



## CITY OF ELK GROVE AFFORDABLE HOUSING LOAN PROGRAM APPLICATION

PROJECT INFORMATION	
Name:	Elk Grove Old Town
Location:	9220, 9230, 9240 & 9244 Elk Grove Blvd, Elk Grove CA 95624
APN(s):	13400720160000, 13400720150000, 13400720140000, 13400720130000
Amount Requested:	\$4,200,000
Purpose of Funds:	Affordable housing development at the parcel

APPLICANT INFORMATION			
Organization:	Mutual Housing California		
Address:	3321 Power Inn Road, Suite 320, Sacramento CA 95826		
Primary Contact:	Ryan Cassidy		
Phone (office):	916-453-8400 ext. 216	Phone (mobile):	916-403-5216
Email Address:	ryan@mutualhousing.com		
Organizational Background:			
<i>Nonprofit entity</i>		<i>For-profit entity</i>	
<input checked="" type="checkbox"/> Tax exempt		<input type="checkbox"/> Incorporated	
<input type="checkbox"/> Local development corporation		<input type="checkbox"/> Limited partnership	
		<input type="checkbox"/> Sole proprietorship	



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PROJECT DESCRIPTION					
APN(s):	13400720160000, 13400720150000, 13400720140000, 13400720130000				
Project Type:	<input checked="" type="checkbox"/> New construction <input type="checkbox"/> Acquisition <input type="checkbox"/> Acquisition and rehabilitation	Tenure:	<input checked="" type="checkbox"/> Rental <input type="checkbox"/> Homeownership		
Do you own the project site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If not, do you have an option or contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Method of site control:	Purchase from City of Elk Grove
Present Zoning:	RD-25				
Are any zoning changes required?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, please explain:	Density bonus with proposed density being 36.6 DU/acre instead of 36 DU/acre		
What is the existing use of the property?	Empty parcel				
Total Number of Units:	89	Total Number of Affordable Units:	88+ 1(manager unit)		
Number of Buildings:	1	Number of Stories:	3		
Target Population:	<input checked="" type="checkbox"/> Senior <input type="checkbox"/> Family <input type="checkbox"/> Other	Type of Units:	<input checked="" type="checkbox"/> Attached <input type="checkbox"/> Detached		
Estimated Timeframe for Construction Completion (upon receipt of entitlements):	Completion 36 months after entitlements				

UNIT COUNT						
Income Level	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	TOTAL
30%	1	12	3			16
40%		8	2			10
50%		19	2			21
60%		35	6			41
%						
Manager				1		1



## CITY OF ELK GROVE AFFORDABLE HOUSING LOAN PROGRAM APPLICATION

### PROJECT OWNER INFORMATION

List ALL project owners (general partners, limited partners) and their respective percent of interest. Ownership interests must total 100%. Report any joint interests in entities within the owner list.

Name	Address	Phone	Contact (including title)	Nature of Interest	Percentage of Interest	Tax ID Number
Elk Grove Old Town Mutual Housing Association LLC	3321 Power Inn Road, Suite 320, Sacramento CA 95826	916.403.5233	Revati Rajwade - Project Manager	GP	0.01%	94-3093354
Mutual Housing California	3321 Power Inn Road, Suite 320, Sacramento CA 95826	916.403.5233	Revati Rajwade - Project Manager	Initial LP	99.99%	94-3093354

\*\*Please attach Articles of Incorporation, bylaws, IRS tax-exempt status determination, list of board members, and the current and prior year's financial statements for all project owners. Financial statements must be submitted for all development partners, and the City will require authorization for a credit inquiry for all partners. Please complete and submit the attached disclosure and authorization forms along with this application.



## CITY OF ELK GROVE AFFORDABLE HOUSING LOAN PROGRAM APPLICATION

### HOUSING EXPERIENCE

Please describe your prior experience with building affordable housing below. Please list your most recently completed projects.

Name	Address	Total Units	Affordable Units	Construction Company	Year Completed	Current Occupancy Rate	Federal/State/Local Assistance Received
Cornerstone	4550 LeDonne Drive, Sacramento County	108	107+1 manager	Sunseri Construction	2024	99%	LIHTC (hybrid 4%/ 9%), tax-exempt bonds, impact fee waivers
Mutual Housing on the Boulevard	7351 Stockton Blvd, Sacramento County	127	125 + 2 manager	Broward Builders	2023	97.6%	4% LIHTC, NPLH, PVB, Housing Authority soft loan, impact fee waiver
Wong Center	530 7th Street, Sacramento	150	148 + 2 manager	Sunseri Construction	2024	99.3%	4% LIHTC, private grant, impact fee waiver
Lavendar Courtyard	1616 F Street, Sacramento	53	52 + 1 manager	Sunseri Construction	2022	98.1%	4% LIHTC, MHP, AHP, HOME, PBV, Impact fee waiver
Adelante	2050 5th Street Davis, CA	38	37+1 manager	Sunseri Construction	2022	92.1%	LIHTC, HOME



## CITY OF ELK GROVE AFFORDABLE HOUSING LOAN PROGRAM APPLICATION

### DEVELOPMENT TEAM INFORMATION

Please list your development team members, their contact information below and attach copies of their resumes.

Type	Organization	Address	Contact Person	Title	Phone	Email
Project Manager	Mutual Housing California	3321 Power Inn Road, Suite 320, Sacramento CA 95826	Revati Rajwade	Project Manager	916-403-5233	revati@mutualhousing.com
Architect	Mogavero Architects	1331 T Street Sacramento, CA 95811	David Mogavero	Principal	(916) 325-9951 x 120	dmogavero@mogaveroarchitects.com
Attorney	Gubb & Barshay LLP	235 Montgomery Street, Suite 1110 San Francisco, CA 94104	Nicole Kline	Partner	415.781.6600 x 8	nkline@gubbandbarshay.com
Civil Engineer	Cunningham Engineering Corp	2120 20 <sup>th</sup> Street, Suite 3, Sacramento, CA 95818	Dan Fenocchio	President	916-455-2026 x 121	dan@cecwest.com
General Contractor						
Property Manager	Mutual Housing Management	3321 Power Inn Road, Suite 320, Sacramento CA 95826	Winter Chaslow	VP Propert Management	916-403-5226	winter@mutualhousing.com
Other	Mutual Housing California	3321 Power Inn Road, Suite 320, Sacramento CA 9582	Tejal Shah	VP Community Development	916-403-5220	tejal@mutualhousing.com
Other	Mutual Housing California	3321 Power Inn Road, Suite 320, Sacramento CA 9582	Ryan Cassidy	VP Real Estate	916-403-5216	ryan@mutualhousing.com
Other	Mutual Housing California	3321 Power Inn Road, Suite 320, Sacramento CA 9582	Sahar Soltani	Director of Housing Finance	916-403-5278	sahar@mutualhousing.com
Other	Mogavero Architects	1331 T Street Sacramento, CA 95811	Allison Lewis	Project architect	916-443-1033	alewis@mogaveroarchitects.com



