residential Units	--	78	--
Manager's Units (three bedrooms) (1,095 sq. ft.)	--	1	--
Total Units	--	79	--

STATEMENT FOR PUBLIC DISCLOSURE

The developer's Disclosure Statement is at Attachment 6.

NONDISCRIMINATION ASSURANCE

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

National CORE's states their focus for their developments is to provide a resident-centered environment, with sustainability and community connection. Staff has requested a workforce report for record keeping purposes only.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

On June 9, 2021, National CORE presented this proposed multiphase development to the Otay Mesa/Nestor Planning Group. The proposed development was approved with a 7 to 3 vote in favor.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include National CORE as the developer, the Hope Through Housing Foundation as a service provider, the City of San Diego and SDHC as lenders, the State of California as a funder and potential tax credit funder, MTS as the ground lessor, the Otay Mesa-Nestor neighborhood, and future residents of Palm City. The development is anticipated to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and create 78 affordable rental homes for individuals and families.

ENVIRONMENTAL REVIEW

California Environmental Quality Act

The proposed activities to approve a proposed residual receipts loan to facilitate the acquisition and new construction of Palm City Transit Village, has been reviewed for consistency with and is covered in the Final Program Environmental Impact Report (PEIR) for Complete Communities: Housing Solutions and Mobility Choices (SCH No. 2019060003) which was certified by City Council Resolution No. R-313279 on November 17, 2020. 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. The parties agree that the provision of federal funds as a result of this action is conditioned on the approval of the Environmental Assessment by the City of San Diego and the receipt of Authority to Use Grant Funds from the U.S. Department of Housing and Urban Development. Final authorization to use grant funds was received from HUD on September 1, 2024.

June 12, 2025

Loan Recommendation for Palm City Transit Village Phase 1

Page 12

Respectfully submitted,



Jennifer Kreutter

Vice President, Multifamily Housing Finance

Real Estate Division

Approved by,



Jeff Davis

Deputy Chief Executive Officer

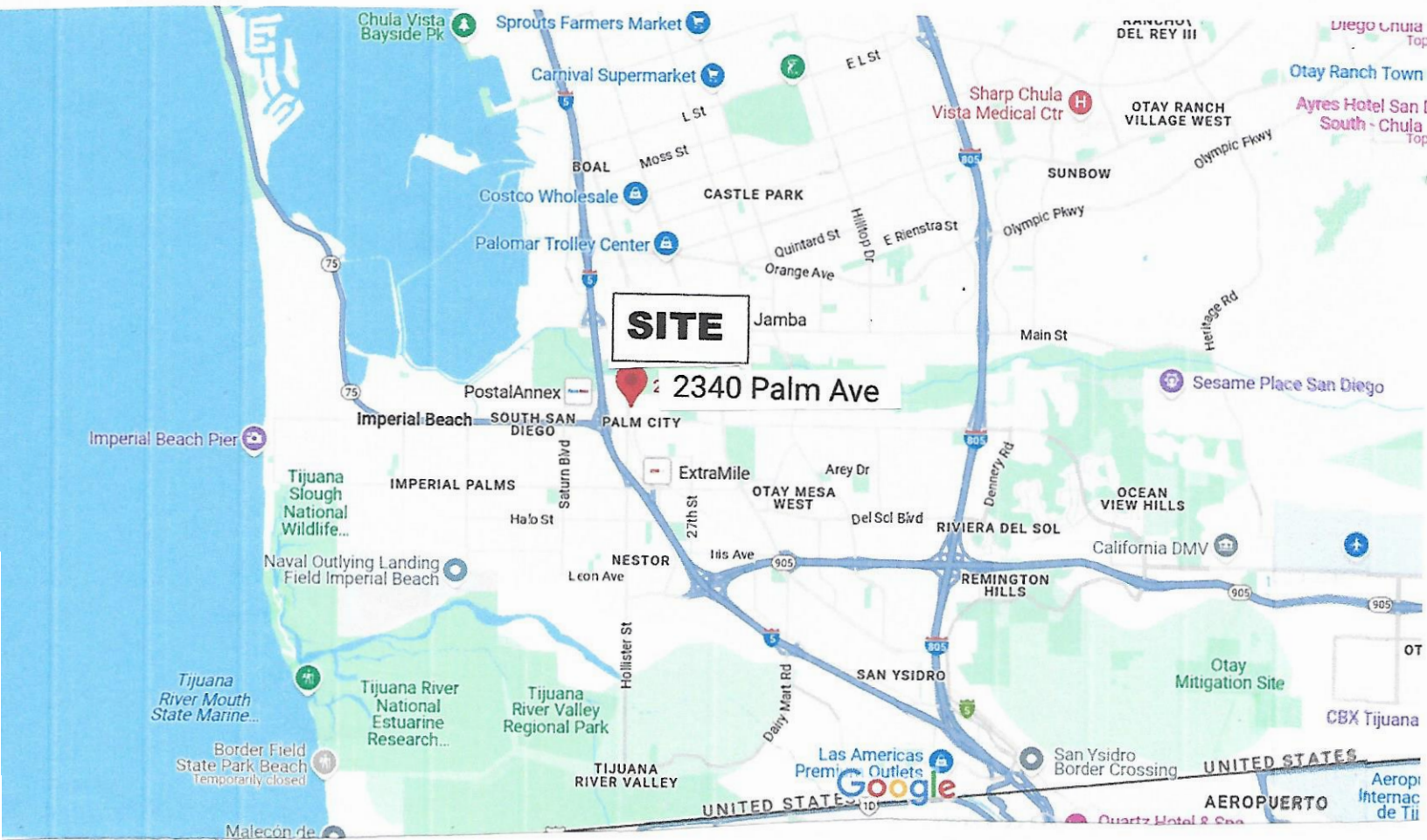
San Diego Housing Commission

Attachments:

- 1) Site Map
- 2) Organization Chart
- 3) Developer's Project Pro Forma
- 4) Proposed Loan Terms
- 5) Developer's Disclosure Statement

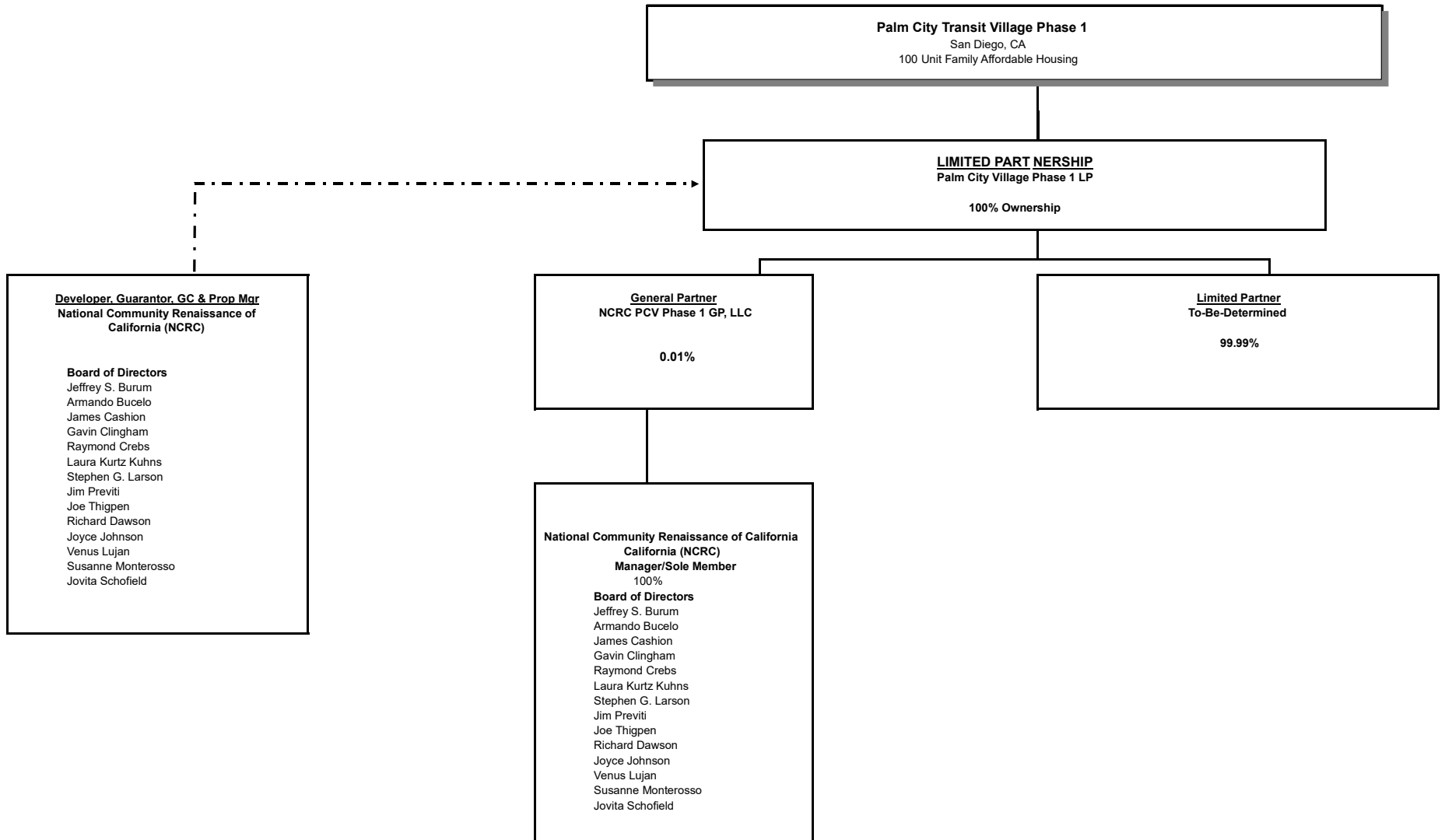
A printed copy is available for review during business hours at the information desk in the main lobby of SDHC's offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the "Governance & Legislative Affairs" section of SDHC website at www.sdhc.org.

ATTACHMENT 1 - SITE MAP



ATTACHMENT 2 – ORGANIZATION CHART

PROPERTY OWNERSHIP STRUCTURE



ATTACHMENT 2 – ORGANIZATION CHART

ATTACHMENT 3 - DEVELOPER'S PROJECT PRO FORMA

Palm City Transit Village Phase A Project Address Palm Ave, San Diego, CA Sources of Funds

Version: Template
Revised: 5/19/2025

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PERMANENT	AMOUNT	INT. RATE	TERM (Yr)	AMORT.	DSCR
Permanent Loan	\$ 7,653,504	6.50%	17		1.2
City of San Diego	\$ 6,229,266	3.00%	55		
San Diego Housing Commission	\$ 1,670,734	3.00%	30		
EPIC Grant	\$ 8,000,000	0.00%	55		
Other: SDHC IIGC	\$ 4,836,235	0.00%	0		
Other: REAP HIT Funds	\$ 1,129,555	3.00%	55		
Accrued and Deferred Soft loan Interest	\$ -				
Developer Fee Contribution	\$ -				
Required Deferred Developer Fee	\$ -				
Additional Deferred Developer Fee	\$ 461,695				
Capital Contributions					
Private Market Rate Equity	\$ -				
General Partner	\$ 100				
Limited Partners (Tax Credit Equity)	\$ 37,173,138				
TOTAL SOURCES	\$ 67,154,227				
<i>Surplus/(Shortfall)</i>	<i>\$ 0</i>				

Units Reserved	

Credit pricing (Federal): \$ 0.89
Credit pricing (State): \$ 0.82

CONSTRUCTION	AMOUNT	INT. RATE	TERM (Mo)
Construction Loan	\$ 34,416,950	6.70%	24
Construction Loan Taxable Tail	\$ -	6.70%	24
City of San Diego	\$ 5,606,339	3%	
San Diego Housing Commission	\$ 1,503,661	3%	
EPIC Grant	\$ 7,200,000	0%	
Other: SDHC IIGC	\$ 4,836,235	0%	
Other: REAP HIT Funds	\$ 1,129,555	3%	
Accrued and Deferred Soft loan Interest	\$ -		
Developer Fee Contribution	\$ -		
Required Deferred Developer Fee	\$ -		
Additional Deferred Developer Fee	\$ 461,695		
Costs Deferred Until Completion	\$ 847,751		
Capital Contributions			
General Partner	\$ 100		
Limited Partners (Tax Credit Equity)	\$ 11,151,941		
TOTAL SOURCES	\$ 67,154,227		
<i>Surplus/(Shortfall)</i>	<i>\$ -</i>		

Summary of Costs Deferred Until Conversion

Replacement Reserve	\$ -
Transition Reserve	\$ -
3-Month Operating Reserve	\$ 328,554
Permanent Financing Costs	\$ 111,536
Capitalized Developer Fee	\$ 407,661

LIHTC EQUITY PAY-IN SCHEDULE	DEVELOPER FEE PAY-IN SCHEDULE
Closing	Closing
25% Construction Complete	25% Construction Complete
50% Construction Complete	50% Construction Complete
60% Construction Complete	60% Construction Complete
70% Construction Complete	70% Construction Complete
Completion	Completion
Conversion	Conversion
8609	8609
TOTAL	TOTAL
	Deferred Fee
	TOTAL

40.0%	\$ 815,322	Mar-26
0.0%	\$ -	Aug-26
30.0%	\$ 611,492	Jan-27
0.0%	\$ -	Feb-27
0.0%	\$ -	Apr-27
10.0%	\$ 203,831	Oct-27
15.1%	\$ 307,661	Apr-28
4.9%	\$ 100,000	Aug-28
	\$ 2,038,305	
	\$ 461,695	
	\$ 2,500,000	

Palm City Transit Village Phase A	Version: Template
Project Address Palm Ave, San Diego, CA	Revised: 5/19/2025
Uses of Funds	