## CITY OF ELK GROVE AFFORDABLE HOUSING LOAN PROGRAM APPLICATION

### REFERENCES

Please provide a list of references in the real estate and financial services industry that can attest to your experience in real estate development. **A minimum of 6 references is required, including two lenders.**

Type	Organization	Address	Contact Person	Title	Phone	Email
Lender	US Bank	2001 Mission St, San Francisco, CA 94110	Josh Evju	Affordable Housing Tax Credit Debt Originations Relationship Manager	415-575-2800	joshua.evju@usbank.com
Lender	Chase	San Deigo, CA	Rosalind Ross	Vice President - Community Development Banking		rosalind.ross@chase.com
SHRA	Sacramento Housing and Redevelopment Agency	630 I St Ste 2, Sacramento, CA 95814	Christine Weichert	Director of Finance	(916) 440-1353	cweichert@shra.org
City	City of Sacramento	915 I Street Sacramento, CA 95814	Michael A Jasso	Assistant City Manager	(916) 808-1380	mjasso@cityofsacramento.org
Developer	Capitol Area Development Authority	1522 14th Street Sacramento, CA 95814-5958	Danielle Foster	Executive Director	916-322-2114	dfoster@cadanet.org
City	City of Woodland	300 First St Woodland, CA 95695	Erika Bumgardner	Business Development Liaison , Principal Planner	530-661-5886	Erika.Bumgardner@cityofwoodland.org
Financial	CHPC	49 Stevenson Street, Suite 500 San Francisco, CA 94105	Chad Horsford	Associate Director	(415) 433-6804 x413	chorsford@chpc.net
Financial	Craig S. Meltzner & Associates	2635 Cleveland Avenue, Suite 10/Santa Rosa, CA 95403	Craig Meltzner	Owner	(707) 526-6336 x101	craig@craigmeltzner.com



## CITY OF ELK GROVE AFFORDABLE HOUSING LOAN PROGRAM APPLICATION

### ANTICIPATED SOURCES OF PROJECT FINANCING

A sources and uses spreadsheet is required as part of the application. Provide a narrative of your sources here and the expected timing of their funding. Please provide any verification of funding sources.

Source	Amount	Date Expected	Comments
City Soft loan	\$4,200,000	March 2025	The loan commitment is expected in March 2025 but the disbursement will be \$1.2M at closing in Dec 2025, \$1.2M at framing completion, \$1.2M at TCO in Aug 2027, \$300K at cost certification and balance \$300K at 90 days of 90% occupancy i.e at conversion in March 2028
Federal LIHTC equity	\$20,993,005	July 2025	The tax credit award is expected in July 2025 but the actual tax credit equity will come in during construction and perm phases
State LIHTC Equity	\$15,185,727	July 2025	The tax credit award is expected in July 2025 but the actual tax credit equity will come in during construction and perm phases
ITC + 48E	\$326,397	August 2026	
45L+BUILD	\$421,128	August 2026	
Construction loan	\$35,685,957	December 2025	
Permenant loan	\$6,004,188	March 2028	
GP Capital Contribution	\$2,399,273	December 2025	



## CITY OF ELK GROVE AFFORDABLE HOUSING LOAN PROGRAM APPLICATION

**PLEASE INCLUDE COPIES OF THE FOLLOWING DOCUMENTS WITH THIS APPLICATION.**

For all project owners:

- Articles of Incorporation
- Bylaws
- IRS tax-exempt status determination (if applicable)
- List of board members
- Current and prior-year financial statements
- Disclosure form

For all development partners:

- Current and prior-year financial statements
- Authorization for Release of Information form

General:

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Development team member resumes</li> <li><input checked="" type="checkbox"/> Project map</li> <li><input type="checkbox"/> Grant deed or evidence of site control</li> <li><input checked="" type="checkbox"/> Preliminary title report</li> <li><input checked="" type="checkbox"/> Appraisal (as-built) or, if not available, a description of the plan and timeframe to complete this</li> <li><input type="checkbox"/> Market study</li> </ul> | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Sources and uses spreadsheet</li> <li><input type="checkbox"/> Verification of funding sources</li> <li><input checked="" type="checkbox"/> Pro forma (30-year or greater)</li> <li><input checked="" type="checkbox"/> Site plan, including architectural renderings</li> <li><input checked="" type="checkbox"/> Project timeline</li> <li><input type="checkbox"/> Evidence of insurance</li> </ul> |
|---|---|

<b>CERTIFICATION</b>	
<p><b>Applicant hereby certifies that it understands the regulations governing the Affordable Housing Fund, and agrees to abide by such regulations. Violations of these regulations shall constitute grounds for cancellation of any commitment or loan. Applicant hereby certifies that the information and supporting materials submitted for any financial assistance for the project is true, accurate, and complete to the best of its knowledge.</b></p> <p><b>Applicant acknowledges and understands that if facts and/or information herein are found to be misrepresented, it shall constitute grounds for the default of the loan (or other financial assistance) for which application is being made.</b></p>	
<b>Signature</b> <b>X</b>	<b>Date:</b> /        /
<b>Signature</b> <b>X</b>	<b>Date:</b> /        /
<b>Signature</b> <b>X</b>	<b>Date:</b> /        /

**RETURN YOUR APPLICATION IN PERSON OR BY MAIL TO:**  
 City of Elk Grove  
 8401 Laguna Palms Way  
 Elk Grove, CA 95758  
 Attn: Housing and Public Services Manager

NCTO

1505502

FIRST AMENDED AND RESTATED

**FILED** *WIRBR*  
 In the office of the Secretary of State  
 of the State of California

ARTICLES OF INCORPORATION

OCT 29 2012

OF

**SACRAMENTO MUTUAL HOUSING ASSOCIATION, INC.,  
 A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

Mindy Romero and Jack Ledyard certify that:

1. They are the President and Secretary, respectively, of Sacramento Mutual Housing Association, Inc., a California nonprofit public benefit corporation (the "Corporation").
2. The Articles of Incorporation of the Corporation are amended and restated as follows:

**I. NAME**

The name of the Corporation is Mutual Housing California.