	TOTAL	Cost/D.U.	Residential Cost	Commercial Cost	TAX CREDIT ELIGIBLE	
					Const/Rehab	Acq.
ACQUISITION						
Land Cost or Value	\$ -	\$ -	\$ -	\$ -		
Acq/Predev Loan Interest	\$ 100,000	\$ 1,266	\$ 96,995	\$ 3,005	\$ 96,995	
Land Lease Rent Prepayment	\$ -	\$ -	\$ -	\$ -		
Existing Improvements Value	\$ -	\$ -	\$ -	\$ -		\$ -
Demolition	\$ -	\$ -	\$ -	\$ -		\$ -
Environmental Remediation	\$ -	\$ -	\$ -	\$ -		
Off-Site Improvements (eligible)	\$ 4,709,460	\$ 59,613	\$ 4,567,945	\$ 141,515	\$ 4,567,945	
Off-Site Improvements (ineligible)	\$ -	\$ -	\$ -	\$ -		
	\$ -					
CONSTRUCTION						
Site Work	\$ 3,669,207	\$ 46,446	\$ 3,558,950	\$ 110,257	\$ 3,558,950	
Structures	\$ 36,690,054	\$ 464,431	\$ 35,587,549	\$ 1,102,505	\$ 35,587,549	
Personal Property	\$ -	\$ -	\$ -	\$ -		
General Requirements	\$ 3,228,741	\$ 40,870	\$ 3,131,720	\$ 97,021	\$ 3,131,720	
Contractor Overhead	\$ 1,210,778	\$ 15,326	\$ 1,174,395	\$ 36,383	\$ 1,174,395	
Contractor Profit	\$ 1,210,778	\$ 15,326	\$ 1,174,395	\$ 36,383	\$ 1,174,395	
Prevailing Wages	\$ -	\$ -	\$ -	\$ -		
Payment and Performance Bond	\$ 460,096	\$ 5,824	\$ 446,271	\$ 13,825	\$ 446,271	
General Liability Insurance	\$ 580,871	\$ 7,353	\$ 563,416	\$ 17,455	\$ 563,416	
Hard Cost Contingency	\$ 2,352,527	\$ 29,779	\$ 2,281,836	\$ 70,691	\$ 2,281,836	
ARCHITECTURAL FEES						
Design	\$ 1,400,000	\$ 17,722	\$ 1,357,931	\$ 42,069	\$ 1,357,931	
Supervision	\$ 150,000	\$ 1,899	\$ 145,493	\$ 4,507	\$ 145,493	
Engineering	\$ 370,000	\$ 4,684	\$ 358,882	\$ 11,118	\$ 358,882	
CONSTRUCTION INTEREST & FEES						
Construction Loan Interest	\$ 2,786,336	\$ 35,270	\$ 2,702,609	\$ 83,727	\$ 1,584,289	
Origination Fee	\$ 344,170	\$ 4,357	\$ 333,828	\$ 10,342	\$ 195,693	
Lender Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	
Bond Premium	\$ -	\$ -	\$ -	\$ -	\$ -	
HHH Construction Period Interest	\$ -	\$ -	\$ -	\$ -	\$ -	
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	
Insurance	\$ 180,000	\$ 2,278	\$ 174,591	\$ 5,409	\$ 174,591	
PERMANENT FINANCING						
Loan Origination Fee	\$ 76,536	\$ 969	\$ 74,236	\$ 2,300		
TITLE, RECORDING, & ESCROW						
Acquisition	\$ -	\$ -	\$ -	\$ -		\$ -
Construction	\$ 115,000	\$ 1,456	\$ 111,544	\$ 3,456	\$ 111,544	
Permanent	\$ 25,000	\$ 316	\$ 24,249	\$ 751		
LEGAL FEES						
Acquisition	\$ -	\$ -	\$ -	\$ -		\$ -
Construction Closing	\$ 90,000	\$ 1,139	\$ 87,296	\$ 2,704	\$ 87,296	
Lender Legal	\$ 90,000	\$ 1,139	\$ 87,296	\$ 2,704	\$ 87,296	
Permanent Closing	\$ 10,000	\$ 127	\$ 9,700	\$ 300		
Organization of Partnership	\$ 25,000	\$ 316	\$ 24,249	\$ 751		
Syndication	\$ 50,000	\$ 633	\$ 48,498	\$ 1,502		
RESERVES						
Replacement Reserve	\$ -	\$ -	\$ -			
Transition Reserve	\$ -	\$ -	\$ -			
3-Month Operating Reserve	\$ 328,554	\$ 4,159	\$ 328,554			
OTHER PROJECT COSTS						
Appraisal	\$ 10,000	\$ 127	\$ 9,700	\$ 300	\$ 9,700	\$ -
TCAC Application Fee	\$ 2,500	\$ 32	\$ 2,500			
TCAC Allocation Fee (9%)	\$ 100,000	\$ 1,266	\$ 100,000			
TCAC Reservation Fee (4%)	\$ -	\$ -	\$ -			
TCAC Monitoring Fee	\$ 55,300	\$ 700	\$ 55,300			
TCAC Performance Deposit	\$ 100,000	\$ 1,266	\$ 100,000			
TCAC Performance Deposit	\$ -	\$ -	\$ -			
CDLAC Application Fee	\$ -	\$ -	\$ -			
CDLAC Performance Deposit	\$ -	\$ -	\$ -			
CDLAC State Filing Fee	\$ -	\$ -	\$ -			
CDIAC Fee	\$ -	\$ -	\$ -			
Underwriter Fee	\$ -	\$ -	\$ -			
Bond Origination Fee	\$ -	\$ -	\$ -			
Application Fee	\$ -	\$ -	\$ -	\$ -		
Trustee Acceptance Fee	\$ -	\$ -	\$ -	\$ -		
County Counsel	\$ -	\$ -	\$ -	\$ -		
Bond Counsel	\$ -	\$ -	\$ -	\$ -		
Trustee Ledal Fees	\$ -	\$ -	\$ -	\$ -		
TEFRA Public Notice Fee	\$ -	\$ -	\$ -	\$ -		
Bond Issuance Contingency	\$ -	\$ -	\$ -	\$ -		
Environmental Audit	\$ 90,000	\$ 1,139	\$ 87,296	\$ 2,704	\$ 87,296	
Local Development Impact Fees	\$ 1,718,796	\$ 21,757	\$ 1,667,148	\$ 51,648	\$ 1,667,148	
Permit Processing Fees	\$ 446,004	\$ 5,646	\$ 432,602	\$ 13,402	\$ 432,602	
Leasing Expense	\$ 27,650	\$ 350	\$ 26,819	\$ 831		
Leasing Fee	\$ -	\$ -	\$ -	\$ -		
Marketing	\$ 31,936	\$ 404	\$ 30,976	\$ 960		
Furnishings (Common Area)	\$ 148,500	\$ 1,880	\$ 148,500		\$ 148,500	
Furnishings (Homeless Units)	\$ -	\$ -	\$ -		\$ -	
Market Study	\$ 7,500	\$ 95	\$ 7,500			
Audit/Cost Certification	\$ 25,000	\$ 316	\$ 24,249	\$ 751		
Soft Cost Contingency	\$ 287,733	\$ 3,642	\$ 279,087	\$ 8,646	\$ 279,087	
Temporary Relocation	\$ -	\$ -	\$ -	\$ -	\$ -	
Permanent Relocation	\$ -	\$ -	\$ -	\$ -	\$ -	
3rd Party Construction Manager	\$ -	\$ -	\$ -	\$ -	\$ -	
Green Consultant and LEED Certification	\$ 60,000	\$ 759	\$ 58,197	\$ 1,803	\$ 58,197	
Soils and Survey	\$ 15,000	\$ 190	\$ 14,549	\$ 451	\$ 14,549	
Deputy Inspections	\$ 108,200	\$ 1,370	\$ 104,949	\$ 3,251	\$ 104,949	
Security	\$ -	\$ -	\$ -	\$ -	\$ -	
Prevailing Wage Consultant	\$ 100,000	\$ 1,266	\$ 96,995	\$ 3,005	\$ 96,995	
Utility Fees	\$ -	\$ -	\$ -	\$ -	\$ -	
Accrued and Deferred Soft Loan Interest	\$ -	\$ -	\$ -	\$ -	\$ -	
Other: EPIC Design/Engineering Costs	\$ 1,067,000	\$ 13,506	\$ 1,033,944	\$ 33,056	\$ 1,033,944	
Other:	\$ -	\$ -	\$ -	\$ -	\$ -	
Other:	\$ -	\$ -	\$ -	\$ -	\$ -	
DEVELOPER COSTS						
Consultant/Processing Agent	\$ -	\$ -	\$ -	\$ -		
Project Administration	\$ -	\$ -	\$ -	\$ -	\$ -	
Broker Fees Paid to a Related Party	\$ -	\$ -	\$ -	\$ -	\$ -	
Const. Oversight by Developer	\$ -	\$ -	\$ -	\$ -	\$ -	
4% Developer Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9% Developer Fee	\$ 2,500,000	\$ 31,646	\$ 2,500,000	\$ -	\$ 2,500,000	\$ -
TOTAL PROJECT COST	\$ 67,154,227	\$ 850,054	\$ 65,232,736	\$ 1,921,491	\$ 63,119,452	\$ -
TCAC PROJECT COSTS (less syndication costs)	\$ 67,054,227	\$ 848,788	\$ 65,135,741	\$ 1,918,486		

Average Affordability For Qualified Units (% AMI):		Actual	Income Averaging	UTILITY ALLOWANCE	
		49.7436%	49.7436%	UNIT TYPE	NUMBER
Rent Calculation Inputs				0 BR	29
HUD Very-Low 4-Person Income Limit				1 BR	9
HUD 4-Person Median Income				2 BR	20
Federal Financing				3 BR	21
				4 BR	0

4 BR	0	1200	TCAC	30%	\$	1,439	\$	1,198	\$	-	\$	-
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TAX-CREDIT ELIGIBLE - TIER 1:		30% AMI		Percentage of Targeted Units:					10.26%	
UNIT TYPE	NUMBER	PER UNIT SQ. FT.	REGULATIONS LIMITING RENT	AMI %	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT		
0 BR	3	385	TCAC	30%	\$ 868	\$ 773	\$ 2,319	\$ 27,828		
1 BR	1	570	TCAC	30%	\$ 930	\$ 816	\$ 816	\$ 9,792		
2 BR	2	810	TCAC	30%	\$ 1,116	\$ 959	\$ 1,918	\$ 23,016		
3 BR	2	1095	TCAC	30%	\$ 1,290	\$ 1,090	\$ 2,180	\$ 26,160		
TOTAL	8						\$ 7,233	\$ 86,796		

TAX-CREDIT ELIGIBLE - TIER 1:		40% AMI		Percentage of Targeted Units:					20.51%	
UNIT TYPE	NUMBER	PER UNIT SQ. FT.	REGULATIONS LIMITING RENT	AMI %	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT		
0 BR	6	385	TCAC	40%	\$ 1,158	\$ 1,063	\$ 6,378	\$ 76,536		
1 BR	2	570	TCAC	40%	\$ 1,241	\$ 1,127	\$ 2,254	\$ 27,048		
2 BR	4	810	TCAC	40%	\$ 1,489	\$ 1,332	\$ 5,328	\$ 63,936		
3 BR	4	1095	TCAC	40%	\$ 1,720	\$ 1,520	\$ 6,080	\$ 72,960		
TOTAL	16						\$ 20,040	\$ 240,480		

1 BR	3	570	TCAC	50%	\$ 1,551	\$ 1,437	\$ 4,311	\$ 51,732
2 BR	6	810	TCAC	50%	\$ 1,861	\$ 1,704	\$ 10,224	\$ 122,688
3 BR	6	1095	TCAC	50%	\$ 2,150	\$ 1,950	\$ 11,700	\$ 140,400
TOTAL	24						\$ 38,403	\$ 460,836

TAX-CREDIT ELIGIBLE - TIER 1:		60% AMI		Percentage of Targeted Units:					38.46%	
UNIT TYPE	NUMBER	PER UNIT SQ. FT.	REGULATIONS LIMITING RENT	AMI %	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT		
0 BR	11	385	TCAC	60%	\$ 1,737	\$ 1,642	\$ 18,062	\$ 216,744		
1 BR	3	570	TCAC	60%	\$ 1,861	\$ 1,747	\$ 5,241	\$ 62,892		
2 BR	8	810	TCAC	60%	\$ 2,233	\$ 2,076	\$ 16,608	\$ 199,296		
3 BR	8	1095	TCAC	60%	\$ 2,580	\$ 2,380	\$ 19,040	\$ 228,480		
TOTAL	30						\$ 58,951	\$ 707,412		

TAX-CREDIT ELIGIBLE - TIER 1:		70% AMI		Percentage of Targeted Units:		0.00%	
TOTAL	0					\$ -	\$ -

TAX-CREDIT ELIGIBLE - TIER 1:		80% AMI		Percentage of Targeted Units:		0.00%	
TOTAL	0					\$ -	\$ -

TAX-CREDIT ELIGIBLE - TIER 1:		110% AMI		Percentage of Targeted Units:		0.00%	
TOTAL	0					\$ -	\$ -

MARKET RATE UNITS							
TOTAL	0					\$ -	\$ -

MANAGER'S UNITS							
TOTAL	1					\$ -	\$ -

RENTAL SUBSIDY INCOME		TYPE		Federal			
TOTAL	0					\$ -	\$ -

TOTAL RENTAL INCOME (BASE RENT + SUBSIDY)		TOTAL UNITS		TOTAL MONTHLY (Net)		TOTAL ANNUAL (Net)	
				79	\$ 124,627	\$ 1,495,524	

MISCELLANEOUS INCOME		PER-UNIT MONTHLY		TOTAL MONTHLY		TOTAL ANNUAL	
Laundry/Vending		\$ 5		\$ 390		\$ 4,680	
Financial		\$ -		\$ -		\$ -	

INCOME			
Scheduled Gross Income (Non-SN)		\$	1,495,524
Scheduled Gross Income (SN)		\$	-
Operating Subsidy Premium		\$	-
Scheduled Gross Income (Market Rate)		\$	-
Miscellaneous Income		\$	4,680
Vacancy Loss (NON-SN)	5.00%	\$	(74,776)
Vacancy Loss (SN)	10.00%	\$	-
Administrative			
Legal	\$ 51	\$	4,000
Accounting/Audit	\$ 127	\$	10,000
Security	\$ 380	\$	30,000
Misc. Admin/Telephone	\$ 532	\$	42,000
Total Administrative		\$	89,000
Utilities			
Electricity	\$ 633	\$	50,000
Gas	\$ -	\$	-
Cable & Internet	\$ -	\$	-
Water/Sewer	\$ 759	\$	60,000
Total Utilities		\$	110,000
Payroll/Payroll Taxes			
On-Site Manager/Maintenance Payroll	\$ 1,646	\$	130,000
Payroll Taxes/Benefits	\$ 576	\$	45,500
Total Payroll/Payroll Taxes		\$	175,500
Insurance	\$ 830	\$	65,570
Maintenance			
Painting	\$ 76	\$	6,000
Repairs	\$ 261	\$	20,600
Trash Removal	\$ 222	\$	17,500
Exterminating	\$ 76	\$	6,000
Grounds	\$ 304	\$	24,000
Elevator	\$ 127	\$	10,000
Misc. Expenses	\$ 709	\$	41,000
Total Maintenance		\$	125,100
Replacement Reserve	\$ 500	\$	39,500
Management Fee	840 per unit	\$	66,360
Other			
Resident Services Coordinator	\$ 910	\$	71,880
Operating Reserve	\$ -	\$	-
Other: SDHC Monitoring Fee	\$ 158	\$	12,443
Other: City Monitoring Fee	\$ 38	\$	3,000
Total Other		\$	87,323
TOTAL EXPENSES - RESIDENTIAL			
	<i>PUPY</i>	<i>Total</i>	
<i>Including Reserves</i>	\$ 9,612	\$	759,353
<i>Without reserves and services</i>	\$ 8,007	\$	632,530
<i>Without taxes, reserves, and services</i>	\$ 7,994	\$	631,530
UMR REQUIRED DEBT SERVICE		\$	-
NET AVAILABLE INCOME FOR PERMANENT LOAN		\$	665,841

Palm City Transit Village Phase A Project Address Palm Ave, San Diego, CA Cashflow															Version: Revised:	Template 5/19/2025
ASSUMPTIONS																
Rent Increases:	2.5%															
Expense Increases:	3.5%															
Real Estate Expense Increases:	2.0%															
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Scheduled Gross Income (Non-SN)		1,495,524	1,532,912	1,571,235	1,610,516	1,650,779	1,692,048	1,734,349	1,777,708	1,822,151	1,867,705	1,914,397	1,962,257	2,011,314	2,061,596	2,113,136
Scheduled Gross Income (SN)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss (Miscellaneous Income)	5.00%	(234)	(240)	(246)	(252)	(258)	(265)	(271)	(278)	(285)	(292)	(300)	(307)	(315)	(323)	(331)
GROSS EFFECTIVE INCOME		1,425,194	1,460,824	1,497,344	1,534,778	1,573,147	1,612,476	1,652,788	1,694,108	1,736,460	1,779,872	1,824,369	1,869,978	1,916,727	1,964,645	2,013,762
OPERATING EXPENSES																
Management Fee		66,360	68,683	71,086	73,575	76,150	78,815	81,573	84,428	87,383	90,442	93,607	96,884	100,275	103,784	107,417
Real Estate Taxes	2.0%	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195	1,219	1,243	1,268	1,294	1,319
Annual Issuer Fee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other: City Monitoring Fee	0.0%	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Resident Services	3.5%	71,880	74,396	77,000	79,695	82,484	85,371	88,359	91,451	94,652	97,965	101,394	104,943	108,616	112,417	116,352
Other Operating Expenses		577,613	597,829	618,753	640,409	662,824	686,022	710,033	734,884	760,605	787,227	814,779	843,297	872,812	903,361	934,978
NET OPERATING INCOME		705,341	715,896	726,465	737,038	747,608	758,164	768,696	779,195	789,648	800,043	810,369	820,611	830,757	840,790	850,696
REPLACEMENT RESERVE - \$500 PUPA		39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500
NET INCOME AVAILABLE FOR DEBT SERVICE		665,841	676,396	686,965	697,538	708,108	718,664	729,196	739,695	750,148	760,543	770,869	781,111	791,257	801,290	811,196
Permanent Loan Debt Service		554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868
UMR Required Debt Service		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE		554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868	554,868
DEBT SERVICE COVERAGE RATIO		1.20	1.22	1.24	1.26	1.28	1.30	1.31	1.33	1.35	1.37	1.39	1.41	1.43	1.44	1.46
Resident Services (below the line)		\$ -	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Asset Management Fee - LP	3.5%	5,000	5,175	5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053	7,300	7,555	7,820	8,093
Asset Management Fee - GP	3.5%	10,000	10,350	10,712	11,087	11,475	11,877	12,293	12,723	13,168	13,629	14,106	14,600	15,111	15,640	16,187
Asset Management Fee - GP (Accrued)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Reserve Payment	\$ 328,554	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Balance		461,695	365,721	259,718	143,689	17,649	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Payment		95,974	106,004	116,029	126,040	17,649	-	-	-	-	-	-	-	-	-	-
Ground Lease Payment	5.0%	-	-	-	-	5,919	7,299	7,794	8,287	8,776	9,262	9,742	10,217	10,686	11,148	11,602
Cashflow Available for Distribution		-	-	-	-	112,459	138,682	148,095	157,456	166,751	175,970	185,100	194,127	203,037	211,815	220,445
Residual Receipts Payments	50.0%	-	-	-	-	56,229	69,341	74,048	78,728	83,376	87,985	92,550	97,063	101,518	105,907	110,223
City of San Diego	39.4%	-	-	-	-	44,309	54,641	58,350	62,037	65,700	69,332	72,929	76,486	79,997	83,455	86,855
San Diego Housing Commission	10.6%	-	-	-	-	11,921	14,700	15,698	16,690	17,676	18,653	19,621	20,577	21,522	22,452	23,367
EPIC Grant	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other: SDHC IIGC	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other: REAP HIT Funds	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cashflow to Partnership	50.0%	-	-	-	-	56,229	69,341	74,048	78,728	83,376	87,985	92,550	97,063	101,518	105,907	110,223