**II. PURPOSE**

- (a) This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes. The general purpose of this Corporation is to have and exercise all rights and powers

conferred on nonprofit corporations under the laws of California, provided that this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of this Corporation.

(b) The specific purposes for which this Corporation is to develop and advance the social, economic and charitable welfare of the community. In addition, this Corporation shall encourage, develop, operate and maintain decent, safe, sanitary and affordable housing in the State of California, and all purposes reasonably related thereto.

### **III. DEDICATION AND DISPOSITION**

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

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

Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") or the corresponding provision of any future Internal Revenue Code.

#### **IV. LIMITATION OF CORPORATE ACTIVITIES**

(a) This Corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any activities not permitted to be carried on by: (i) a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or the corresponding provision of any future United States Internal Revenue Law; or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code or the corresponding provisions of any other United States Internal Revenue Law.

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


## V. DIRECTORS

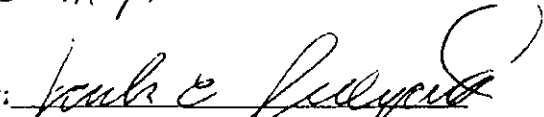
The number of directors and the manner in which directors shall be chosen and removed from office, their qualifications, powers, duties, term of office, the manner of filling vacancies on the board of directors and the manner of calling and holding meetings of directors shall be as stated in the bylaws.

3. The foregoing First Amended and Restated Articles of Incorporation shall supersede all prior Articles of Incorporation and all amendments thereto.
4. The foregoing First Amended and Restated Articles of Incorporation have been duly approved by the Board of Directors.
5. The foregoing First Amended and Restated Articles of Incorporation have been duly approved by the required vote of the members of the Corporation.

We further certify under penalty of perjury under the laws of the State of California that the foregoing First Amended and Restated Articles of Incorporation are true and correct of our own knowledge.

Adopted this 11 day of October, 2012.

By:   
\_\_\_\_\_  
Mandy Powell, President

By:   
\_\_\_\_\_  
Jack Ledyard, Secretary

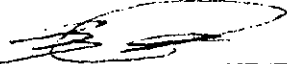
Mutual Housing Corporation  
8001 Fruitridge Road, Suite A  
Sacramento, CA 95820

October 29, 2012

CONSENT TO USE OF NAME

Mutual Housing Corporation, a California nonprofit public benefit corporation, hereby consents to the use of the name Mutual Housing California by GKL Corporate/Search, Inc. in amending the name of Sacramento Mutual Housing Association, Inc., a California nonprofit public benefit corporation ("SMHA"). SMHA is an affiliate of Mutual Housing Corporation.

IN WITNESS WHEREOF, Mutual Housing Corporation has caused this consent to be executed this 19<sup>th</sup> day of October, 2012.

  
By: Mindy Romero, President of  
Mutual Housing Corporation

**AMENDED AND RESTATED BYLAWS OF  
MUTUAL HOUSING CALIFORNIA  
A California Public Benefit Corporation**

**ARTICLE I**

NAME AND PRINCIPAL OFFICE

Section 1.1 Name

The name of this corporation is Mutual Housing California (“MHC”).

Section 1.2 Principal Office

MHC’s Board of Directors (“Board”) shall fix the location of the principal office of MHC at any place within or outside of California. The Board may, by resolution, change the principal office from one location to another and may establish and maintain additional offices.

**ARTICLE II**

MEMBERSHIP

MHC shall have no voting members, as defined in Section 5056 of the California Corporations Code. The Board may admit non-voting members, as the Board deems appropriate.

**ARTICLE III**

BOARD OF DIRECTORS

Section 3.1 Powers

Subject to the limitations of the Nonprofit Public Benefit Corporation Law (“Nonprofit Corporation Law”), MHC’s Articles of Incorporation, and these Bylaws, MHC’s activities and affairs shall be conducted, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the activities of MHC to any person or persons, a management company, or committees however composed, provided that the activities and affairs of MHC shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 3.2 Number and Qualification of Directors

The number of authorized directors of MHC shall be not less than nine nor more than twenty-three with the exact number of authorized directors to be fixed by resolution of the Board from time to time. Directors of MHC shall consist only of natural persons.

### Section 3.3 Board Composition

The Board shall adopt objectives and policies regarding board composition that include, among other things, provisions for resident representation. Board composition objectives and policies, shall take into account MHC's mission, constituencies, and communities, including resident communities living in affordable housing, as the term "affordable housing" shall be defined from time to time by the board.

### Section 3.4 Limitation on Interested Directors

No more than forty-nine percent (49%) of the directors serving on the Board may be interested persons, as defined in Section 5227 of the Corporations Code. An interested person is: (a) any person currently being compensated by MHC for services rendered to it within the previous 12 months, whether as a full-or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; or (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of this section shall not affect the validity or enforceability of any transaction entered into by MHC.

### Section 3.5 Nomination Policy and Procedures

MHC shall establish and maintain nomination policies and procedures that, among other things, provide reasonable opportunities for residents and former residents of affordable housing (as the term shall be from time to time defined by the Board) to be nominated to serve on the Board.

### Section 3.6 Selection of Directors and Terms of Office

- (a) Directors shall be elected by the Board at any annual, regular, or special meeting of the Board. Duly nominated persons shall be elected by a majority vote of the directors at a meeting with a quorum present, including the vote of any director whose term is expiring as of the meeting at which the election is taking place. By resolution, the Board may arrange for terms to be staggered.
- (b) All directors shall hold office for two (2) year terms, or until their successor has been elected, and may serve up to three (3) consecutive two-year terms. No directors shall serve more than six consecutive years, however a director may be re-eligible for election after serving for six consecutive years, if that person takes a full year off from service on the Board. In determining the number of years of consecutive service under this section, any full calendar years of service shall be included; however, no partial calendar years of service shall be included. By resolution, the Board may allow any director to serve in excess of six consecutive years, if the Board determines that extraordinary circumstances require making an exception to allow a person to continue to serve on the Board. Exceptions should be rare.
- (c) Notwithstanding anything to the contrary in these Bylaws, persons serving as directors as of January 1, 2020, may serve up to six consecutive years on the Board and any time

serving on the Board prior to January 1, 2020 shall not count in determining that director's consecutive years of service.