Palm City Transit Village Phase A Project Address Palm Ave, San Diego, CA Cashflow		Palm City Transit Village Phase A Project Address Palm Ave, San Diego, CA Cashflow															Version: Revised:		Template 5/19/2025
ASSUMPTIONS																			
Rent Increases:	2.5%																		
Expense Increases:	3.5%																		
Real Estate Expense Increases:	2.0%																		
		Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30			
		2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056			
Scheduled Gross Income (Non-SN)		2,165,965	2,220,114	2,275,617	2,332,507	2,390,820	2,450,590	2,511,855	2,574,651	2,639,018	2,704,993	2,772,618	2,841,933	2,912,982	2,985,806	3,060,451			
Scheduled Gross Income (SN)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Vacancy Loss (Miscellaneous Income)	5.00%	(339)	(347)	(356)	(365)	(374)	(383)	(393)	(403)	(413)	(423)	(434)	(445)	(456)	(467)	(479)			
GROSS EFFECTIVE INCOME		2,064,106	2,115,708	2,168,601	2,222,816	2,278,386	2,335,346	2,393,730	2,453,573	2,514,912	2,577,785	2,642,230	2,708,285	2,775,993	2,845,392	2,916,527			
OPERATING EXPENSES																			
Management Fee		111,176	115,067	119,095	123,263	127,577	132,042	136,664	141,447	146,398	151,522	156,825	162,314	167,995	173,875	179,960			
Real Estate Taxes	2.0%	1,346	1,373	1,400	1,428	1,457	1,486	1,516	1,546	1,577	1,608	1,641	1,673	1,707	1,741	1,776			
Annual Issuer Fee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other: City Monitoring Fee	0.0%	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000			
Resident Services	3.5%	120,424	124,639	129,001	133,516	138,189	143,026	148,032	153,213	158,576	164,126	169,870	175,816	181,969	188,338	194,930			
Other Operating Expenses		967,702	1,001,572	1,036,627	1,072,909	1,110,461	1,149,327	1,189,553	1,231,188	1,274,279	1,318,879	1,365,040	1,412,816	1,462,265	1,513,444	1,566,415			
NET OPERATING INCOME		860,457	870,057	879,478	888,699	897,702	906,465	914,965	923,179	931,083	938,650	945,854	952,666	959,057	964,995	970,447			
REPLACEMENT RESERVE - \$500 PUPA		39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500			
NET INCOME AVAILABLE FOR DEBT SERVICE		820,957	830,557	839,978	849,199	858,202	866,965	875,465	883,679	891,583	899,150	906,354	913,166	919,557	925,495	930,947			
Permanent Loan Debt Service		554,868	554,868	-	-	-	-	-	-	-	-	-	-	-	-	-			
UMR Required Debt Service		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
TOTAL DEBT SERVICE		554,868	554,868	-	-	-	-	-	-	-	-	-	-	-	-	-			
DEBT SERVICE COVERAGE RATIO		1.48	1.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Resident Services (below the line)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Asset Management Fee - LP	3.5%	8,377	8,670	8,973	9,287	9,613	9,949	10,297	10,658	11,031	11,417	11,816	12,230	12,658	13,101	13,559			
Asset Management Fee - GP	3.5%	16,753	17,340	17,947	18,575	19,225	19,898	20,594	21,315	22,061	22,833	23,632	24,460	25,316	26,202	27,119			
Asset Management Fee - GP (Accrued)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Operating Reserve Payment	\$ 328,554	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Deferred Developer Fee Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Deferred Developer Fee Payment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Ground Lease Payment	5.0%	12,048	12,484	40,653	41,067	41,468	41,856	42,229	42,585	42,925	43,245	43,545	43,824	44,079	44,310	44,513			
Cashflow Available for Distribution		228,911	237,196	772,405	780,270	787,896	795,262	802,345	809,121	815,566	821,655	827,360	832,653	837,504	841,882	845,755			
Residual Receipts Payments		114,456	118,598	386,202	390,135	393,948	397,631	401,172	404,561	407,783	410,828	413,680	416,327	418,752	420,941	422,878			
City of San Diego	39.4%	90,191	93,455	304,327	307,426	310,431	313,333	316,124	318,794	321,333	323,732	325,980	328,065	329,977	331,702	333,227			
San Diego Housing Commission	10.6%	24,265	25,143	81,875	82,709	83,517	84,298	85,049	85,767	86,450	87,095	87,700	88,261	88,775	89,240	89,650			
EPIC Grant	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other: SDHC IIGC	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other: REAP HIT Funds	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Cashflow to Partnership		114,456	118,598	386,202	390,135	393,948	397,631	401,172	404,561	407,783	410,828	413,680	416,327	418,752	420,941	422,878			

Palm City Transit Village Phase A Project Address Palm Ave, San Diego, CA Cashflow																
ASSUMPTIONS																
Rent Increases:	2.5%															
Expense Increases:	3.5%															
Real Estate Expense Increases:	2.0%															
		Year 31 2057	Year 32 2058	Year 33 2059	Year 34 2060	Year 35 2061	Year 36 2062	Year 37 2063	Year 38 2064	Year 39 2065	Year 40 2066	Year 41 2067	Year 42 2068	Year 43 2069	Year 44 2070	Year 45 2071
Scheduled Gross Income (Non-SN)		3,136,963	3,215,387	3,295,771	3,378,166	3,462,620	3,549,185	3,637,915	3,728,863	3,822,084	3,917,636	4,015,577	4,115,967	4,218,866	4,324,338	4,432,446
Scheduled Gross Income (SN)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss (Miscellaneous Income)	5.00%	(491)	(503)	(516)	(529)	(542)	(555)	(569)	(583)	(598)	(613)	(628)	(644)	(660)	(677)	(694)
GROSS EFFECTIVE INCOME		2,989,440	3,064,176	3,140,781	3,219,300	3,299,783	3,382,277	3,466,834	3,553,505	3,642,343	3,733,401	3,826,736	3,922,405	4,020,465	4,120,976	4,224,001
OPERATING EXPENSES																
Management Fee		186,259	192,778	199,525	206,508	213,736	221,217	228,960	236,973	245,267	253,852	262,736	271,932	281,450	291,301	301,496
Real Estate Taxes	2.0%	1,811	1,848	1,885	1,922	1,961	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390
Annual Issuer Fee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other: City Monitoring Fee	0.0%	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Resident Services	3.5%	201,752	208,814	216,122	223,686	231,515	239,618	248,005	256,685	265,669	274,968	284,592	294,552	304,862	315,532	326,575
Other Operating Expenses		1,621,239	1,677,982	1,736,712	1,797,497	1,860,409	1,925,524	1,992,917	2,062,669	2,134,862	2,209,583	2,286,918	2,366,960	2,449,804	2,535,547	2,624,291
NET OPERATING INCOME		975,379	979,755	983,537	986,686	989,161	990,918	991,913	992,097	991,421	989,835	987,282	983,708	979,052	973,254	966,248
REPLACEMENT RESERVE - \$500 PUPA		39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500
NET INCOME AVAILABLE FOR DEBT SERVICE		935,879	940,255	944,037	947,186	949,661	951,418	952,413	952,597	951,921	950,335	947,782	944,208	939,552	933,754	926,748
Permanent Loan Debt Service		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UMR Required Debt Service		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE COVERAGE RATIO		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Resident Services (below the line)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asset Management Fee - LP	3.5%	14,034	14,525	15,034	15,560	16,104	16,668	17,251	17,855	18,480	19,127	19,796	20,489	21,206	21,949	22,717
Asset Management Fee - GP	3.5%	28,068	29,050	30,067	31,119	32,209	33,336	34,503	35,710	36,960	38,254	39,593	40,978	42,413	43,897	45,433
Asset Management Fee - GP (Accrued)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Reserve Payment	\$ 328,554	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Payment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ground Lease Payment	5.0%	44,689	44,834	44,947	45,025	45,067	45,071	45,033	44,952	44,824	44,648	44,420	44,137	43,797	43,395	42,930
Cashflow Available for Distribution		849,088	851,845	853,990	855,482	856,281	856,344	855,626	854,080	851,657	848,306	843,974	838,603	832,137	824,513	815,668
Residual Receipts Payments	50.0%	424,544	425,923	426,995	427,741	428,140	428,172	427,813	427,040	425,829	424,153	421,987	419,302	416,068	412,257	407,834
City of San Diego	39.4%	334,541	335,627	336,472	337,060	337,375	337,399	337,117	336,508	335,553	334,233	332,526	330,410	327,862	324,858	321,373
San Diego Housing Commission	10.6%	90,003	90,296	90,523	90,681	90,766	90,772	90,696	90,532	90,276	89,920	89,461	88,892	88,207	87,398	86,461
EPIC Grant	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other: SDHC IIGC	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other: REAP HIT Funds	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cashflow to Partnership	50.0%	424,544	425,923	426,995	427,741	428,140	428,172	427,813	427,040	425,829	424,153	421,987	419,302	416,068	412,257	407,834

Palm City Transit Village Phase A Project Address Palm Ave, San Diego, CA Cashflow											
ASSUMPTIONS											
Rent Increases:	2.5%										
Expense Increases:	3.5%										
Real Estate Expense Increases:	2.0%										
		Year 46	Year 47	Year 48	Year 49	Year 50	Year 51	Year 52	Year 53	Year 54	Year 55
		2072	2073	2074	2075	2076	2077	2078	2079	2080	2081
Scheduled Gross Income (Non-SN)		4,543,257	4,656,839	4,773,260	4,892,591	5,014,906	5,140,279	5,268,786	5,400,505	5,535,518	5,673,906
Scheduled Gross Income (SN)		-	-	-	-	-	-	-	-	-	-
Vacancy Loss (Miscellaneous Income)	5.00%	(711)	(729)	(747)	(766)	(785)	(804)	(824)	(845)	(866)	(888)
GROSS EFFECTIVE INCOME		4,329,601	4,437,841	4,548,787	4,662,507	4,779,069	4,898,546	5,021,010	5,146,535	5,275,198	5,407,078
OPERATING EXPENSES											
Management Fee		312,049	322,970	334,274	345,974	358,083	370,616	383,587	397,013	410,908	425,290
Real Estate Taxes	2.0%	2,438	2,487	2,536	2,587	2,639	2,692	2,745	2,800	2,856	2,913
Annual Issuer Fee		-	-	-	-	-	-	-	-	-	-
Other City Monitoring Fee	0.0%	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Resident Services	3.5%	338,006	349,836	362,080	374,753	387,869	401,445	415,495	430,037	445,089	460,667
Other Operating Expenses		2,716,141	2,811,206	2,909,598	3,011,434	3,116,834	3,225,924	3,338,831	3,455,690	3,576,639	3,701,821
NET OPERATING INCOME		957,968	948,342	937,298	924,759	910,644	894,871	877,351	857,994	836,706	813,386
REPLACEMENT RESERVE - \$500 PUPA		39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500
NET INCOME AVAILABLE FOR DEBT SERVICE		918,468	908,842	897,798	885,259	871,144	855,371	837,851	818,494	797,206	773,886
Permanent Loan Debt Service		-	-	-	-	-	-	-	-	-	-
UMR Required Debt Service		-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE		-	-	-	-	-	-	-	-	-	-
DEBT SERVICE COVERAGE RATIO		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Resident Services (below the line)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asset Management Fee - LP	3.5%	23,512	24,335	25,186	26,068	26,980	27,925	28,902	29,914	30,961	32,044
Asset Management Fee - GP	3.5%	47,024	48,669	50,373	52,136	53,961	55,849	57,804	59,827	61,921	64,088
Asset Management Fee - GP (Accrued)		-	-	-	-	-	-	-	-	-	-
Operating Reserve Payment	\$ 328,554	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Balance		-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Payment		-	-	-	-	-	-	-	-	-	-
Ground Lease Payment	5.0%	42,397	41,792	41,112	40,353	39,510	38,580	37,557	36,438	35,216	33,888
Cashflow Available for Distribution		805,536	794,046	781,127	766,702	750,693	733,017	713,588	692,316	669,108	643,866
Residual Receipts Payments	50.0%	402,768	397,023	390,564	383,351	375,347	366,508	356,794	346,158	334,554	321,933
San Diego	39.4%	317,381	312,854	307,764	302,081	295,773	288,809	281,154	272,772	263,628	253,683
San Diego Housing Commission	10.6%	85,387	84,169	82,799	81,280	79,573	77,700	75,640	73,385	70,925	68,250
EPIC Grant	0.0%	-	-	-	-	-	-	-	-	-	-
Other: SDHC IIGC	0.0%	-	-	-	-	-	-	-	-	-	-
Other: REAP HIT Funds	0.0%	-	-	-	-	-	-	-	-	-	-
Cashflow to Partnership		402,768	397,023	390,564	383,351	375,347	366,508	356,794	346,158	334,554	321,933

Palm City Transit Village Phase A
Project Address Palm Ave, San Diego, CA
Tax Credit Calculation

Version:
Revised: **Template**
5/19/2025

FEDERAL TAX CREDITS

	ACQ.	CONST./ REHAB	TOTAL
TOTAL ELIGIBLE COSTS	\$ -	\$ 63,119,452	\$ 63,119,452
Less:			
Business Energy Tax Credits (Res. Portion)	\$ -	\$ -	\$ -
Non-Eligible (Federal/Grant Financing)	\$ -	\$ -	\$ -
ELIGIBLE BASIS	\$ -	\$ 63,119,452	\$ 63,119,452
THRESHOLD BASIS LIMIT			\$ 60,813,706
CREDIT RATE	4.00%	9.00%	
MAXIMUM TOTAL CREDIT AMOUNT	\$ -	\$ 54,732,340	\$ 25,000,000
FEDERAL TAX CREDIT EQUITY			\$ 22,250,000

STATE TAX CREDITS (if applicable)

Total Development Cost			\$ 67,154,227
Non-Tax Credit Sources			\$ 29,981,089
Federal Tax Credit Equity			\$ 22,250,000
Non-State Tax Credit Sources			\$ 52,231,089
Remaining Need			\$ 14,923,138
State Tax Credits needed			\$ 18,198,949
Credit Rate	13%	30%	
MAXIMUM TOTAL CREDIT AMOUNT	\$ -	\$ 18,244,112	\$ 18,198,949
STATE TAX CREDIT EQUITY	\$ -	\$ 14,923,138	\$ 14,923,138

<i>Surplus/(Shortfall)</i>	\$ 0
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Applicable Fraction Calculations

All Units	79
Market Rate Units	0
Square Footage of All Units Excluding Managers	54,395
Square Footage of Low-Income Units	54,395
Unit ratio	100%
Square footage ratio	100%

ATTACHMENT 4 **PROPOSED LOAN NON-BINDING COMMITMENT TERMS SUMMARY**

PCTV Phase 1 L.P.
Palm City Transit Village Phase 1
2340 Palm Avenue, San Diego, CA 92154
June 2, 2025

The San Diego Housing Commission (“Housing Commission”) is pleased to submit this non-binding commitment terms summary. This commitment 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 PCTV Phase 1 L.P., a California limited partnership, formed by (National Community Renaissance (National CORE) (the “Borrower”) for Palm City Transit Village Phase 1 (“Project”) with respect to the proposed construction and the permanent financing of a 79- unit development (with 78 affordable units and one unrestricted manager’s unit) located at 2340 Palm Avenue, San Diego, CA 92154. 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 \$1,670,734 as a residual receipts loan. Loan funds to be used for the 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 as multifamily rental housing 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 55 years, 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	Affordable Units
Studios	30%	3
Studios	40%	6
Studios	50%	9
Studios	60%	11
Subtotal		29
One-Bedrooms	30%	1
One-Bedrooms	40%	2
One-Bedrooms	50%	3
One-Bedrooms	60%	3
Subtotal		9
Two-Bedrooms	30%	2
Two-Bedrooms	40%	4
Two-Bedrooms	50%	6
Two-Bedrooms	60%	8
Subtotal		20
Three-Bedrooms	30%	2
Three-Bedrooms	40%	4
Three-Bedrooms	50%	6
Three-Bedrooms	60	8
Subtotal		20
Manager Unit		1
TOTAL		79

- 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 \$3,800,000. The land is owned by San Diego Metropolitan Transit System (MTS), which will enter into a 99-year Ground Lease Agreement with the Borrower (with ground lease payments payable from 5% of net cashflow).
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** - The construction contract shall be competitively bid to at least three qualified General Contractors 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 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 \$150,000 shall have Housing Commission prior written approval. For proposed change orders over \$150,000, 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 \$2,500,000 to be paid from Development Sources. There will be a \$461,695 deferred developer fee.
 - b. There will be a maximum Net Cash Developer Fee of \$2,038,305.
 - c. 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 \$2,500,000 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.
 - d. 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. Current annual affordability monitoring are as follows: \$157.50 X 78 units to be affordability monitored = \$12,285 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.

- b. Unpaid General Partner fees shall not accrue. The Housing Commission will require the Limited Partnership Agreement to explicitly state this requirement.
 - c. 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 \$1,670,734, 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 potentially 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.
 - iv) Commercial space improvements 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 **\$1,670,734**) will be disbursed as follows:
- Up to 75 percent (**\$1,253,051**) at escrow closing.
 - Up to 10 percent (**\$167,073**) to be distributed at 50 percent construction completion,
 - Up to 10 percent (**\$167,073**) 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 **(\$83,537)** 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 Units** - Experienced on-site management is required. There shall be two 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 \$59,886 Social Services Expenditure 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 will not have any Federal Project Based Vouchers (PBV) from the Housing Commission.

31. Prevailing Wage - If Federal or State funding sources with prevailing wage requirements are included in the proposed financial structure of the project, then the Palm City Transit Village Phase I project will be subject to paying the higher of Federal and State prevailing wages.

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 \$500.
 - b. Operating Reserve - The attached proforma models a three-month capitalized operating reserve (\$328,554) 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 leasehold interest in 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 June 6, 2025, so that this letter of intent may be attached to the Housing Commission Board report.

ACKNOWLEDGED AND AGREED TO BY:

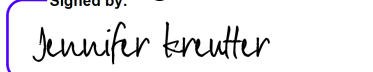
National Community Renaissance, a California nonprofit public benefit corporation

By: 

Name: Michael M Ruane

Its: President

San Diego Housing Commission

By: 

Jennifer Kreutter

Vice President, Multifamily Housing Finance Real Estate Division

Attachment: Exhibit A Developer's Proforma

**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 Palm City Transit Village Phase 1. 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 \$1,766,911,533 of total cash and cash equivalents from NCRC and its affiliates.