### Section 3.7 Vacancies

A vacancy on the Board exists when the actual number of directors in office is less than the authorized number. In addition, the Board may declare by resolution a vacancy in any director's office, on the grounds listed in Corporations Code Section 5221(a), such as when any a director has been found by final order or judgment of a court to have breached a duty under Corporations Code Section 5231. The Board may also declare that a director has vacated their seat, if the director fails to attend three (3) consecutive Board meetings.

### Section 3.8 Resignation

Except as provided below, any director may resign at any time by giving written notice to the Chair, the CEO, or the Secretary (as each is defined in these Bylaws). The resignation shall take effect upon receipt of notice or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. If a director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective. Except on notice to the Attorney General of California, no director may resign if MHC would be left without a duly elected director or directors.

### Section 3.9 Removal

A director may be removed from office at any time, with or without cause, by a vote of a majority of directors then in office, provided that a quorum is present. No reduction in the authorized number of directors shall have the effect of removing any director before that director's term of office expires unless the reduction also provides for the removal of that specified director.

### Section 3.10 Filling Vacancies

Vacancies on the Board may be filled at any meeting of the Board, by approval of the Board or, if the number of directors then in office is less than a quorum, by (a) the unanimous written consent of the directors then in office, (b) the affirmative vote of a majority of directors then in office at a meeting held in accordance with these Bylaws, or (c) a sole remaining director. A director elected to fill an existing vacancy shall hold office for the unexpired portion of the term, or until their death, resignation, or removal. A director's service filling an unexpired term shall not count as a term for purposes of the term limits set out in these Bylaws.

### Section 3.11 Compensation and Reimbursement

Directors shall not receive any compensation for their services as directors, but they may be reimbursed for reasonable expenses incurred in carrying out their duties as a director.

## ARTICLE IV

## BOARD MEETINGS

### Section 4.1 Annual Meeting

An annual meeting of the Board shall be held at least once a year. Annual meetings shall be called by the Chair. The Board may use the annual meeting for the purposes of conducting Board elections, but it may also conduct elections at any other regular or special meeting.

### Section 4.2 Regular Meetings

Regular Board meetings shall be held at such dates, times, and places as determined by the Board.

### Section 4.3 Special Meetings

Special meetings of the Board, for any purpose, may be called at any time by the Chair, the Chief Executive Officer, the Secretary, or any two directors. The meeting shall be held at a place within California as designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of MHC.

### Section 4.4 Telephone and Electronic Meetings

Any meeting may be held by conference telephone, electronic video screen, or similar communication equipment, and directors participating in a meeting through those means shall be deemed present at the meeting, so long as all directors participating in the meeting can hear one another, communicate concurrently, and participate on all matters before the Board by, for example, proposing or objecting to specific actions.

### Section 4.5 Notice

Regular meetings may be held without notice if the date, time, and place of the regular meetings are fixed by action of the Board. Notice of the date, time, and place of a special meeting, or of a regular meeting if not previously fixed by the Board, shall be given to each director not less than four (4) days prior to the meeting if delivered by first class mail or not less than forty-eight (48) hours prior to the meeting if the notice is delivered personally or by telephone, fax, or e-mail. All such notices shall be given or sent to the director's address, e-mail address, or telephone number as shown on the records of MHC.

### Section 4.6 Voting

Each director shall have one vote. No director may vote at any meeting by proxy.

### Section 4.7 Waiver of Notice

Notice of a meeting need not be given to any director who signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting, whether before or after the meeting, or attends the meeting without protesting the lack of notice, either before or at the commencement of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

#### Section 4.8 Quorum

A majority (51%) of the total number of directors then in office shall constitute a quorum. An action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board, unless a greater number is expressly required by the Nonprofit Corporation Law, the Articles of Incorporation or these Bylaws. The Board shall transact no business at any meeting at which a quorum is not present. The directors at a duly held meeting at which a quorum is initially present may continue to transact business, despite the departure of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

#### Section 4.9 Adjournment

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of adjournment to another time or place shall be given to the directors who were not present at the time of the adjournment.

#### Section 4.10 Minutes

The Board shall keep minutes of each meeting, which shall be kept and filed with the corporate records.

#### Section 4.11 Action Without a Meeting

Any action that the Board is required or permitted to take may be taken without a meeting if all directors, individually or collectively, consent in writing to the action; provided that the consent of any "interested director" as defined in Section 5233 of the Corporations Code shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as a unanimous vote of the directors. All such consents shall be filed with the minutes of the proceedings of the Board.

### **ARTICLE V**

#### **COMMITTEES**

#### Section 5.1 Committees

The Board may, by resolution of a majority of directors then in office, provided that a quorum is present, create, and appoint members to committees in accordance with the provisions of this section 5.1.

- (a) Any committee that is authorized, as provided in a Board resolution, to exercise the authority of the Board, must consist of two (2) or more directors, and may not have non-director members.
- (b) The board may also create committees that are solely advisory and do not exercise any Board authority. Those committees shall consist of at least two (2) directors and may also have additional non-directors members. Advisory committees may not exercise the authority of the Board to make decisions on behalf of MHC. Advisory committees shall

be restricted to making recommendations to the Board and implementing Board decisions under the supervision and control of the Board.

- (c) The Board may, at any time, revoke or modify any or all of the authority so delegated to a committee. No committee, whether an advisory committee or a committee that may exercise some of the Board's authority, may:
1. Fill vacancies on the Board or any committee which has the authority of the Board;
  2. Fix compensation of directors for serving on the Board or any committee;
  3. Amend or repeal bylaws or adopt bylaws;
  4. Amend or repeal any resolution of the Board which is not by its express terms so amendable or repealable;
  5. Appoint any other committees of the Board or members of committees;
  6. Spend corporate funds to support a nominee for director after there are more people nominated for director than can be elected; and
  7. Approve any self-dealing transaction except as provided by section 5233(d)(3) of the Corporations Code.