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

Amount: \$_____

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

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

Amount: \$_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NA

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

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

- c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: \$ **350 million**

General description of such work:

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

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

Please see included Project List

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

Please see included NCRC General Contractor List

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

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

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

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

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

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

___ Yes X No

If yes, explain.

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

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

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

___ Yes X No

If yes, explain:

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

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

See Certificates included.

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

Check coverage(s) carried:

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

- ☐ Independent Contractors
- ☐ Personal Injury

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

Check coverage(s) carried:

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

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

\$1M limit, see included certificate

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

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

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

\$5M limit, see included certificate

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

Umbrella Liability Policy, see included certificate.

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

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.
-
-
-

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

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

If yes, explain:

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

___Yes X No

If yes, explain:

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

Name: Leilani Hines

Address: 300 N. Coast Hwy Oceanside, CA 92054

Phone: 760-435-3377

Project Name and Description: Greenbrier Village - PSH

Name: **Candi Roberts**

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

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

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

Name: **Sherry Brooks**

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

Phone: **619-235-2200**

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

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

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

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

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

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

By providing the "Personal Information", (if any) as defined in Section 1798.3(a) of the Civil Code of the State of California (to the extent that it is applicable, if at all), requested herein and by seeking a loan from, a grant from, a contract with, the sale of real estate to, the right to develop from, and/or any and all other entitlements from the SAN DIEGO HOUSING COMMISSION ("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, 2025, at Rancho Cucamonga, California.

CONTRACTOR

By:



Signature

Michael Finn / 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: 

Michael Finn

Title: Chief Financial Officer

Dated: June 10, 2025

By: _____

Title: _____

Dated: _____

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

ATTEST:

~~State of California~~

~~County of _____~~

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

~~Signature of Notary~~

~~Name of Notary~~

SEAL

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

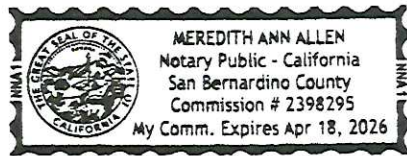
this 10 day of June, 2025, by
Date Month Year

(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.

Signature _____
Signature of Notary Public



Place Notary Seal and/or Stamp Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Certification from Consent to Public Disclosure by Contractor

Document Date: June 10, 2025 Number of Pages: 16

Signer(s) Other Than Named Above: _____



Leadership



Michael M. Ruane

PRESIDENT

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



Robert Diaz

EXECUTIVE VICE PRESIDENT & GENERAL COUNSEL

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

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

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



Doretta "Dorrie" Bryan

SENIOR VICE PRESIDENT OF OPERATIONS

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



Leadership



Alyssa Cotter

VICE PRESIDENT, HOPE THROUGH HOUSING FOUNDATION

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

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



Michael Finn

CHIEF FINANCIAL OFFICER

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

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



Lesley Hampton

SENIOR VICE PRESIDENT OF DEVELOPMENT

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



Leadership



Chris Killian

SENIOR VICE PRESIDENT OF CONSTRUCTION

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



Barry Oglesby

VICE PRESIDENT OF FINANCE AND ACQUISITIONS

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

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



Leadership



Courtney Richard

SENIOR VICE PRESIDENT OF PROPERTY MANAGEMENT

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

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

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



Jill Van Balen

SENIOR VICE PRESIDENT OF MARKETING AND COMMUNICATIONS

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

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



Leadership



Alexa Washburn

CHIEF DEVELOPMENT OFFICER

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

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



Marissiko Wheaton-Greer, Ph.D.

DIRECTOR OF DIVERSITY, EQUITY AND INCLUSION

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

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

Ashley Wright

SENIOR VICE PRESIDENT OF DEVELOPMENT

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





Leadership

DEVELOPMENT LEADERSHIP TEAM



Tony Mize

VICE PRESIDENT OF ACQUISITIONS, TEXAS

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



John Seymour

VICE PRESIDENT OF ACQUISITIONS AND FORWARD PLANNING, SAN DIEGO

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



Ariana Brendle

VICE PRESIDENT OF ACQUISITIONS, FLORIDA

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



Leadership



Oscar Paul

DEVELOPMENT MANAGER, FLORIDA

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



Michael de la Torre

SENIOR VICE PRESIDENT, LOS ANGELES REGION

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

PUBLIC AFFAIRS



Lorraine Kindred

VICE PRESIDENT, PUBLIC AFFAIRS

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

REO Schedule
NCRC-California
3/31/2024

Property Code	Community	Address	City	State	Zip Code	County	Acquisition Date	Tenancy Type	LHFC	LHFC Units	Market Units	Total Units	Physical Occupancy	Market Value	Cup Rate	Income	Expenses	NOR	Replacement Expense	Replacement Reserve Deposit	Replacement Reserve Withdrawal	Debt Service	Debt DSCR	Cash Flow	Hard Debt Balance	LTV Hard Debt	All Debt Balance	LTV All Debt	Maturity Date	Lender	Interest Rate	Interest Rate Type	Ownership %	LHFC Syndicator	Ownership Partnership	Asset Manager	Performance Summary/Notes		
p000001	Alta Vista	5011 E. 1st Street	Los Angeles	CA	90022	Los Angeles, CA	10/17/13	Family	Y	59	0	60	97%	4,131,300	6.00%	219,429	156,710	62,720	19,396	-4,363	0	32,294	1.1	2,865	1,232,438	29.47%	5,994,860	239.04%	11/01/43	California Community Reinvestment Corporation (CCRC)	8.500%	Fixed	0.000%	Hudson Housing Capital	NCRB	Britni Ellis			
p000001	Adore Villa	4661 Plumas Drive	Los Angeles	CA	92886	Los Angeles, CA	10/17/13	Family	N	0	0	47	98%	14,397,000	6.00%	386,990	177,034	215,956	46,652	-3,375	0	86,806	1.1	74,123	1,197,723	36.10%	5,971,723	36.10%	11/01/49	Georgetown Corporation, Inc.	4.130%	Fixed	0.000%	Hudson Housing Capital	NCRB	Diana North			
p000003	Cape Cod Senior Villas	1710 Mission Street	Oceanside	CA	92054	San Diego, CA	01/10/07	Senior	Y	35	0	36	94%	3,389,307	6.00%	128,606	78,767	50,840	3,631	-6,480	0	14,667	2.7	22,661	61,162	18.60%	4,383,942	129.35%	07/01/37	JPMorgan Chase	5.000%	Fixed	0.000%	Hudson Housing Capital	NCRB	Rahma Menjuez III			
p000002	Casa Luna	5533 Huntington Drive N.	Los Angeles	CA	90032	Los Angeles, CA	11/18/20	Transitional Housing	N	0	49	49	83%	-1,825,683	6.00%	22,266	49,751	-27,385	898	0	0	0	0.0	-28,283	8,580,000	-489.96%	8,580,000	-489.96%	07/16/25	LAHSA	0.000%	N/A	100.000%	N/A	NCRB	Melody Barrett			This is a Project Home Key property which is a state program that converts existing into transitional housing for the formerly unhoused. Grant funding from the Los Angeles Housing Department (LAHD) is currently limited. Callahan is less than the property is eligible for prior conversion in 2029. At that time, the property will be converted to Permanent Supportive Housing (PSH). In the meantime, the property will continue to receive GP loans to fund the deficit.
p0000482	Cathedral Palms	31750 Linda Boulevard	Cathedral City	CA	92234	Riverside, CA	04/11/96	Senior	N	0	0	231	100%	11,717,146	6.00%	619,396	441,639	175,757	6,135	0	0	0	0	0	160,622	19,186,993	163.73%	32,633,993	275.51%	N/A	N/A	0.00%	Refinance	NCRB	Britni Ellis				
p0000004	Cielo Grove	1412 N. Wilshire Avenue	Rialto	CA	92376	Riverside, CA	07/18/06	Family	Y	150	0	152	97%	4,651,532	6.00%	43,187	362,084	65,773	1,228	-23,568	0	54,480	0.8	-9,303	1,842,550	41.76%	23,595,489	609.04%	08/01/38	US Bank National Association	5.070%	Fixed	100.000%	NCRB	Joan Neal				
p0000011	Clark Manor	13023 Columbia Way	Donnerstag	CA	90242	Los Angeles, CA	07/03/03	Family	Y	1	0	42	100%	4,176,489	6.00%	178,439	164,374	92,845	2,846	-2,995	0	11,435	2.1	12,945	1,256,432	11.43%	1,256,432	11.43%	09/01/50	JP Morgan Chase	4.900%	Fixed	100.000%	N/A	NCRB	Joan Neal			
p0000008	Calabrese Village	3400 E. Wilshire Avenue	Encinitas	CA	92025	San Diego, CA	05/01/18	Family	Y	43	0	44	99%	4,366,259	6.00%	173,665	111,261	62,404	15,718	-47,048	0	33,448	1.4	11,760	1,865,406	42.79%	6,599,996	150.04%	09/01/50	Pacific Western Bank	5.000%	Fixed	0.000%	WNC & Associates	NCRB	Rahma Menjuez III			
p0000007	Cosmo del Rey	680 E. Second Street	Corona	CA	92882	Riverside, CA	03/10/00	Family	Y	71	0	72	100%	-1,888,886	6.00%	16,411	189,826	-28,233	8,156	-4,077	0	26,352	-1.6	-46,797	67,488	-34.98%	5,536,748	-294.37%	07/01/32	Rebakia Commercial Mortgage	7.250%	Variable	100.000%	NCRB	Joan Neal				
p0000009	Cosmo del Rey	1140 S. Street	Corona	CA	92882	Riverside, CA	01/29/10	Family	N	0	0	160	61%	-5,701,221	6.00%	367,195	462,713	-11,518	25,972	-13,880	0	3,912	-30.7	-159,833	63,539	-43.83%	5,310,479	-83.242%	03/24/25	JPMorgan Chase	4.920%	Variable	100.000%	N/A	NCRB	Joan Neal			
p0000002	Cosmos	177 S. South Street	Rialto	CA	92376	Riverside, CA	07/18/06	Family	Y	100	0	100	100%	3,714,575	6.00%	266,513	284,794	57,191	9,674	-7,875	0	28,187	1.4	9,902	2,255,000	60.71%	3,255,000	87.60%	01/26/29	Bank of America	5.000%	Fixed	100.000%	NCRB	Joan Neal				
p0000006	Courtyard Terrace	573 E. Broadway Street	Rialto	CA	92410	San Bernardino, CA	09/21/21	Family	Y	147	37	144	100%	2,139,734	6.00%	797,292	478,941	320,351	7,608	-23,332	0	247,659	1.4	41,982	26,800,008	95.64%	44,622,659	208.00%	N/A	JP Morgan Chase	5.00%	N/A	0.000%	Bank of America	NCRB	Melody Barrett			
p0000009	Deer Creek Village II	2900 Deer Creek Valley	San Bernardino	CA	92410	San Bernardino, CA	01/11/08	Family	Y	100	0	100	100%	2,926,500	6.00%	118,311	164,374	46,059	6,118	-4,659	0	24,178	1.3	6,565	1,525,362	44.62%	10,519,059	447.69%	07/31/56	JP Morgan Chase	5.10%	Fixed	100.000%	NCRB	Joan Neal				
p0000012	Deer Creek Village II	12250 Fishback Court, Unit 3	Rancho Cucamonga	CA	91739	San Bernardino, CA	09/29/20	Senior	Y	49	0	49	100%	2,419,418	6.00%	112,947	77,702	35,244	272	-4,230	0	24,178	1.3	6,565	1,525,362	44.62%	10,519,059	447.69%	07/31/56	JP Morgan Chase	5.10%	Fixed	100.000%	NCRB	Joan Neal				
p0000011	Deer Creek Village II	48071 Clinton Street	India	CA	92201	Riverside, CA	08/18/11	Family	Y	79	0	80	99%	1,957,703	6.00%	171,398	147,432	23,966	9,669	-12,000	0	6,252	0.4	-3,955	0	0.00%	964,219	0.000%	04/01/60	BCD	6.00%	N/A	0.000%	Union Bank of California	NCRB	Britni Ellis			
p0000011	Deer Creek Village II	8314 S. Dorsey	India	CA	92241	San Diego, CA	09/04/15	Family	Y	49	0	50	96%	4,321,747	6.00%	176,639	111,812	64,826	3,275	-5,714	0	39,694	1.4	16,233	1,916,524	44.33%	5,901,244	213.27%	08/01/35	JPMorgan Chase	4.900%	Fixed	100.000%	Hudson Housing Capital	NCRB	Britni Ellis			
p0000013	Deer Creek Village II	110 Theatrical Plaza High	Visalia	CA	92384	San Bernardino, CA	03/11/08	Senior	Y	74	0	75	99%	1,161,295	6.00%	16,080	147,441	17,419	4,168	-5,718	0	39,694	0.7	-3,459	772,280	66.89%	6,560,534	56.92%	02/01/56	Company	4.200%	Fixed	0.000%	BA Capital	NCRB	Britni Ellis			
p0000013	Deer Creek Village II	8437 Ramon Valley	San Bernardino	CA	91780	San Bernardino, CA	01/11/08	Family	Y	39	0	40	100%	2,391,399	6.00%	118,311	75,136	37,442	6,118	-4,659	0	24,178	1.3	6,565	1,525,362	44.62%	10,519,059	447.69%	07/31/56	JP Morgan Chase	5.10%	Fixed	100.000%	NCRB	Joan Neal				
p0000013	Deer Creek Village II	1345 W. 105th Street	Los Angeles	CA	90044	Los Angeles, CA	10/25/10	Senior	Y	61	0	62	96%	6,602,736	6.00%	219,165	123,923	97,424	24,965	-9,494	0	14,935	4.3	48,139	619,311	9.51%	9,630,718	146.56%	05/01/43	LACDA	6.750%	Fixed	0.000%	Raymond James	NCRB	Britni Ellis			
p0000031	Encanto Village	6315 Imperial Avenue	San Diego	CA	92114	San Diego, CA	07/11/85	Family	Y	65	0	66	96%	2,259,566	6.00%	219,960	186,202	33,758	1,834	-5,571	0	64,197	0.4	-37,843	3,702,406	164.51%	11,662,486	513.20%	08/01/56	Bank of America	5.750%	Fixed	0.000%	Hudson Housing Capital	NCRB	Rahma Menjuez III		Staffing level challenges: On-site Manager Position has had a negative impact on operations. Property took on excessive vacancy loss in Q1. Senior Manager from inter-property has been assigned to support the newly found full-time community manager. Their current plan of action is to address excessive vacancy and tenant retainability. Set goal is to reach 90% occupancy by Q2. In addition, resort unit cannot substantial vacancy in community center - 1114 in reports. Property Management is currently reviewing options to improve the physical condition of the property. Fairview Heights had an operating deficit in Q1 due to main line plumbing repairs in one of the buildings. This should be a one-time expense and we do not anticipate plumbing issues recurring.	
p00000251	Fairview Heights	923 E. Redondo Blvd.	Inglewood	CA	90302	Los Angeles, CA	12/19/19	Family	Y	100	0	100	96%	11,230,996	6.00%	498,491	331,676	166,813	7,338	-7,657	0	169,807	0.9	-17,988	8,771,040	78.78%	18,635,904	167.57%	01/01/36	Bank of America	4.690%	Fixed	0.000%	Bank of America	NCRB	Joan Neal			
p0000017	Fontaine at Sierra	16946 Sierra Avenue	Fontaine	CA	90402	San Bernardino, CA	06/11/02	Senior	Y	92	0	93	99%	4,772,554	6.00%	226,817	153,232	71,585	10,800	-4,994	0	26,450	1.9	22,289	854,672	17.79%	3,362,006	70.45%	N/A	Refinance	NCRB	Britni Ellis							
p0000018	Fontaine at Sierra	16838 Sierra Avenue	Fontaine	CA	90402	San Bernardino, CA	01/11/04	Senior	Y	92	0	93	99%	5,533,083	6.00%	264,464	163,074	83,433	3,548	-5,813	0	39,694	2.2	39,700	1,262,000	17.37%	8,208,387	127.37%	04/01/36	HUNT Capital Partners, LLC	5.700%	Variable	99.900%	NCRB	Joan Neal				
p0000019	Fontaine at Sierra	13006 Kestrel Avenue	Fontaine	CA	90402	San Bernardino, CA	11/12/04	Senior	Y	48	0	49	96%	12,452,942	6.00%	369,513	211,863	157,613	15,380	-9,400	0	39,694	2.2	39,700	1,262,000	17.37%	8,208,387	127.37%	04/01/36	HUNT Capital Partners, LLC	5.700%	Variable	99.900%	NCRB	Joan Neal				
p0000019	Fontaine at Sierra	8390 Malibu Avenue	Rancho Cucamonga	CA	91730	San Bernardino, CA	01/11/04	Senior	Y	48	0	49	96%	3,756,596	6.00%	130,349	93,998	36,349	14,915	-11,596	0	8,341	6.0	10,916	200,000	26.00%	4,278,731	100.00%	10/01/26	JP Morgan Chase	4.600%	Fixed	100.000%	NCRB	Joan Neal				
p0000008	Hermosa Village	1515 S. Calle del Mar	Anaheim	CA	92802	Orange, CA	12/28/16	Family	Y	295	0	297	99%	50,190,867	6.00%	1,674,837	921,974	752,863	65,028	-24,529	0	217,000	0.3	-1,103,594	18,526,192	36.91%	3,148,467	63.03%	07/01/49	Calbank	4.40%	Variable	0.000%	Association	NCRB	Joan Neal			
p0000008	Hermosa Village II	1515 S. Calle del Mar	Anaheim	CA	92802	Orange, CA	10/01/03	Family	Y	117	0	112	99%	25,595,567	6.00%	962,499	298,724	333,863	10,576	-8,520	0	217,000	0.3	-1,103,594	18,526,192	36.91%	3,148,467	63.03%	07/01/49	Calbank	4.40%	Variable	0.000%	Association	NCRB	Joan Neal			
p0000008	Hermosa Village II	1612 Calle del Sol	Anaheim	CA	92802	Orange, CA	10/15/05	Family	Y	75	0	76	97%	15,666,738	6.00%	446,330	211,229	235,101	18,162	0	0	57,745	0.4	-28,026	2,326,429	14.67%	18,226,429	61.27%	01/01/37	Rebakia Commercial	6.500%	Fixed	100.000%	N/A	Refined	Joan Neal			
p0000037	Hermosa Village IV	1612 Calle del Sol	Anaheim	CA	92802	Orange, CA	10/31/07	Family	Y	36	0	36	99%	5,650,000	6.00%	181,844	97,085	84,759	16,618	-2,727	0	17,395	0.5	-77,981	1,013,931	22.10%	6,499,033	114.13%	08/01/36	Union Bank of California	7.000%	Fixed	100.000%	N/A	Refined	Joan Neal			
p0000047	Huntington Villas	5330 Huntington Drive	Los Angeles	CA	90032	Los Angeles, CA	12/21/20	Transitional Housing	N	0	52	52	98%	-2,958,703	6.00%	22,666	67,847	-44,381	1,350	0	0	0	0	-45,731	8,890,000	-300.47%	8,890,000	-300.47%	07/16/25	LAHSA	0.000%	N/A	100.000%	N/A	NCRB	Melody Barrett		Supportive Housing (PSH). In the meantime, the property will continue to receive GP loans to fund the deficit. Property is operating at a deficit due to a capital improvement project. The property received cash-on-cash proceeds from a recent refinance and in the process of making several capital repairs to improve the physical condition of the property. Expenses will be reimbursed from a reserve account.	
p0000012	Impressions at Valley Center	15500 Midway Drive	Victorville	CA	92394	San Bernardino, CA	09/11/02	Family	Y	99	0	100	97%	3,486,466	6.00%	261,161	208,954	53,227	107,333	0	0	28,532	-1.9	-61,638	1,581,537	44.57%	2,380,138	67.08%	01/01/33	Citizens Business Bank	5.750%	Fixed	100.000%	NCRB	Joan Neal				
p0000013	Juniper Senior Village	215 E. Washington Avenue	Escondido	CA	92025	San Diego, CA	06/30/06	Senior	Y	60	0	61	100%	4,318,389	6.00%	179,722	114,943	64,779	13,510	-8,460	0	37,580	1.2	7,629	1,481,548	34.51%	8,522,507	197.98%											