#### Section 5.2 Standing Committees

The Board shall have the following standing committees:

- (a) Executive Committee. The Executive Committee shall consist of the Chair, the Vice Chair, the Treasurer, the Secretary, and one non-officer director. The Chief Executive Officer may attend Executive Committee meetings, at the pleasure of the Committee, but they shall not be a voting member of the Executive Committee. During periods between scheduled Board meetings, the Executive Committee has the authority to conduct ordinary and necessary business of MHC which cannot wait until the next board meeting and any other business as the Board may from time to time delegate to the Executive Committee.
- (b) Resident Impact Committee. The Resident Impact Committee ("RIC") shall consist of two directors, a representative from any resident council established at a MHC complex, and other persons as the Board determines. The purpose of the RIC is to hear from and speak with MHC residents, and then to provide input to the Board on residents' viewpoint about MHC policies, actions, and initiatives impacting residents. The RIC also serves as a leadership training ground for residents and a space for residents to learn about a Board service opportunities.
- (c) Audit Committee. Audit Committee may include both directors and non-directors, except that the Audit Committee may not include any member of the staff, including the CFO or the CEO, any person who has a material financial interest in any entity doing business with MHC, or the Board Chair or Board Treasurer. Audit Committee members may not receive any compensation for serving on the Audit Committee. The Audit Committee's duties are:

(1) recommending to the Board the retention and the termination of independent auditors for MHC, (2) negotiating the compensation of the auditor on behalf of the Board, (3) conferring with the auditor to satisfy the Audit Committee members that the financial affairs of MHC are in order, (4) review and determine whether to recommend to the Board to accept the audit, and (5) approve performance of any non-audit services provided to MHC by the auditor's firm, subject to ratification by the Board. If MHC has a finance committee, a majority of the members of the Finance Committee may not concurrently serve as members of the Audit Committee, and the Chair of the Audit Committee may not serve on the Finance Committee.

(d) Other Standing Committees. The Board may from time to time pass resolutions establishing other standing committees, which shall have the duties and authority set by the Board.

#### Section 5.4 Records of Committees

Except as stated in a resolution of the Board or may be appropriate under the circumstances, meetings and actions of committees should be conducted in accordance with the provisions of these Bylaws relating to how Board meetings should be conducted and how Board actions should be taken.

### ARTICLE VI

#### OFFICERS

##### Section 6.1 Officers

The officers of MHC shall be a Chair, a Vice Chair, a Secretary, a Treasurer, and any other officers that the Board creates from time to time. The same individual may hold any number of offices, except that a person serving as Secretary or Treasurer may not serve concurrently as the Chair.

##### Section 6.2 Appointment

Officers shall be elected for two year terms by the Board at any regular, annual, or special meeting of the Board. Officers must be chosen from the directors of MHC and may not be employees of MHC.

##### Section 6.3 Resignation

Any officer may resign at any time by giving written notice to the Chair or the Secretary. The resignation shall take effect upon receipt of notice or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective.

##### Section 6.4 Removal

An officer may be removed by the Board at a meeting, or whenever in the Board's judgment the best interests of MHC will be served thereby.

##### Section 6.5 Vacancies

A vacancy in any office for any reason shall be filled in the manner prescribed in these Bylaws for regular appointments to that office.

Section 6.6 Chair

The Chair shall preside at all meetings of the Board, if present, and shall exercise and perform such other powers and duties as the Board or these Bylaws may prescribe.

Section 6.7 Vice-Chair

The Vice-Chair shall have such powers and perform such duties as the Board or these Bylaws may prescribe. In the absence of the Chair, a Vice-Chair selected by the Board shall preside at Board meetings.

Section 6.8 Secretary

The Secretary shall supervise the maintenance of MHC's Articles of Incorporation, Bylaws, and minutes and records of the proceedings of the Board and its committees, and the giving of notices as may be proper or necessary. The Secretary shall have such other powers and duties as the Board or these Bylaws may prescribe.

Section 6.9 Treasurer

The Treasurer shall lead the Board's oversight of MHC's budgeting and planning processes, financial performance, and financial condition. The Treasurer shall have such other powers and duties as the Board or as these Bylaws may prescribe.

Section 6.10 Chief Executive Officer and Other Executive Employees of MHC

The Chief Executive Officer ("CEO") shall be an employee of MHC and shall not be considered an "officer" within the meaning of these bylaws. Nor shall any other executive employee with the word "officer" in their title. The CEO shall have be responsible for the day-to-day management of MHC's activities and affairs, subject to the ultimate control and oversight of the Board. The CEO shall exercise the general supervision over all the affairs of MHC, represent MHC in and to the MHC community, and bring such other matters to the attention of the Board as are appropriate to keep the Board fully informed to meet its responsibilities. The CEO shall have such other powers and duties as the Board or these Bylaws may prescribe. Unless otherwise directed by the Board or relevant Board Committee, or unless the Board determines to meet in an executive session, the CEO may attend all Board and committee meetings.

## ARTICLE VII

### INDEMNIFICATION AND INSURANCE

Section 7.1 Right to Indemnity

To the fullest extent allowed by law, MHC shall indemnify and advance expenses to its agents, in connection with any proceeding, and in accordance with Section 5238 of the Corporations Code. For purposes of this Article, "agent" shall have the same meaning as in Section 5238(a), including any directors, officers, employees, other agents, and persons formerly occupying such positions; "proceeding" shall have the same meaning as in Section 5238(a), including any threatened action or investigation under Section 5233 or brought by the Attorney General; and "expenses" shall have the same meaning as in Section 5238(a), including reasonable attorneys' fees.

#### Section 7.2 Approval of Indemnity

On written request to the Board in each specific case by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board shall promptly determine by a majority vote of the Directors then in office who are not parties to the proceeding, provided that the requirements of quorum are met, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 5238(b) or Section 5238(c), and, if so, shall authorize indemnification to the extent permitted thereby.

#### Section 7.3 Advancing Expenses

To the fullest extent allowed by Section 5238 and except as otherwise determined by the Board in specific instances; the Board may authorize the advance of expenses incurred by or on behalf of an agent of MHC in defending any proceeding prior to final disposition, if the Board finds that:

- (a) the requested advances are reasonable in amount under the circumstances; and
- (b) before any advance is made, the agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article.

#### Section 7.4 Requirement to Obtain Liability Insurance

MHC shall purchase and maintain directors' and officers' liability insurance. Director and officers shall be covered to the extent permitted under the Nonprofit Corporation Law and consistent with the terms of any such policy. The Board may determine, in its discretion, the terms and conditions of the undertaking whether it will be secured, unsecured, or whether interest will be charged on the obligation created thereby.

#### Section 7.5 Insurance

MHC shall have the right, and shall use its best efforts, to purchase and maintain insurance to the fullest extent permitted by law on behalf of its officers, director, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer's, director's, employee's, or agent's status as such.

## ARTICLE VIII

### PROHIBITED TRANSACTIONS

#### Section 8.1 Loans

Except as permitted by Section 5236 of the Corporations Code, MHC shall not make any loan of money or property to, or guarantee the obligation of, any director or officer; provided, however, that MHC may advance money to a director or officer of MHC or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such director or officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

#### Section 8.2 Self-Dealing Transactions

The Board may authorize MHC to enter into a transaction between MHC and a director or an entity in which the director has a material financial interest provided (i) the director with the interest reveals their interest to the Board and does not vote on the transaction, (ii) the transaction is fair and reasonable to MHC, (iii) the Board determines in good faith after reasonable investigation that MHC could not reasonably have obtained terms and conditions for such transaction which are materially better from disinterested parties or sources, and (iv) the MHC entered into the transaction for its own benefit.

#### Section 8.3 Excess Benefit Transactions

MHC shall establish and abide by a separate "Excess Benefit Policy" for determining that compensation is fair and reasonable and not excessive to avoid excess benefit transactions.

## ARTICLE IX

### MISCELLANEOUS

#### Section 9.1 Financial Reporting

MHC shall produce and distribute the financial and other reports required by the Nonprofit Corporation Law, including, without limitation, the annual report required by Section 6321 and the statement of transactions or indemnification required by Section 6322 of the Corporations Code, and if required, shall produce and make publicly available the financial statements as required by the California Government Code Section 12586(e)(1) and any applicable IRS regulations.

#### Section 9.2 Fiscal Year

The fiscal year of MHC shall be the calendar year, unless otherwise determined by the Board.

### Section 9.3 Electronic Transmissions

Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board may adopt from time to time, the terms “written” and “in writing” as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions, such as fax or e-mail; provided that (a) MHC has obtained a valid written consent from the recipient to the use of such means of communication; (b) for electronic transmissions to MHC, MHC has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (c) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible, tangible form.

### Section 9.4 Deposits, Contracts, and Payments

All funds of MHC shall be deposited to the credit of MHC in such banks, trust companies, or other depositories or agency organizations as the Board may authorize. The Board may authorize any officers, employees, or agents, including the CEO, in the name of and on behalf of MHC, to enter into any contract or execute any instrument. Any such authority may be general or confined to specific instances, or otherwise limited. In the absence of any action by the Board to the contrary, the Chair, the CEO, and the Chief Financial and Operating Officer (“CFOO”), or similar executive level employee, are hereby each authorized to execute such instruments on behalf of MHC. Except as otherwise specifically determined by resolution of the Board, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of MHC may be signed by the Chair, the CEO, the CFOO, or similar executive level employee. The Board may accept on behalf of MHC any contribution, gift, bequest, or devise for the charitable or public purposes of MHC.

### Section 9.5 Books and Records

MHC shall keep at its principal office in this state, if any, the original or a copy of its Articles of Incorporation and Bylaws as amended to date. Furthermore, MHC shall keep adequate and correct books and records of account and shall also keep minutes of the proceedings of its Board and committees. Minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the foregoing. When minutes and other books and records are kept in a form capable of being converted into clearly legible paper form, the clearly legible paper form into which those minutes and other books and records are converted shall be admissible in evidence, and accepted for all other purposes, to the same extent as an original paper record of the same information would have been, provided that the paper form accurately portrays the record.

## ARTICLE X

### AMENDMENTS


Bylaws may be adopted, amended or repealed by the Board of Directors. The Board of Directors may not extend the term of a director beyond that for which the director was elected. The Articles of Incorporation may be amended as provided in the Nonprofit Corporation Law.

**CERTIFICATE OF ADOPTION OF  
BYLAWS  
OF  
MUTUAL HOUSING OF CALIFORNIA  
A California Public Benefit Corporation**

By Secretary of Bylaws

The undersigned hereby certifies that she is the duly elected, qualified and acting Secretary of the Mutual Housing of California (“MHC”) and that the foregoing Bylaws, consisting of **thirteen** (**13**) pages, are the true and correct Bylaws of MHC.

IN WITNESS WHEREOF, the undersigned has hereunto signed this certificate this **24**th day of **April**, 2023 .

  
\_\_\_\_\_  
Tricia Stevens \_\_\_\_\_, Secretary





Department of the Treasury  
Internal Revenue Service

P.O. Box 2508, Room 4010  
Cincinnati OH 45201

In reply refer to: 4077550279  
Apr. 18, 2013 LTR 4168C 0  
94-3093354 000000 00

00037553

BODC: TE

MUTUAL HOUSING CALIFORNIA  
8001 FRUITRIDGE RD STE A  
SACRAMENTO CA 95820-6760



017998

Employer Identification Number: 94-3093354  
Person to Contact: Sophia Brown  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Feb. 06, 2013, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in August 1993.

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

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

Please refer to our website [www.irs.gov/eo](http://www.irs.gov/eo) for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

4077550279  
Apr. 18, 2013 LTR 4168C 0  
94-3093354 000000 00  
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MUTUAL HOUSING CALIFORNIA  
8001 FRUITRIDGE RD STE A  
SACRAMENTO CA 95820-6760

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

Sincerely yours,

*Cindy Thomas*

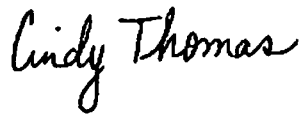
Cindy Thomas  
Manager, ED Determinations

4077550279  
Apr. 18, 2013 LTR 4168C 0  
94-3093354 000000 00  
00037554

MUTUAL HOUSING CALIFORNIA  
8001 FRUITRIDGE RD STE A  
SACRAMENTO CA 95820-6760

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

Sincerely yours,



Cindy Thomas  
Manager, EO Determinations



Department of the Treasury  
Internal Revenue Service

P.O. Box 2508, Room 4010  
Cincinnati OH 45201

In reply refer to: 4077550279  
Apr. 18, 2013 LTR 4168C 0  
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MUTUAL HOUSING CALIFORNIA  
8001 FRUITRIDGE RD STE A  
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Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website [www.irs.gov/eo](http://www.irs.gov/eo) for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.