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/28/2025

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 9692 Haven Avenue, Suite 100 Rancho Cucamonga, CA 91730	<table><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A: Lexington Insurance Co</td><td>19437</td></tr><tr><td>INSURER B: Travelers Property Casualty Company of America</td><td>25674</td></tr><tr><td>INSURER C: Great American Assurance Company</td><td>26344</td></tr><tr><td>INSURER D: James River Insurance Company</td><td>12203</td></tr><tr><td>INSURER E: Travelers Casualty and Surety Company</td><td>19038</td></tr><tr><td>INSURER F:</td><td></td></tr></table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Lexington Insurance Co	19437	INSURER B: Travelers Property Casualty Company of America	25674	INSURER C: Great American Assurance Company	26344	INSURER D: James River Insurance Company	12203	INSURER E: Travelers Casualty and Surety Company	19038	INSURER F:	
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INSURER F:															

COVERAGES**CERTIFICATE NUMBER:** 33333150**REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> \$0 Deductible GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			3406407825	1/1/2025	1/1/2026	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			3406407825	1/1/2025	1/1/2026	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
D	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0			000876156	1/1/2025	1/1/2026	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$
B E	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	UB1L80733825NGG (CA) UB1L81541825NGG (AOS)	1/1/2025 1/1/2025	1/1/2026 1/1/2026	<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
C	Excess Second Layer Liability			EXC 5775562	1/1/2025	1/1/2026	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 is included as Additional Insured(s) on the General Liability, Automobile Liability, 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 Liability, Automobile Liability 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 Liability, Automobile Liability, and Excess Liability policies, subject to the policy terms and conditions. General Liability and Excess Liability policies include 30-day Notice of Cancellation, and 10-day Notice for Non-Payment of Premium, subject to the policy terms and conditions. As applicable to General Liability and Excess Liability, and subject to the policy terms and conditions, there is no exclusion for Abuse & Molestation, Assault & Battery, or Habitability.

See Attached...

CERTIFICATE HOLDER**CANCELLATION**

JPMorgan Chase Bank, N.A., Commercial Real Estate
Loan Administration
8181 Communication Parkway, Building B, Floor 03
Plano TX 75024-0239

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

AUTHORIZED REPRESENTATIVE

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AGENCY CUSTOMER ID: _____

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page 1 of 1

AGENCY IMA, Inc. - Colorado Division		NAMED INSURED National Community Renaissance of California 9692 Haven Avenue, Suite 100 Rancho Cucamonga, CA 91730	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

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

Named Insured: Rose Creek Village LP
 Property Name: Rose Creek Village Builders Risk
 Address: 2662 Garnet Ave., San Diego, CA 92109

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**ADDITIONAL INSURED REQUIRED BY WRITTEN CONTRACT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY POLICY, COVERAGE APPLICABLE TO COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE (SECTION I – COVERAGES) ONLY

- A. Section II – Who Is An Insured** is amended to include any person or organization you are required to include as an additional insured on this policy by a written contract or written agreement in effect during this policy period and executed prior to the “occurrence” of the “bodily injury” or “property damage.”
- B.** The insurance provided to the above described additional insured under this endorsement is limited as follows:
1. COVERAGE A BODILY INJURY AND PROPERTY DAMAGE (Section I – Coverages) only.
 2. The person or organization is only an additional insured with respect to liability arising out of “your work” or “your product”.
 3. In the event that the Limits of Insurance provided by this policy exceed the Limits of Insurance required by the written contract or written agreement, the insurance provided by this endorsement shall be limited to the Limits of Insurance required by the written contract or written agreement. This endorsement shall not increase the Limits of Insurance shown in the Declarations pertaining to the coverage provided herein.
 4. The insurance provided to such an additional insured does not apply to “bodily injury” or “property damage” arising out of an architect’s, engineer’s, or surveyor’s rendering of or failure to render any professional services, including, but not limited to:
 - i. The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
 - ii. Supervisory, inspection, architectural, or engineering activities.
 5. This insurance does not apply to “bodily injury” or “property damage” arising out of “your work” or “your product” included in the “product-completed operations hazard” unless you are required to provide such coverage by written contract or written agreement and then only for the period of time required by the written contract or written agreement and in no event beyond the expiration date of the policy.
 6. Any coverage provided by this endorsement to an additional insured shall be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis, unless the written contract or written agreement with additional insured specifically requires that this insurance be primary and non-contributory with any other insurance carried by the additional insured. In such case, this insurance shall be primary and non-contributory with any other insurance carried by the additional insured.
- C.** In accordance with the terms and conditions of the policy and as more fully explained in the policy, as soon as practicable, each additional insured must give us prompt notice of any “occurrence” which may result in a claim, forward all legal papers to us, cooperate in the defense of any actions, and otherwise comply with all of the policy’s terms and conditions. Failure to comply with this provision may, at our option, result in the claim or “suit” being denied.
- D.** However, this coverage does not apply if an Additional Insured Endorsement is attached to this policy that specifically names a person or organization as an additional insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHER TO US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

WAIVER OF SUBROGATION IS PROVIDED IF REQUIRED BY WRITTEN CONTRACT OR AGREEMENT SUBJECT TO THE POLICY TERMS AND CONDITIONS.

(If no entry appears, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHER TO US Condition (Section IV – COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or “your work” done under a contract with that person or organization and included in the “products-completed operations hazard.” This waiver applies only to the person or organization shown in the Schedule above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARLIER NOTICE OF CANCELLATION PROVIDED BY US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Number of Days Notice – 30 or 10 Days for Non-Payment of Premium.

Name Of Organization(s)
Provided on a blanket basis to all locations as required by written contract and/or agreement
If no entry appears above, Information required to complete this Schedule will be shown in the Declarations as applicable to this endorsement.

For any statutorily permitted reason, the number of days required for notice of cancellation as provided in paragraph 2. of either the CANCELLATION Common Policy Condition or as amended by an applicable state cancellation endorsement, is increased to the number or days shown in the Schedule above.

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

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

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

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

National Community Renaissance of California

AND SUBSIDIARIES

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

December 31, 2023

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
AND SUBSIDIARIES**

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Report of Independent Auditors

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

Opinion

We have audited the accompanying consolidated financial statements of National Community Renaissance of California and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of National Community Renaissance of California and Subsidiaries as of December 31, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Changes in Accounting Principles

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

Report on Supplementary Information

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

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2024, on our consideration of National Community Renaissance of California and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of National Community Renaissance of California and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering National Community Renaissance of California and Subsidiaries' internal control over financial reporting and compliance.

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

Walnut Creek, California
June 27, 2024

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

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

see accompanying notes

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

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

see accompanying notes

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

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

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

see accompanying notes

**NATIONAL COMMUNITY RENAISSANCE CORPORATION
AND SUBSIDIARIES**

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

CASH FLOWS FROM OPERATING ACTIVITIES:

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

CASH FLOWS FROM INVESTING ACTIVITIES:

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

CASH FLOWS FROM FINANCING ACTIVITIES:

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

NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	30,766,137
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CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	<u>101,182,375</u>
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CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	<u>\$ 131,948,512</u>
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Cash and cash equivalents	\$ 66,047,333
Tenant security deposits	5,451,473
Restricted cash	60,449,706
Total cash, cash equivalents and restricted cash	<u>\$ 131,948,512</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

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

SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:

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

see accompanying notes

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

1. Organization and nature of operations

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

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

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

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

Principles of consolidation

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

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

- Count On Us Foundation
- San Antonio Gateway Housing Corporation
- Southern California Affordable Housing Corporation
- SCHDC of Inland Empire
- SCHDC of Los Angeles
- SCHDC of Orange
- SCHDC of Riverside
- SCHDC of Rancho Cucamonga

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

1. Organization and nature of operations (continued)

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

- Monterey Village Apartments
- Mountainside Apartments
- Sycamore Springs Apartments

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

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

Affordable housing properties:

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

Under development:

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

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

1. Organization and nature of operations (continued)

Permanent supportive housing properties:

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

Seller carryback loans:

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

Passthrough entities:

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

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

1. Organization and nature of operations (continued)

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

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

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

1. Organization and nature of operations (continued)

For-profit housing affiliate	General partner	GP %
Mar Vista Union Housing Partners, LP	SCHDC of Los Angeles	0.01%
Mission Cove Family I Housing, LP	Mission Cove Family I MGP, LLC	0.01%
Mission Cove Family II Housing, LP	SCHDC of Orange	0.01%
Mission Village Senior Apartments, LP	SCHDC of Inland Empire	0.005%
Montclair Senior Housing Partners, LP	San Antonio Gateway Hsg Corp	0.01%
NCRC Encanto, LP	NCRC	0.01%
NCRC Lake Forest, LP	NCRC Lake Forest, LLC	0.01%
NCRC Murrieta Family Housing LP	NCRC Murrieta Family MGP, LLC	0.01%
NCRC NSV, LP	NCRC NSV GP, LLC	0.01%
NCRC SYSV, LP	San Ysidro Senior Village GP, LLC	0.01%
Normandie Senior Housing Ptrs, LP	Normandie Senior Hsg Ptrs GP, LLC	0.008%
Normandie Senior Hsg Ptrs GP, LLC	SCHDC of Los Angeles	79.00%
Oceanside Housing Partners, LP	SCHDC of Orange	0.01%
Oceanside Senior Housing, LP	SCHDC of Orange	0.01%
Orchard View Senior LP	Orchard View Senior GP, LP	0.01%
Parkside SD Apartments, LP	Parkside GP, LLC	0.01%
Parkside GP, LLC	NCRC	79.00%
Paseo del Oro Apartments, LP	Paseo del Oro GP, LLC	0.01%
Paseo del Oro GP, LLC	NCRC	79.00%
Rancho Workforce Housing Partners, LP	SCHDC of Inland Empire	0.0045%
Renaissance Village Housing Partners, LP	RV Housing Partners GP, LLC	0.01%
RV Housing Partners GP, LLC	SCHDC of Inland Empire	79.00%
Rialto Metrolink South Housing Partners, LP	CORE Rialto Metro South MGP, LLC	0.0005%
Richmar Housing Partners, LP	SCHDC of Orange	0.01%
Rose Creek Village LP	NCRC Rose Creek GP, LLC	0.0051%
Santa Fe Senior Village, LP	NCRC Santa Fe SV, LLC	50.00%
Savi Ranch Housing Partners, LP	SCHDC of Orange	0.01%
Savi Ranch II Housing Partners, LP	Oakcrest Heights MGP, LLC	0.01%
Oakcrest Heights MGP, LLC	NCRC	79.00%
SVSM Apartments, LP	SVSM GP, LLC	0.01%
SVSM GP, LLC	NCRC	79.00%
The Promenade Housing Partners, LP	The Promenade Hsg Ptrs GP, LLC	0.01%
The Promenade Hsg Ptrs GP, LLC	NCRC	79.00%
Val 9 Housing Partners, LP	Val 9 MGP, LLC	0.008%
Virginia-Holt Housing, LP	NCRC Ontario GP, LLC	0.01%
Vista del Sol Apartments, LP	Vista Del Sol GP, LLC	0.008%
Vista Del Sol GP, LLC	NCRC	79.00%
Vista Dunes Housing Partners, LP ***	Vista Dunes GP, LLC	0.01%
Vista Dunes GP, LLC	SCHDC of Inland Empire	75.00%

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

1. Organization and nature of operations (continued)

For-profit housing affiliate	General partner	GP %
VS Phase 1, LP	VS Phase 1 GP, LLC	0.01%
Waterman Gardens Partners 1, LP	WG Partners 1 MGP, LLC	0.01%
Waterman Gardens Partners 2, L.P.	WG Partners 2 MGP, LLC	0.006%
Westlake Village Housing Partners, LP	SCHDC of Orange	0.01%
Woods Family Housing Partners, LP	Woods Family Hsg Ptrs GP, LLC	0.01%
Woods Family Hsg Ptrs GP, LLC	SCHDC of Los Angeles	79.00%
Yucca Valley Senior Housing Ptrs, LP	SCHDC of Inland Empire	0.01%

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

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

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

2. Summary of significant accounting policies

Basis of accounting

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

Non-controlling interests

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

Basis of presentation

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

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

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

2. Summary of significant accounting policies (continued)

Basis of presentation (continued)

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

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

Estimates

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

Economic concentrations

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

Cash and cash equivalents

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

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

Concentration of credit risk

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

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

2. Summary of significant accounting policies (continued)

Investments in available-for-sale securities

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

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

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

Fair value measurements

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

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

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

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

2. Summary of significant accounting policies (continued)

Fair value measurements (continued)

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

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

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

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

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

Accounts receivable

Accounts receivable is stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are generally written off through a charge to the valuation allowance and a credit to tenant accounts receivable. As of December 31, 2023, the balance of the allowance for doubtful accounts was \$90,399. Bad debts expense for tenant receivables for the year ended December 31, 2023 was \$3,499,703, which includes \$1,572,481 of bad debts stemming from the COVID-19 pandemic that were transferred from various wholly-owned properties to NCRC.

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

2. Summary of significant accounting policies (continued)

Advances due from affiliates

Advances due from affiliates, which includes fees receivable, are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on expected future operating performance and other factors. It is reasonably possible that management's estimate of the allowance will change. As of December 31, 2023, the allowance for doubtful accounts was \$112,269, which eliminates upon consolidation.

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

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

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

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

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

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

2. Summary of significant accounting policies (continued)

Project development costs

NCRC incurs costs in connection with properties it is considering for development as well as costs associated with projects in the initial stages of development. These costs include such items as market studies, purchase options, environmental study costs, legal and accounting costs. Project development costs are capitalized to construction in progress. Project development costs related to projects that are ultimately developed are subsequently recorded as receivables to be repaid by the applicable project partnerships. If a project is no longer considered desirable or feasible, the costs are expensed. During the year ended December 31, 2023, \$805,326 of project development costs were expensed.

Equity investments in partnerships

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

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

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

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

Equity investments in partnerships (continued)

NCRC periodically evaluates its investments for impairment and records a write down if it is determined that impairment in value exists. If impairment exists at the for-profit housing investment entity, management assesses the need to apply impairment to the carrying value of NCRC's investment based on the facts and circumstances. All of NCRC's investments in the table above are materially insignificant. There were no impairment losses recognized during 2023.