**Mutual Housing California  
Board of Directors**

**as of August 26, 2024**

Name & Seat Type, Occupation	Address	Phone Numbers	Email Address
<b>Chair-Elect: Corinne Morrison (CI)</b>	305 Arches Ave El Dorado Hills, CA 95762	C: (415) 203-9581	statecorinne@gmail.com
<b>Vice Chair: Jennifer Higley-Chapman (R)</b> Paraeducator III, Davis Joint Unified School District	2444 Moore Blvd., #154 Davis, CA 95618	H: (530) 554-8732	jhigleychapman@yahoo.com
<b>Secretary: Tricia Stevens (CI)</b> Retired Urban Planner	1732 41st Street Sacramento, CA 95819	C: (916) 698-4592	tricias056@gmail.com
<b>Treasurer: Corinne Morrison (CI)</b>	305 Arches Ave El Dorado Hills, CA 95762	C: (415) 203-9581	statecorinne@gmail.com
<b>Greg Chew (County Appointee)</b> Senior Planner, Sacramento Area Council of Governments (SACOG)	1415 L St., Ste. 300 Sacramento, CA 95814	W: (916) 340-6227 C: (916) 798-0464	gchew@sacog.org
<b>Allison Joe (CI)</b> Senior Advisor, Office of Mayor Darrell Steinberg, City of Sacramento	2572 20th St Sacramento, CA 95818	C: 916-524-7375	allisonjoe@gmail.com
<b>Karen Naungayan (CI)</b> Deputy Director of External Affairs CA Infrastructure & Economic Development Bank	12411 Paradise Creek Lane Fair Oaks, CA 95628	D: (916) 207-9132	kcnaungayan@yahoo.com Emergencies: karen.naungayan@ibank.ca.gov
<b>Andrea Noble (R)</b> Home Care Worker	6311 Sampson Blvd, #37 Sacramento, CA 95824	C: (916) 617-8006	anndrya71@gmail.com
<b>Elizabeth Reynaga (R)</b> Parent Volunteer	8476 W Stockton Blvd. #16 Elk Grove, CA 95758	C: (916) 813-2784	ereynaga106@gmail.com
<b>Latoiche Adams (FR)</b> Research Associate I - Kaiser Permanente	2264 El Camino Ave Sacramento, CA 95821	C: (707) 803-0194	latoiche.l.adams@kp.org
<b>Amber Lamason (CI)</b> Director, Affordable Housing Program Compliance FHLBank San Francisco	420 Monterey Blvd #3 San Francisco, CA 94127	D: (415) 638-1919	alamason@gmail.com
<b>Chimmy Power (CI)</b>	7081 Canelo Hills Dr Citrus Heights, CA 95610	D: (510) 978-5756	chimmtzpo@gmail.com // CC: Chimmy.Power@nm.com

R - resident  
FR - former resident  
CI - community interest

# Mutual Housing California

## Development, Management, & Ownership | Mutual Housing California

Mutual Housing California is a nonprofit affordable housing developer, owner, manager, and resident services provider headquartered in Sacramento. Since our founding in 1988, we have been working in concert with local governments, community stakeholders, neighborhood groups, and social service agencies to develop high quality, sustainable, and permanently affordable rental housing. We have extensive experience in new construction and substantial rehab projects. With in-house expertise in development, finance, construction management, property management, resident services, and community organizing, we work with teams of experienced designers, contractors, and private and public lenders and investors to ensure that each of our developments are designed, constructed, and operated in a manner which ensures long-term financial viability, physical sustainability, and resident and neighborhood pride. Our developments house very diverse populations—including working families, developmentally disabled, farmworkers, as well as those who have been homeless or are at risk of homelessness. To date, Mutual’s portfolio includes 24 communities with more than 1,500 units throughout the greater Sacramento area.





**Ryan Cassidy | Vice President of Real Estate**  
([ryan@mutualhousing.com](mailto:ryan@mutualhousing.com); 916-403-5216)

Ryan recently joined Mutual and oversees its Housing Development division. He has spent the last 15 years with New York City's RiseBoro Community Partnership, leading its efforts to rapidly expand their portfolio of affordable housing. Ryan brings experience from all levels of affordable housing, from project management, construction management, and property management to senior leadership. He has led the development and management of over 3,000 units of affordable housing totaling over \$750 million. During his tenure with RiseBoro, Ryan was a leading policy voice as Director of Sustainability and Construction – lending his counsel to New York City Mayor's Office of Sustainability, New York State Energy Research and Development Authority, and several other State and City agencies. He successfully led the first Passive House new construction and rehab projects in the country, which won international recognition. His collaborative approach has allowed him to manage and execute projects with stakeholders carrying a range of interests by bridging gaps in understanding between colleagues, local government, community interest groups, and tenants through deep listening and working towards shared goals. Ryan has a B.A. in History and Political Science from James Madison University in Harrisonburg, Virginia and is a Certified Passive House Consultant.



**Sahar Soltani | Director of Housing Finance**  
([sahar@mutualhousing.com](mailto:sahar@mutualhousing.com); 916-403-5278)

Sahar has 9 years of experience in multifamily housing development including affordable, market-rate, mixed-income, and mixed-use communities across Northern California. In her previous role at St. Anton Communities, Sahar successfully oversaw the finance, entitlement, design, and construction of over 1,500 housing units in the Bay Area and the Sacramento Region exceeding \$500 million. Sahar's expertise extends to negotiating and executing complex disposition and development agreements, purchase and sale agreements, managing diverse funding executions, and securing funding from a variety of public and private sources. She has played a pivotal role in the equity and debt closing of projects through collaboration with investors, lenders, counsel, and government agencies. Sahar has an M.S. in Urban Land Development from California State University, Sacramento and a B.A. in City and Regional Planning from Middle East Technical University.





**Winter Chaslow | Vice President of Property Management**  
([winter@mutualhousing.com](mailto:winter@mutualhousing.com); 916-403-5226)

Winter oversees the daily operational activities of Mutual Housing Management, Mutual's affiliate property management company. She supervises all management and maintenance activities to ensure our communities remain financially and physically sustainable for the long-term benefit of residents and Mutual. She also ensures that her staff maintain their focus on the specific issues faced by residents and the services to be provided that best meet their needs.

Winter has 17 years of experience in regulatory compliance and property management of affordable multi-family housing for both non-profit and for-profit firms in Sacramento and the Bay Area. From 2006 to 2011, she served as District Compliance Auditor for USA Multifamily Management, from 2011 to 2017 as Director of Compliance for First Pointe Management Group, from 2017 to 2020 as Associate Director of Property Operations for Eden Housing, and 2020 to 2021 as Regional Director of Property Operations for Mercy Housing. Winter joined Mutual in 2021. Housing the most vulnerable populations, including people coming out of homelessness, these properties require very attentive management and Winter earned her B.A. in Business Management from Western Governor's University.