Leases

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

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

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

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

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

Fixed assets and depreciation

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

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

Impairment of long-lived assets

NCRC reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. There were no impairment losses recognized during 2023.

Deferred costs

Tax credit fees are amortized on a straight-line basis over the 15-year tax credit compliance period. Amortization expense for the year ended December 31, 2023 was \$234,901. The deferred costs consist of the following as of December 31, 2023:

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

Derivatives and hedging activities – interest rate swap

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

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

Debt issuance costs

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

Revenue recognition for tenant leases and tenant charges

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

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

Contractor fees

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

Developer fees

Developer fees are earned in connection with the construction and oversight of the development of properties. The developer fees are recognized as revenue commencing with the closing of a project's construction loan (the "Closing") based on the percentage of completion method, taking into account the total anticipated development costs and potential operating deficit obligation through the period from the Closing through the end of the operating deficit obligation period (typically three years from the achievement of Breakeven Operations, as defined in partnership agreements). Generally, developer fees are earned based on how they are defined to be earned per the applicable development agreement, which in most cases is upon completion and delivery of units. Upon construction completion, any remaining developer fee is recorded as an asset with a corresponding offset to deferred revenue if the amount of developer fee owed exceeds the amount of developer fee earned to such date in accordance with the preceding formula. In the event that a portion or all of the developer fee is not paid at the end of the development period, the deferred developer fee is generally assumed to be paid from the future cash flow of the property and thereby recognized when paid. Developer fees that are earned during construction and paid for with investor equity or project debt are capitalized. The deferred developer fees expected to be paid from property operations are generally eliminated upon consolidation. Developer fees determined subsequently to be uncollectible will be converted to capital.

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

2. Summary of significant accounting policies (continued)

Grant revenue

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

Contributions - private donations

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

Contributions of nonfinancial assets – in-kind donations

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

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

Income taxes

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

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

2. Summary of significant accounting policies (continued)

Income taxes (continued)

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

Functional expenses

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

Change in accounting principle

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

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

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

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

Financial assets at yearend:

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

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

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

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

\$ 138,466,081

Financial assets available to meet general expenditures over the next twelve months are not subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statement of financial position date. NCRC's goal is generally to maintain financial assets to meet at least 90 days of operating expenses. In addition to these liquid funds, NCRC has an available line of credit in the amount of up to \$20,000,000, of which \$9,400,000 has been drawn as of December 31, 2023.

4. Restricted cash

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

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

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

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

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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5. Equity investments

On March 30, 2004, NCRC invested in the Housing Partnership Network Group Insurance Initiative, a cooperative of other real estate investment companies, whose purpose is to offer low-cost insurance and worker's compensation to companies with a history of low-loss ratios. In 2004, NCRC purchased one share of Class A stock for \$10,000, and 277 shares of Class B stock at \$1,000 per share. In 2013, NCRC purchased 275 Class C shares at \$555 per share. NCRC is entitled to dividend payments in proportion to their investment once they are declared. No dividends were received during the year ended December 31, 2023. The investment is accounted for under the equity method of accounting and the investment has been recorded at cost. As of December 31, 2023, the investment balance was \$697,815.

Investments also includes \$6,000,000 paid over the course of 2017 and 2018 to acquire the limited partner interests in twenty Housing Affiliates for \$300,000 each, from an unrelated party. Additionally, during 2022, \$800,000 was paid in total to acquire the limited partner interests in ten Housing Affiliates from various unrelated parties. During 2023, \$1,150,000 was paid in total to acquire the limited partner interests in two Housing Affiliates from an unrelated party. These amounts were paid outside the partnerships, and as such, the amounts do not eliminate upon consolidation.

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

6. Property, equipment and improvements, net

Property, equipment and improvements consist of the following as of December 31, 2023:

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

Office building purchase and lease

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

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

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

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

Lender	Secured Entity	Interest rate	Monthly principal and int or other repymt terms	Maturity	2023 Principal balance
Bank of New York Mellon Trust Co. (Bond Trustee)	NCRC	3.27%	(6)	12/1/2032	\$ 100,000,000
Citizens Business Bank	NCRC	4.70%	\$ 62,411	11/9/2032	11,682,168
Citibank - AHP	NCRC	0.00%	(3)	9/1/2071	680,000
Citibank - AHP	NCRC	0.00%	(4)	4/1/2069	480,000
Citizens Business Bank - line of credit	NCRC	Variable	(4)	10/15/2024*	9,400,000
JP Morgan Chase	NCRC (Note for Rancho Verde)	3.39%	\$ 11,206	8/1/2047	1,000,000
JPMorgan - AHP	NCRC	0.00%	(4)	5/1/2067	500,000
The Robert Wood Johnson Foundation	NCRC	2.00%	(4)	8/5/2028	500,000
Wells Fargo Bank	NCRC	2.00%	(4)	4/29/2028	1,500,000
City National Bank - AHP	NCRC (Note for Mission Cove II)	0.00%	(3)	3/30/2072	590,000
Bank of America California - AHP	NCRC (Note for Golden Pierce))	0.00%	(3)	7/3/2078	500,000
Clearinghouse Community Development - AHP	NCRC (Note for Nestor Senior)	0.00%	(3)	4/7/2079	730,000
NCRC	SCHDC of Inland Empire	6.00%	(4)	5/19/2025	7,103,289
Dept. of Housing and Urban Development	San Antonio Gateway Hsg Corp	0.00%	(3)	3/1/2066	10,604,000
Los Angeles County Development Authority	3rd & Dangler, LP	3.00%	(3)	6/2/2078	5,342,447
Los Angeles County Development Authority	3rd & Dangler, LP	3.00%	(3)	6/2/2078	1,416,800
JP Morgan Chase Bank - construction	3rd & Dangler, LP	Variable	(4)	12/10/2024*	23,548,891
East West Bank - construction	Anaheim Midway, LP	4.55%	(4)	7/29/2024*	10,850,531
Anaheim Housing Authority	Anaheim Midway, LP	3.00%	(1)	(a)	2,450,995
Anaheim Housing Authority	Anaheim Midway, LP	3.00%	(1)	(a)	3,574,800
Anaheim Housing Authority	Anaheim Midway, LP	2.25%	(1)	(a)	7,200,000
Anaheim Housing Authority	Anaheim Midway, LP	3.00%	(1)	(a)	1,362,652
Chase Commercial Term Lending	NCRC Interim Spring Valley	5.09%	\$ 12,852	10/31/2032	3,302,691
County of San Diego	NCRC Interim Spring Valley	3.00%	\$ 4,563	2/15/2056	1,825,000
County of San Diego HCD Services	NCRC Interim Spring Valley	3.00%	\$ 5,750	4/14/2075	2,300,000
CA Statewide Communities Development Authority	Murrieta Family Housing, LP	variable	(3)	11/30/2025	57,501
Murrieta Housing Authority	Murrieta Family Housing, LP	3.00%	(3)	(d)	3,641,910
Murrieta Housing Authority	Murrieta Family Housing, LP	3.00%	(3)	(d)	3,325,000
County of Riverside	Murrieta Family Housing, LP	Variable	(3)	(d)	2,260,492
NCRC	Murrieta Family Housing, LP	0.00%	(3)	(d)	791,368
City of Los Angeles	NCRC Titta Inn, LLC	0.00%	(3)	7/16/2025	8,580,000
JP Morgan Chase Bank – construction	Ivy Valley Housing Partners, LP	Variable	(4)	2/13/2024*	6,980,434
County of San Diego	Ivy Valley Housing Partners, LP	Variable	(3)	(b)	6,248,628
County of San Diego	Ivy Valley Housing Partners, LP	0.00%	(7)	12/5/2043	59,438
City of Escondido	Ivy Valley Housing Partners, LP	3.00%	(1)	(b)	3,600,000
City of Los Angeles	NCRC Super 8, LLC	0.00%	(3)	12/21/2025	8,890,000
MUFG Union Bank	Veterans Park Fund, LP	1.70%	(3)	5/1/2037	10,395,089
Los Angeles County Development Authority	Veterans Park Fund, LP	3.00%	(3)	5/1/2078	3,150,000
Los Angeles County Development Authority	Veterans Park Fund, LP	3.00%	(3)	5/1/2078	2,000,000

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7. Mortgages and notes payable, net (continued)

Lender	Secured Entity	Interest rate	Monthly principal and int or other repymt terms	Maturity	2023 Principal balance
Hsg Authority of the City of Glendale (Measure S)	Linc-CORE Pioneer, LP	3.00%	(3)	(d)	\$ 25,274,476
California Housing Finance Agency	Linc-CORE Pioneer, LP	1.00%	(4)	12/29/2025	3,403,753
NCRC	Linc-CORE Pioneer, LP	0.00%	(3)	12/31/2080	615,094
LINC Housing Corporation	Linc-CORE Pioneer, LP	0.00%	(3)	12/31/2080	615,094
Bank of America	Linc-CORE Pioneer, LP	3.00%	(1)	12/29/2077	2,000,000
County of San Diego	Greenbrier Village, LP	0.00%	(4)	2/28/2080	5,317,339
JP Morgan Chase Bank	Greenbrier Village, LP	300.00%	(3)	2/6/2044	1,845,655
City of Oceanside	Greenbrier Village, LP	3.00%	(1)	12/31/2079	3,118,753
City of Lake Forest	NCRC Lake Forest, LP	Variable	(3)	(b)	3,700,000
Orange County Housing Authority	NCRC Lake Forest, LP	Variable	(3)	(b)	915,256
California Housing Finance Agency	NCRC Lake Forest, LP	3.00%	(1)	(b)	1,259,848
Wells Fargo Bank - construction	NCRC Lake Forest, LP	Variable	(4)	12/21/2025*	24,171,304
City of San Diego	Encanto Gateway, LP	3.00%	(1)	12/31/2083	4,717,524
County of San Diego	Santa Fe Senior Village, LP	3.00%	(3)	12/31/2079	3,825,000
County of San Diego NPLHP	Santa Fe Senior Village, LP	0.00%	(3)	12/31/2079	102,138
Capital One, NA	Santa Fe Senior Village, LP	Variable	(4)	6/30/2025	2,222,638
CCRC	Woods Family Housing Ptrs, LP	8.50%	\$ 10,765	11/1/2043	1,238,457
LACDC - CDBG funds	Woods Family Housing Ptrs, LP	3.00%	(1)	9/1/2063	1,000,000
LACDC - First District Loan	Woods Family Housing Ptrs, LP	3.00%	(1)	9/1/2063	1,000,000
LACDC - HOME funds	Woods Family Housing Ptrs, LP	3.00%	(1)	9/1/2063	2,047,376
LACDC - Industry funds	Woods Family Housing Ptrs, LP	3.00%	(1)	9/1/2063	1,249,201
LACDC - Maravilla funds	Woods Family Housing Ptrs, LP	3.00%	(1)	9/1/2063	1,000,000
NCRC (HCD Grant)	Woods Family Housing Ptrs, LP	0.00%	(1)	1/1/2066	2,465,846
Greystone Servicing	NCRC / Arbor Villas Apts	3.96%	\$ 26,906	11/1/2049	5,226,759
NCRC	Rialto Housing Partners, LP	5.00%	\$ 28,188	1/26/2028	2,255,000
Home-City	Rialto Housing Partners, LP	3.00%	(1)	1/1/2054	1,000,000
City of Oceanside	Oceanside Senior Hsg Ptrs, LP	3.00%	(1)	7/1/2063	3,772,340
JPMorgan Chase Bank	Oceanside Senior Hsg Ptrs, LP	5.08%	\$ 4,956	10/1/2038	618,642
California HCD	Inland Valley Hsg Ptrs, LP	3.00%	(2)	7/1/2064	8,362,659
City of Rialto Housing Authority	Inland Valley Hsg Ptrs, LP	3.00%	(1)	8/1/2061	14,054,480
Cnty San Bernardino HOME funds	Inland Valley Hsg Ptrs, LP	3.00%	(1)	6/1/2060	3,000,000
Miss Valley Life Ins. - AHP	Inland Valley Hsg Ptrs, LP	0.00%	(3)	2/1/2064	1,000,000
US Bank	Inland Valley Hsg Ptrs, LP	5.97%	\$ 15,408	8/1/2038	1,959,285
City of Long Beach	NCRC / Clark Manor	4.00%	(1)	6/1/2058	550,000
JPMorgan Chase Bank	NCRC / Clark Manor	4.93%	\$ 7,833	8/1/2033	720,857
Berkadia Commercial Mort.	Corona de Oro Apts. LP	7.25%	\$ 8,784	7/1/2032	672,103
City of Corona HOME Funds	Corona de Oro Apts. LP	1.00%	\$ 1,499	9/1/2055	149,900
City of Corona RDA	Corona de Oro Apts. LP	3.00%	(1)	3/1/2055	4,725,000

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7. Mortgages and notes payable, net (continued)

Lender	Secured Entity	Interest rate	Monthly principal and int or other repymt terms	Maturity	2023 Principal balance
City of Corona RDA	NCRC / Corona del Rey	0.00%	(1)	5/1/2051	\$ 643,340
County of Riverside	NCRC / Corona del Rey	3.00%	\$ 1,304	7/1/2028	66,958
SCHDC Bridge Loan	NCRC / Corona del Rey	6.00%	(4)	5/19/2025	7,103,289
California HCD	Cobblestone Apartments, LP	3.00%	(2)	3/1/2058	1,345,219
City of Escondido	Cobblestone Apartments, LP	2.98%	(1)	8/1/2073	3,168,027
Escondido Hsg Partners, LP - Seller Carryback	Cobblestone Apartments, LP	2.95%	(1)	8/1/2073	191,334
Pacific Western Bank	Cobblestone Apartments, LP	5.00%	\$ 10,678	9/1/2050	1,873,790
California HCD	Desert Meadows Hsg Partners, LP	3.00%	(2)	4/1/2069	5,954,244
Riverside County RDA	Desert Meadows Hsg Partners, LP	0.25%	(1)	8/1/2066	7,698,385
Union Bank of California - AHP	Desert Meadows Hsg Partners, LP	0.00%	(3)	1/1/2067	790,000
AHP Funds	Yucca Valley Senior Hsg Ptrs, LP	0.00%	(3)	1/1/2030	1,180,000
Bonneville Mortgage	Yucca Valley Senior Hsg Ptrs, LP	4.21%	\$ 3,664	2/1/2056	775,135
San Bernardino County	Yucca Valley Senior Hsg Ptrs, LP	3.00%	(1)	12/1/2069	1,622,830
Town of Yucca Valley	Yucca Valley Senior Hsg Ptrs, LP	0.50%	(1)	4/1/2068	2,925,000
City of Downey	Downey Housing Partners, LP	3.00%	(1)	2/1/2068	4,550,000
City of Downey	Downey Housing Partners, LP	3.00%	(1)	2/1/2068	450,000
Housing Authority of Los Angeles County	Downey Housing Partners, LP	3.00%	(1)	2/1/2070	2,386,720
JP Morgan Chase	Downey Housing Partners, LP	5.88%	\$ 13,201	9/1/2045	1,927,511
CDC - County of LA Homeless & Hsg Program	Normandie Senior Hsg Ptrs, LP	3.00%	(1)	6/1/2067	600,000
CDC - County of Los Angeles	Normandie Senior Hsg Ptrs, LP	6.75%	\$ 4,865	10/1/2040	623,408
County of Los Angeles - Home Funds	Normandie Senior Hsg Ptrs, LP	3.00%	(1)	3/1/2065	1,989,155
County of Los Angeles - Industry Funds	Normandie Senior Hsg Ptrs, LP	0.00%	(1)	3/1/2065	5,388,834
NCRC Infill Grant Loan	Normandie Senior Hsg Ptrs, LP	0.00%	(1)	1/1/2065	1,033,418
City of Rancho Cucamonga Redev Agency	East Rancho Verde Hsg Ptrs, LP	1.50%	(1)	6/1/2060	6,500,000
County of San Bernardino	East Rancho Verde Hsg Ptrs, LP	3.00%	(3)	3/1/2065	1,100,000
JPMorgan Chase Bank	East Rancho Verde Hsg Ptrs, LP	5.13%	\$ 8,717	10/1/2040	1,177,646
California Community Reinvestment Corp	Fontana II Hsg Ptrs, LP	6.75%	\$ 8,821	12/1/2036	870,639
City of Fontana	Fontana II Hsg Ptrs, LP	1.00%	(1)	2/1/2059	2,500,000
Bank of the West - AHP	Fontana III Hsg Ptrs, LP	0.00%	(3)	3/1/2061	350,000
City of Fontana	Fontana III Hsg Ptrs, LP	1.00%	(1)	6/1/2060	7,153,254
NorthMarq Capital, LLC	Fontana III Hsg Ptrs, LP	5.79%	Variable	4/1/2036	1,202,000
JPMorgan Chase	Malvern Housing Partners, LP	8.06%	\$ 2,780	10/1/2026	84,260
City of Rancho Cucamonga RDA	Malvern Housing Partners, LP	1.00%	(1)	4/15/2056	3,801,209
County of San Bernardino	Malvern Housing Partners, LP	3.00%	\$ 2,218	12/1/2022*	400,000
City of Hawthorne	NCRC / Hawthorne Terrace	Variable	(1)	10/1/2059	250,000
City of Hawthorne	NCRC / Hawthorne Terrace	3.00%	(1)	10/1/2059	1,998,855
JPMorgan Chase Bank	NCRC / Hawthorne Terrace	5.55%	\$ 11,142	10/1/2029	1,204,000
NCRC	Hope Through Access	0.00%	(1)	(c)	2,000,000
City of Victorville	Victorville Housing Ptrs, LP	3.00%	(1)	9/1/2057	794,602
Citizens Business Bank	Victorville Housing Ptrs, LP	5.75%	\$ 9,510	1/3/2033	1,586,500

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7. Mortgages and notes payable, net (continued)

Lender	Secured Entity	Interest rate	Monthly principal and int or other repymt terms	Maturity	2023 Principal balance
CCRC	Escondido Senior Hsg Ptrs, LP	7.37%	\$ 12,460	11/1/2041	\$ 1,491,467
City of Escondido	Escondido Senior Hsg Ptrs, LP	5.32%	(1)	12/1/2075	3,051,230
City of Escondido	Escondido Senior Hsg Ptrs, LP	3.00%	(1)	12/1/2075	1,948,770
City of Escondido	Escondido Senior Hsg Ptrs, LP	3.00%	(1)	5/1/2065	500,000
NCRC	Escondido Senior Hsg Ptrs, LP	0.00%	(1)	2/1/2065	650,959
NCRC	Escondido Senior Hsg Ptrs, LP	0.00%	(1)	2/1/2065	400,000
SCHDC of Orange (AHP-JPMorgan)	Escondido Senior Hsg Ptrs, LP	0.00%	(1)	4/1/2067	500,000
Citizens Business Bank	Santa Fe Springs Hsg Ptrs, LP	5.37%	\$ 54,756	1/1/2033	9,538,875
City of Oceanside	Oceanside Housing Ptrs, LP	3.00%	(1)	6/1/2061	6,244,000
MuniMae TE Bond Subsidiary, LLC	Oceanside Housing Ptrs, LP	5.75%	\$ 23,980	5/1/2049	3,835,046
State of California HCD	Oceanside Housing Ptrs, LP	3.00%	(1)	5/1/2064	4,151,008
Citibank N.A. - Perm Loan	Avenida Serra Hsg Partners, LP	5.48%	\$ 2,314	9/1/2044	393,588
Citibank N.A. - Subordinate Loan	Avenida Serra Hsg Partners, LP	1.00%	(1)	10/1/2070	187,249
City of San Clemente	Avenida Serra Hsg Partners, LP	3.36%	(1)	12/31/2070	3,430,771
NCRC	Avenida Serra Hsg Partners, LP	0.00%	(1)	3/1/2069	730,800
California Housing Finance Agency	SCHDC / Mountainside Apts	7.25%	\$ 44,171	9/1/2026	1,353,745
City of Oceanside	Mission Cove Family I Hsg, LP	0.00%	(3)	10/1/2072	5,900,000
Citi Bank, N.A	Mission Cove Family I Hsg, LP	5.54%	\$ 4,555	10/1/2038	552,030
Citibank, N.A.	Mission Cove Family I Hsg, LP	1.00%	(3)	4/1/2071	1,340,606
Wells Fargo Bank	Mission Cove Family I Hsg, LP	0.00%	(3)	9/1/2073	890,000
City of Oceanside	Mission Cove Family I Hsg, LP	3.00%	(1)	10/1/2072	4,405,348
California Housing Finance Agency	Mission Cove Family I Hsg, LP	3.00%	(1)	3/1/2071	943,470
Bank of America	Mission Cove Family II Hsg, LP	5.26%	\$ 14,255	5/1/2035	2,570,690
City of Oceanside	Mission Cove Family II Hsg, LP	3.00%	(1)	5/1/2073	4,147,253
NCRC (AHP Loan)	Mission Cove Family II Hsg, LP	0.00%	(1)	3/30/2072	372,969
City of Oceanside (Ground Lease Loan)	Mission Cove Family II Hsg, LP	0.00%	(1)	4/1/2072	4,856,217
California HCD	Riverside Housing Ptrs, LP	3.00%	(2)	3/1/2061	2,930,000
City of Riverside	Riverside Housing Ptrs, LP	3.00%	(1)	7/1/2059	4,496,135
US Bank	Riverside Housing Ptrs, LP	6.21%	\$ 9,779	7/1/2036	1,052,602
Agency IV - First 5 LA	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	6/1/2072	931,437
AHP Funds	Mar Vista Union Hsg Ptrs, LP	0.00%	(3)	6/1/2070	300,000
CDC - County of Los Angeles	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	3/1/2072	895,726
City of Pasadena	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	4/1/2065	1,417,273
Federal Home Funds	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	7/1/2067	1,475,397
Inclusionary Housing Fund	Mar Vista Union Hsg Ptrs, LP	3.00%	(1)	7/1/2067	646,077
Brookfield University Commons, LLC	UC Housing Partners, LP	2.00%	(3)	11/1/2059	1,463,164
California HCD	UC Housing Partners, LP	3.00%	(2)	7/1/2062	6,382,879
CSCDA	UC Housing Partners, LP	5.60%	\$ 23,618	8/1/2037	2,702,490
AHP Funds	Mission Village Senior Hsg, LP	0.00%	(3)	3/1/2065	500,000
Redevelopment Agency of the County of Riverside	Mission Village Senior Hsg, LP	3.00%	(1)	9/1/2064	10,472,118
US Bank	Mission Village Senior Hsg, LP	5.89%	\$ 17,893	3/1/2040	2,273,517

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7. Mortgages and notes payable, net (continued)

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California Housing Finance Agency	SCHDC / Monterey Village	7.25%	\$ 34,791	10/1/2026	\$ 1,066,268
California Housing Finance Agency	NCRC / Northgate Village	6.00%	\$ 33,444	10/1/2034	3,191,242
Victorville RDA	NCRC / Northgate Village	3.00%	(1)	12/1/2035	5,114,812
CDC County of LA (HOME funds)	Bell Housing Ptrs, LP	3.00%	(1)	3/1/2033	1,886,091
HACOLA	Bell Housing Ptrs, LP	3.00%	(1)	3/1/2033	1,000,000
JPMorgan Chase Bank	Bell Housing Ptrs, LP	6.25%	\$ 8,441	1/1/2034	756,282
JPMorgan Chase Bank - AHP	Bell Housing Ptrs, LP	0.00%	(3)	1/1/2034	240,000
California Housing Finance Agency	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/1/2072	1,699,143
Citi Bank	Savi Ranch II Hsg Ptrs, LP	5.70%	\$ 16,901	7/1/2035	2,727,516
City of Orange	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/7/2072	1,504,100
City of Yorba Linda	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/1/2072	2,000,000
Orange County Housing Authority	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/7/2072	140,200
Pacific Western Bank - AHP	Savi Ranch II Hsg Ptrs, LP	0.00%	(3)	6/7/2072	530,000
RDA - City of Yorba Linda	Savi Ranch II Hsg Ptrs, LP	3.00%	(1)	6/1/2072	2,415,321
City of San Bernardino HOME Funds	Waterman Gardens Ptrs 1, LP	3.00%	(1)	(a)	734,000
Housing Authority of San Bernardino	Waterman Gardens Ptrs 1, LP	2.33%	(1)	(a)	642,355
Wells Fargo Bank	Waterman Gardens Ptrs 1, LP	3.65%	\$ 35,164	10/1/2057	8,191,923
Wells Fargo Bank	Waterman Gardens Ptrs 1, LP	0%	(1)	(a)	762,000
Citi Bank	Savi Ranch Housing Ptrs, LP	5.40%	\$ 17,241	7/1/2033	3,013,616
Citi Bank - Subordinate Loan	Savi Ranch Housing Ptrs, LP	1.00%	(1)	4/1/2070	550,000
City of Yorba Linda	Savi Ranch Housing Ptrs, LP	3.00%	(1)	3/1/2066	6,212,314
NCRC	Savi Ranch Housing Ptrs, LP	0.00%	(3)	9/1/2071	680,000
Bank of the West	Promenade Housing Ptrs, LP	4.83%	\$ 20,284	5/1/2054	3,891,739
CDC of the City of West Covina	Promenade Housing Ptrs, LP	2.82%	(1)	4/1/2072	6,056,621
Executive Lodge, LP - Seller Carryback	Promenade Housing Ptrs, LP	5.00%	(1)	12/31/2072	1,356,422
NCRC	Promenade Housing Ptrs, LP	3.00%	(1)	12/31/2072	575,014
Bolt Housing Partners, LP - Seller Carryback	Parkside SD Apartments, LP	3.80%	(1)	6/30/2055	2,699,411
Pacific Western Bank	Parkside SD Apartments, LP	5.00%	\$ 13,543	3/1/2037	2,544,986
San Diego Housing Commission	Parkside SD Apartments, LP	3.00%	(1)	11/16/2056	1,725,528
Citibank	Paseo Del Oro Apartments, LP	5.09%	\$ 35,042	4/1/2035	6,520,077
City of San Marcos	Paseo Del Oro Apartments, LP	3.00%	(1)	12/1/2073	3,465,670
County of San Diego	Paseo Del Oro Apartments, LP	5.98%	(3)	3/1/2073	1,497,051
San Marcos Hsg Partners, LP – Seller Carryback	Paseo Del Oro Apartments, LP	4.50%	(1)	3/1/2073	4,801,338
California Community Reinvestment Corp	Fontana IV Hsg Ptrs, LP	6.50%	\$ 13,896	9/1/2045	1,938,983
Fontana Housing Authority	Fontana IV Hsg Ptrs, LP	0.25%	(1)	6/30/2065	6,834,539
AHP Funds	Bell Gardens Hsg Partners, LP	0.00%	(1)	3/1/2064	284,000
Citizens Business Bank	Bell Gardens Hsg Partners, LP	5.75%	\$ 10,578	1/3/2033	1,765,628
City of Bell CDC	Bell Gardens Hsg Partners, LP	3.00%	(1)	4/1/2060	3,812,203
City of L.A. HOME Funds	Bell Gardens Hsg Partners, LP	3.00%	(1)	3/1/2063	2,785,367
Housing Authority Co. of L.A.	Bell Gardens Hsg Partners, LP	3.00%	(1)	3/1/2063	1,500,000

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7. Mortgages and notes payable, net (continued)

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CA Community Reinvestment Corp	Cathedral Family Hsg Ptrs, LP	7.25%	\$ 3,355	3/1/2028	\$ 496,340
City of Cathedral City - RDA	Cathedral Family Hsg Ptrs, LP	2.00%	(1)	4/1/2066	4,006,162
County of Riverside - HOME Funds	Cathedral Family Hsg Ptrs, LP	1.00%	(1)	7/1/2066	1,250,000
Federal Home Loan Bank - AHP	Cathedral Family Hsg Ptrs, LP	0.00%	(3)	4/1/2067	590,000
NCRC	Cathedral Family Hsg Ptrs, LP	0.00%	(1)	1/1/2065	638,471
JPMorgan Chase Bank	NCRC / Rancho Verde Apts	2.75%	\$ 21,696	4/1/2025	342,398
JPMorgan Chase Bank	NCRC / Rancho Verde Apts	5.16%	\$ 11,206	4/1/2025	1,776,981
County of San Bernardino	Renaissance Village Hsg Ptrs, LP	3.06%	(1)	9/1/2034	273,303
Greystone	Renaissance Village Hsg Ptrs, LP	5.60%	\$ 25,972	1/1/2035	4,061,227
NCRC	Renaissance Village Hsg Ptrs, LP	3.06%	(1)	3/1/2030	650,812
NCRC	Renaissance Village Hsg Ptrs, LP	3.06%	(1)	7/1/2069	400,000
NCRC - Seller Carryback	Renaissance Village Hsg Ptrs, LP	3.06%	(1)	7/1/2069	9,198,872
City of Montclair RDA	Montclair Family Hsg Ptrs, LP	3.00%	(1)	5/1/2061	1,943,765
County of San Bernardino (HOME)	Montclair Family Hsg Ptrs, LP	5.00%	(1)	5/1/2061	1,500,000
US Bank	Montclair Family Hsg Ptrs, LP	7.73%	\$ 9,802	11/1/2037	1,024,501
AHP Funds	EMI Housing Partners, LP	0.00%	(1)	3/1/2044	158,357
City of Montclair	EMI Housing Partners, LP	4.00%	(1)	4/1/2069	682,119
Wells Fargo Bank	EMI Housing Partners, LP	0.00%	(1)	10/1/2055	2,869,900
NCRC - bond financing	Santee Apts, LP	4.75%	(1)	8/1/2037	4,112,896
California HCD	Santee Apts, LP	3.00%	(2)	12/1/2058	4,844,952
Community Development Commission	Santee Apts, LP	3.00%	(1)	3/1/2055	3,016,248
County of San Diego	Santee Apts, LP	3.00%	(1)	12/1/2055	240,000
County of San Diego	Santee Apts, LP	3.00%	(1)	7/15/2077	804,658
California Housing Finance Agency	HB Housing Partners LP	5.30%	\$ 8,330	12/20/2037	993,636
City of Rancho Cucamonga	HB Housing Partners LP	3.00%	(3)	3/11/2029	9,000,000
City of Montclair Redevelopment Agency	Montclair Senior Hsg Ptrs, LP	3.00%	(1)	7/1/2063	1,528,280
San Antonio Gateway Hsg Corp - Seller Carryback	Montclair Senior Hsg Ptrs, LP	0.00%	(3)	3/1/2066	10,604,000
California Housing Finance Agency	SCHDC / Sycamore Springs Apts	7.25%	\$ 30,186	9/1/2026	925,147
AHP Funds	Palmdale Senior Hsg Ptrs, LP	0.00%	(3)	1/1/2066	600,000
Citi Bank	Palmdale Senior Hsg Ptrs, LP	5.65%	\$ 14,476	12/1/2026	2,269,035
City of Palmdale HOME	Palmdale Senior Hsg Ptrs, LP	3.00%	(1)	6/1/2059	750,000
Cnty Redevelopment Agency, City of Palmdale	Palmdale Senior Hsg Ptrs, LP	3.00%	(1)	6/1/2059	1,000,000
Autumn Ridge Apts, LP - Seller Carryback	SVSM Apartments, LP	0%	(1)	3/31/2073	6,609,821
Citibank	SVSM Apartments, LP	5.09%	\$ 85,499	10/1/2050	16,000,309
San Marcos Redevelopment Agency	SVSM Apartments, LP	3.00%	(1)	12/31/2073	5,467,067
California HCD	Eagle Rock Hsg Partners, LP	3.00%	(2)	6/1/2066	1,708,526
City of Los Angeles (HOME)	Eagle Rock Hsg Partners, LP	4.45%	(1)	12/1/2063	2,325,360
NHDC Tres Lomas, LP - Seller Carryback	Eagle Rock Hsg Partners, LP	4.45%	(1)	12/1/2069	692,428
US Bank (EastWest Bank)	Eagle Rock Hsg Partners, LP	8.00%	\$ 4,243	6/1/2039	448,245
San Diego Housing Commission	Ken Tal Senior Partners, LP	5.00%	\$ 1,691	12/1/2034	195,626
San Diego RDA	Ken Tal Senior Partners, LP	3.00%	(1)	10/30/2059	5,216,424

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CCRC (Wells Fargo bond trustee)	Citrus Grove Hsg Ptrs, LP	6.25%	\$ 5,110	6/1/2041	\$ 651,613
Rialto Housing Authority	Citrus Grove Hsg Ptrs, LP	0.00%	(1)	5/1/2065	333,037
Rialto Housing Authority	Citrus Grove Hsg Ptrs, LP	0.00%	(1)	5/1/2065	6,800,703
Rialto Housing Authority	Citrus Grove Hsg Ptrs, LP	0.00%	(1)	5/1/2065	1,492,973
Calif Community Reinvestment Corp	Mills Family Housing, LP	7.50%	\$ 5,943	9/1/2041	698,708
City of Montclair	Mills Family Housing, LP	3.00%	(1)	8/1/2064	4,283,084
County of San Bernardino	Mills Family Housing, LP	3.00%	(1)	7/1/2066	2,000,000
NCRC	Vista Dunes Housing Ptrs, LP	4.88%	(1)	9/1/2062	5,200,000
NCRC	Vista Dunes Housing Ptrs, LP	1.00%	(1)	12/1/2062	2,101,689
US Bank National Bank	Vista Dunes Housing Ptrs, LP	6.90%	\$ 7,788	11/1/2038	866,921
City of Yorba Linda RDA	Yorba Linda Housing Ptrs, LP	3.00%	(1)	5/1/2061	12,726,406
JPMorgan Chase Bank	Yorba Linda Housing Ptrs, LP	6.07%	\$ 29,280	12/1/2031	3,602,240
JPMorgan Chase Bank	Yorba Linda Housing Ptrs, LP	0.00%	(1)	11/1/2039	750,000
California Community Reinvestment Corp.	Rancho Workforce Housing, LP	6.04%	\$ 51,996	10/1/2040	7,558,105
City of Rancho Cucamonga Redevelopment Agency	Rancho Workforce Housing, LP	2.39%	(1)	9/1/2063	25,868,857
AHP Funds	Fontana Hsg Ptrs, LP	0.00%	(3)	9/1/2033	500,000
City of Fontana	Fontana Hsg Ptrs, LP	3.00%	(1)	6/30/2059	1,002,187
Citizens Business Bank	Fontana Hsg Ptrs, LP	6.00%	\$ 5,662	1/3/2033	945,268
FHLB Affordable Housing Program	Villa Serena Apartments, LP	0.00%	(3)	5/1/2030	337,680
San Marcos RDA	Villa Serena Apartments, LP	3.00%	(1)	2/1/2027	2,458,401
NCRC	Villa Serena Apartments, LP	5.00%	\$ 5,178	3/1/2036	568,466
Community Dev. Commission of National City	Vista del Sol Apartments, LP	3.00%	(1)	12/31/2073	6,990,146
Copper Hills Apartments, LP - Seller Carryback	Vista del Sol Apartments, LP	5.00%	(1)	12/31/2074	2,500,000
Pacific Western Bank	Vista del Sol Apartments, LP	4.00%	\$ 39,815	2/1/2054	8,375,508
California HCD	Vista Terraza Hsg Partners, LP	3.00%	(2)	5/1/2062	7,000,302
US Bank	Vista Terraza Hsg Partners, LP	5.81%	\$ 25,343	5/1/2037	2,912,757
WPH	Vista Terraza Hsg Partners, LP	4.70%	(1)	4/1/2060	4,673,244
City of San Bernardino	Val 9 Housing Partners, LP	3.00%	(1)	9/1/2071	500,000
County of San Bernardino	Val 9 Housing Partners, LP	3.00%	(1)	3/1/2070	1,500,000
Housing Authority of San Bernardino	Val 9 Housing Partners, LP	3.00%	(1)	8/1/2070	810,000
PNC Bank	Val 9 Housing Partners, LP	3.47%	\$ 41,791	11/1/2046	9,619,112
Wells Fargo Bank	Val 9 Housing Partners, LP	3.00%	(1)	12/1/2071	750,000
California HCD	Courson Senior Partners, LP	3.00%	(1)	6/1/2062	2,341,584
City of Palmdale RDA	Courson Senior Partners, LP	3.00%	(1)	12/1/2060	2,850,000
FHLB-AHP California Community	Courson Senior Partners, LP	0.00%	(3)	1/1/2039	350,000
Reinvestment Corporation (CCRC)	Courson Senior Partners, LP	6.25%	\$ 6,773	4/1/2039	805,578
CitiBank, N.A.	Westlake Housing Partners, LP	5.87%	\$ 3,930	6/1/2030	622,944
City of San Marcos	Westlake Housing Partners, LP	3.00%	(1)	12/31/2071	13,330,252
NCRC - AHP	Westlake Housing Partners, LP	0.00%	(1)	4/1/2069	480,000

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Berkadia	Richmar Housing Partners, LP	5.12%	\$ 5,764	9/1/2049	\$ 990,023
City of San Marcos	Richmar Housing Partners, LP	3.00%	\$ 963	1/1/2068	385,288
City of San Marcos	Richmar Housing Partners, LP	3.00%	(1)	10/1/2071	3,397,973
City of Buena Park	Orchard View Senior, LP	3.00%	(3)	(d)	2,000,000
County of Orange	Orchard View Senior, LP	3.00%	(3)	(d)	1,259,848
Century Housing Corporation - AHP loan	Day Creek Senior Hsg Partners, LP	0.00%	(3)	10/28/2075	1,390,000
City of Rancho Cucamonga	Day Creek Senior Hsg Partners, LP	2.91%	(4)	12/31/2073	4,896,303
JPMorgan Chase Bank	Day Creek Senior Hsg Partners, LP	5.16%	\$ 11,586	7/31/2056	2,199,109
Century Housing Corporation - AHP loan	Day Creek Senior Hsg Ptrs 2, LP	0.00%	(3)	12/31/2073	490,000
City of Rancho Cucamonga	Day Creek Senior Hsg Ptrs 2, LP	3.00%	(4)	10/28/2073	5,700,000
City of Rancho Cucamonga - Seller Carryback	Day Creek Senior Hsg Ptrs 2, LP	2.91%	(4)	12/31/2073	2,803,697
JPMorgan Chase Bank	Day Creek Senior Hsg Ptrs 2, LP	5.16%	\$ 8,059	8/1/2056	1,529,603
Bank of America	NCRC Encanto, LP	5.73%	\$ 21,399	8/1/2036	3,712,948
NCRC - AHP	NCRC Encanto, LP	0.00%	(3)	8/30/2073	650,000
City of San Diego	NCRC Encanto, LP	4.00%	(1)	12/6/2074	6,250,000
San Diego Housing Commission	NCRC Encanto, LP	4.00%	(1)	6/30/2074	1,060,000
City of Victorville RDA	SGNTR VC, LLC	3.00%	(1)	12/1/2061	1,394,841
City of San Diego	NCRC SYSV, LP	3.00%	(1)	11/30/2073	5,000,000
Pacific Western Bank	NCRC SYSV, LP	5.50%	\$ 1,583	7/1/2038	283,450
Pacific Western Bank	NCRC SYSV, LP	0.00%	(3)	12/1/2073	1,000,000
San Diego Housing Commission	NCRC SYSV, LP	3.00%	(1)	12/31/2075	760,000
Century Housing Corporation	LINC-CORE Hsg Ptrs-Glendale, LP	5.68%	\$ 12,402	6/11/2037	2,181,567
City National Bank	LINC-CORE Hsg Ptrs-Glendale, LP	0.00%	(3)	3/12/2073	650,000
City of Glendale	LINC-CORE Hsg Ptrs-Glendale, LP	3%	(1)	(d)	7,485,944
Housing Authority - City of Glendale	LINC-CORE Hsg Ptrs-Glendale, LP	3.0%	(1)	(d)	1,814,056
US Bank	Virginia Holt Housing, LP	4.57%	\$ 15,699	11/1/2051	3,207,223
Ontario Housing Authority	Virginia Holt Housing, LP	0.00%	(1)	4/1/2074	1,556,493
Ontario Housing Authority	Virginia Holt Housing, LP	3.00%	(1)	4/1/2074	2,000,000
Century Housing Corporation - AHP loan	Virginia Holt Housing, LP	3.00%	(3)	12/31/2073	14,729,325
JP Morgan Chase Bank	Waterman Gardens Ptrs 2, LP	3.57%	\$ 82,553	11/30/2040	19,545,577
California HCD	Waterman Gardens Ptrs 2, LP	3.00%	(1)	2/28/2083	17,422,714
City of San Bernardino	Waterman Gardens Ptrs 2, LP	3.00%	(4)	9/30/2074	971,832
City of San Bernardino - HOME loan	Waterman Gardens Ptrs 2, LP	3.00%	(1)	9/30/2074	537,747
County of San Bernardino	Waterman Gardens Ptrs 2, LP	3.00%	(1)	(a)	1,878,875
Dignity Health	Waterman Gardens Ptrs 2, LP	2.00%	(1)	11/1/2028	997,838
HACSB Land Loan	Waterman Gardens Ptrs 2, LP	2.21%	(1)	9/30/2074	970,000
Housing Authority of San Bernardino	Waterman Gardens Ptrs 2, LP	3.00%	(1)	(a)	2,210,593
Housing Authority of Riverside	Grace Vista Affordable Apartments	3.00%	(1)	8/1/2078	1,500,000
Housing Authority of Riverside - Seller Carryback	Grace Vista Affordable Apartments	3.00%	(1)	8/1/2078	352,000

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

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

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

Lender	Secured Entity	Interest rate	Monthly principal and int or other repymt terms	Maturity	2023 Principal balance
JP Morgan Chase Bank - construction	CP Senior Apartments, LP	Variable	Variable	7/22/2055*	\$ 16,418,270
NCRC	CP Senior Apartments, LP	2.25%	(1)	7/1/2075	1,603,598
NCRC	CP Senior Apartments, LP	2.25%	(1)	7/1/2075	1,165,125
NCRC - Seller Carryback	CP Senior Apartments, LP	3.00%	(1)	7/22/2075	13,447,000
Subtotal					\$ 1,354,107,441
Less: intercompany notes eliminated upon consolidation					(101,987,712)
Consolidated subtotal					1,252,119,729
Less: unamortized debt issuance costs					(9,901,188)
Mortgages and notes payable, net					<u>\$ 1,242,218,541</u>

- (a) Maturity Date will be 55 years from completion of construction.
- (b) Maturity Date will be 55 years from the Certificate of Occupancy.
- (c) Maturity Date will be 55 years from the later of commencement date or conversion date.
- (d) Maturity Date will be 55 years from the date of conversion.
- (1) Payment is based on residual receipts.
- (2) Payment in the amount of .42% per annum.
- (3) Full payment at maturity.
- (4) Interest only monthly, principal payment at maturity.
- (5) From \$10,000 to \$55,000 until maturity.
- (6) Interest due June 1 and December 1 each year.
- (7) Interest only quarterly, principal payment at maturity.

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

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

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

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

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

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

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

8. Net assets with donor restrictions

Note Payable La Quinta Redevelopment Agency

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

On February 10, 2015, the loan was re-conveyed and will be amortized over the remaining compliance period of the Vista Dunes property. Consequently, the entire \$5,200,000 was classified as net assets with donor restrictions on the accompanying consolidated statement of financial position. Release of restriction on this grant commenced in February 2015 and will continue over a 46-year period on a straight-line basis. For the year ended December 31, 2023, \$113,043 of net assets with donor restrictions was released, recognized as income and is included in other rental income on the accompanying consolidated statement of activities. Amortization in subsequent years will be approximately \$113,043 per year. As of December 31, 2023, NCRC has a balance of net assets with donor restrictions of \$4,192,033 attributable to the loan forgiveness.

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

8. Net assets with donor restrictions (continued)

Note Payable La Quinta Redevelopment Agency (continued)

There were additional advances from the Agency totaling \$1,910,067. The entire amount was forgiven in a prior year and is classified as net assets with donor restrictions on the consolidated statement of financial position. Release of restriction on this grant commenced in February 2015 and will continue over a 46-year period on the straight-line basis. For the year ended December 31, 2023, \$38,213 of net assets with donor restrictions was released, recognized as income and is included in other rental income on the accompanying consolidated statement of activities. Amortization in subsequent years will be approximately \$38,213 per year. As of December 31, 2023, NCRC has a balance of net assets with donor restrictions of \$1,487,112 attributable to the forgiveness of advances.

Extended affordability agreement

In 2008, NCRC received a \$42,500,000 donation under the terms of an Extended Affordability Agreement with the Rancho Cucamonga Redevelopment Agency, in which NCRC agreed to add certain units to the existing below market units currently specified at four affordable housing properties named in the agreement and to keep all the below market units at each property at the agreed upon below market rate for a minimum of 99 years. The agreement to keep the properties as regulated affordable housing for a minimum of 99 years is a restriction on NCRC. The restriction is removed as progress is made in satisfying the 99-year term of the rent affordability restriction in the agreement. Consequently, the entire \$42,500,000 was classified as net assets with donor restrictions on the consolidated statement of financial position. Amortization of this grant commenced in December 2007 over the 99-year term on a straight-line basis. For the year ended December 31, 2023, \$429,293 of net assets with donor restrictions were added to net assets without donor restrictions. Amortization in subsequent years will be approximately \$429,300 per year. As of December 31, 2023, NCRC has a balance of net assets with donor restrictions of \$35,641,494 attributable to the extended affordability agreement.

Pledge Agreement grant

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

For the year ended December 31, 2023, the Redevelopment Agency funded \$339,200 under the Pledge Agreement, which is included as an increase in net assets with donor restrictions on the accompanying consolidated statement of changes in net assets. The funding is accounted for as grant income with donor restrictions. As expenditures from the replacement reserves are made, net assets with donor restrictions are released in the same amount. For the year ended December 31, 2023, \$339,200 of net assets with donor restrictions were released to net assets without donor restrictions, and NCRC has a balance of net assets with donor restrictions of \$3,105,169 attributable to the Pledge Agreement grant.

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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DECEMBER 31, 2023

9. Retirement plan

NCRC maintains a Voluntary 401(k) Retirement Plan that covers substantially all full-time employees of National CORE. Contributions are matched as follows: 200% match for 1% deferral, up to statutory limits; 100% match for 2%, 3%, and 4% deferrals, up to statutory limits; 100% vested in matching contribution, up to statutory limits; and annual discretionary contributions. Discretionary contributions are determined by management and are allocated to all eligible employees based upon compensation. For the year ended December 31, 2023, \$840,810 was contributed by NCRC and subsidiaries to the retirement plan and is included in payroll expense on the accompanying consolidated statement of activities and changes in net assets. As of December 31, 2023, accrued retirement plan payables totaled \$932,508 and is included in accrued expenses on the accompanying consolidated statement of financial position.

10. Housing assistance payments and contracts

HUD has contracted pursuant to Section 8 of the Housing Act of 1937 to make project-based housing assistance payments to four Housing Affiliates on behalf of qualified tenants. The agreements have various expiration dates, with contract terms of generally 5-20 years. For the year ended December 31, 2023, the affiliates received \$3,005,702 under these agreements, which is included in rental income on the accompanying consolidated statement of activities.

11. Related party transactions

In the ordinary course of business, NCRC has significant related party transactions with its wholly-owned subsidiaries and its affiliates. It provides funding in connection with the development and management of projects. In certain cases, NCRC pays operating expenses on behalf of affiliates. Such amounts are unsecured, non-interest bearing and payable upon demand. NCRC earns construction contractor's fees, supervisory management and asset management fees, construction supervisory management fees, social services fees and property management fees in connection with services rendered to consolidated affiliated entities. Such amounts are generally payable from available cash flows. All intercompany amounts are eliminated upon consolidation.

Advances due from affiliates

The amounts loaned by NCRC to affiliates primarily represent development loans and other entity expenses that do not eliminate upon consolidation. These loans are unsecured, due on demand and some bear interest. As of December 31, 2023, such amounts due are \$353,511.

From time-to-time, NCRC advances funds to NCRDC and NCRF to cover operating deficits. The advances are unsecured and due on demand. As of December 31, 2023, such advances to NCRDC and NCRF totaled \$383,674 and \$2,445,706, respectively, which are included in advances due from affiliates on the accompanying consolidated statement of financial position. NCRDC's and NCRF's management have provided to the management of NCRC their plans, as well as their underlying estimates and assumptions, to repay the advances. Management of NCRC has reviewed the plans, estimates and assumptions and accordingly has determined that no allowance for doubtful accounts is required as of December 31, 2023.

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

11. Related party transactions (continued)

General and administrative expense allocation

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

12. Guarantees

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

Development deficit guaranty

NCRC, or its affiliates, are obligated to pay any development deficits or, at the option of the investor limited partner, to purchase the interest of the investor limited partner if the project is not completed or if permanent financing has not been obtained. This obligation terminates at achievement of break-even operations, as defined. As of December 31, 2023, no amounts were due under these guarantees.

Operating deficit guaranty

NCRC, or its affiliates, are obligated to make non-interest bearing loans to cover operating shortfalls and are repayable through available cash flow. The guaranty is generally for a period of three to five years, commencing with the break-even date, as defined. As of December 31, 2023, no amounts were due under these guarantees.

Recapture guaranty

The Housing Affiliates' projects are operated in a manner necessary to qualify for federal low-income housing tax credits under IRC Section 42 (the "Tax Credits"). In order to qualify for these credits, the projects must comply with various federal and state requirements. Because the Tax Credits are subject to compliance with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized, and failure to meet all such requirements or to correct noncompliance within a specified time period may result in recapture of Tax Credits previously allocated. A recapture would require credit deficit payments to the limited partners for any recaptured credits plus any associated penalties, interest or additional taxes due, commencing with the break-even date, as defined. As of December 31, 2023, no amounts were due under these guarantees.

13. Surplus cash and residual receipts

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

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
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NOTES TO FINANCIAL STATEMENTS
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14. Commitments and contingencies

Grant and property use restrictions

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

Litigation

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

Other

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

15. Subsequent events

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

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

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

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

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

15. Subsequent events (continued)

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

SUPPLEMENTARY INFORMATION CONSOLIDATING SCHEDULES

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

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

see report of independent auditors

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

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

see report of independent auditors

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

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

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



SUPPLEMENTARY INFORMATION REQUIRED BY THE UNIFORM GUIDANCE

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

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

* includes indeterminate federal amounts (see Note 3)

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

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

1. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the expenditures of National Community Renaissance of California (the "Organization") and subsidiaries under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

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

2. Summary of significant accounting policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed. Assistance Listing numbers ("AL No.") are provided when available. The Organization elected not to use the 10% de minimis indirect cost rate.

3. Outstanding federal loans and grants

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

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

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

3. Outstanding federal loans and grants (continued)

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

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

* includes indeterminate federal amounts

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

* includes indeterminate federal amounts

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

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

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

3. Outstanding federal loans and grants (continued)

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

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

To the Board of Directors of
National Community Renaissance of California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of National Community Renaissance of California, which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 27, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance

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

Other Matters

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

Purpose of this Report

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

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

Walnut Creek, California
June 27, 2024



NOVOGRADAC
& COMPANY LLP®

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

To the Board of Directors of
National Community Renaissance of California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited National Community Renaissance of California's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of National Community Renaissance of California's major federal programs for the year ended December 31, 2023. National Community Renaissance of California's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, National Community Renaissance of California complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding National Community Renaissance of California's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of National Community Renaissance of California's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of National Community Renaissance of California's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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

Novogradac & Company LLP

Walnut Creek, California
June 27, 2024

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	<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>
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21.019	Coronavirus Relief Fund
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Dollar threshold used to distinguish between Type A and Type B programs:	<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, 2023

Section II - Financial Statement Findings

There were no findings noted.

Federal Award Findings and Questioned Costs

There were no findings noted.

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA
SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2023

There were no prior year audit findings.