**Tejal Shah | Vice President of Community Development**  
([tejal@mutualhousing.com](mailto:tejal@mutualhousing.com); 916-403-5220)

Tejal oversees community development across Mutual's entire portfolio. Joining Mutual in 2022, her 20-year career has been focused on the integration of community-based resident services within affordable housing communities. Tejal began her housing career working as a transitional housing case manager and a shelter supervisor at a domestic violence agency in Chicago. Upon moving to the Bay Area, she worked for

13 years with East Bay Asian Local Development Corporation (EBALDC), an affordable housing and community development non-profit based in Oakland. During this time, she grew EBALDC's social service, financial service, and community organizing programs. Tejal has a B.A. in Anthropology from the University of Texas at Austin and an M.A. in Social Sciences from University of Chicago.



**Balance Sheet**

Period = Jun 2024

Book = Accrual ; Tree = 1corporate\_bs

**Current Balance**

<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
<b>CASH</b>		
Cash		980,801
Investments		1,818,683
<b>TOTAL CASH</b>		<u>2,799,484</u>
<b>ACCOUNTS RECEIVABLE</b>		
Accounts Receivable		1,869,026
Developer Fee Receivable		11,847,732
<b>TOTAL ACCOUNTS RECEIVABLE</b>		<u>13,716,758</u>
<b>OTHER CURRENT ASSETS</b>		
Prepaid & Deposits		163,104
Cash Held by Others		2,605,922
<b>TOTAL OTHER CURRENT ASSETS</b>		<u>2,769,026</u>
<b>TOTAL CURRENT ASSETS</b>		<u>19,285,268</u>
<b>FIXED ASSETS</b>		
Land		34,007
Property & Equipment (net)		45,614
<b>TOTAL FIXED ASSETS</b>		<u>79,621</u>
<b>CONSTRUCTION IN PROGRESS (CIP)</b>		
CIP on Predevelopment Projects		1,457,147
<b>TOTAL CONSTRUCTION IN PROGRESS</b>		<u>1,457,147</u>
<b>OTHER ASSETS</b>		
Affiliate Investments		-5,060,417
Right-of-use Asset		722,527
Note Receivable - Affiliates		17,217,953
Interest Receivable - Affiliates		4,542,015
Developer Fee Receivable		1,096,454
Doubtful Note Receivable Allowance		-9,095,571
<b>TOTAL OTHER ASSETS</b>		<u>9,422,961</u>
<b>TOTAL ASSETS</b>		<u><u>30,244,997</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable		51,502
Deferred Revenues		732,782
Accrued Expenses		570,618
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,354,902</u>
<b>LONG TERM LIABILITIES</b>		
Long Term Lease Liability		804,642
Perm Loan Fees		-61,586
Notes Payable		5,750,000
Other Long Term Liabilities		2,780,540
<b>TOTAL LONG TERM LIABILITIES</b>		<u>9,273,596</u>
<b>TOTAL LIABILITIES</b>		<u>10,628,498</u>
<b>EQUITY</b>		
<b>OWNERS EQUITY</b>		
Net Assets without Donor Restrictions		19,457,749
Net Assets with Donor Restrictions		158,750
<b>TOTAL OWNERS EQUITY</b>		<u>19,616,499</u>
<b>TOTAL EQUITY</b>		<u>19,616,499</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u>30,244,997</u></u>
		0

**Income Statement**

Period = Jun 2024

Book = Accrual ; Tree = 1corp\_is

	Period to Date	%	Year to Date	%
<b>INCOME</b>				
Individual Small Business & Nonprofit Donations	365	0	104,264	2
Corporate Contributions	0	0	2,500	0
Sponsorships	42,040	2	55,040	1
Corporate/Business Grants	0	0	149,000	3
NeighborWorks Grants	0	0	338,000	6
Government Grants	0	0	24,442	0
Other Grants & Contracts	0	0	12,648	0
Resident Org & Program Fees	87,218	5	499,190	9
Developer Fees	1,725,019	90	3,481,882	62
Partnership Fee Income	0	0	466,123	8
Other/Misc Income	0	0	20,653	0
Interest Income - External	8,261	0	54,896	1
Interest Income - Affiliates	57,517	3	418,487	7
Interest Income - Affiliates Bad Debt Recovery	440	0	2,640	0
<b>TOTAL INCOME</b>	<b>1,920,860</b>	<b>100</b>	<b>5,629,765</b>	<b>100</b>
<b>OPERATING EXPENSE</b>				
Corporate Salary	335,703	17	2,004,615	36
Allocated Salaries	-28,478	-1	-170,866	-3
Corporate Payroll Taxes	25,686	1	166,578	3
401k Employer Match	13,360	1	85,877	2
Employee Benefits	27,073	1	146,829	3
Workers Comp	1,180	0	7,132	0
Employee Service Fee	15,633	1	94,383	2
Allocated PR Taxes Benefits Svc Fees	-8,062	0	-48,370	-1
Allocated HR Service Fee	-32,433	-2	-193,901	-3
Contract & Consultants	16,194	1	79,532	1
Professional Fees	2,929	0	37,599	1
Audit Fees	3,520	0	21,120	0
Legal Fees	0	0	6,737	0
Yardi Fees	1,374	0	8,144	0
Office Supplies	2,275	0	7,587	0
Computers & Software	5,463	0	39,774	1
Outside Computer Services	25,325	1	59,080	1
Printing & Copying	0	0	6,386	0
Telephone & Internet	3,329	0	22,217	0
Postage & Shipping	0	0	845	0
Employment & Screening	389	0	1,518	0
Meeting Expenses	19,217	1	41,450	1
Organizing Program Supplies	2,055	0	34,539	1
Board & Member Expenses	250	0	13,263	0
Insurance	2,535	0	13,786	0
Office Rent	15,593	1	91,932	2
Training & Conference	11,699	1	21,143	0
Mileage & Travel	9,242	0	37,651	1
Intern Stipends	0	0	5,103	0
Membership Dues & Subscriptions	1,013	0	7,492	0
Marketing & Advertising	10,972	1	33,209	1
Interest Expense	59,200	3	140,264	2
Taxes Permits & Licenses	136	0	2,441	0
Depreciation	887	0	5,321	0
Bad Debt	33,974	2	203,844	4
Other Expenses	1,015	0	4,295	0
Amortization Expense	2,045	0	12,212	0
<b>TOTAL OPERATING EXPENSE</b>	<b>580,292</b>	<b>30</b>	<b>3,050,761</b>	<b>54</b>

**Income Statement**

Period = Jun 2024

Book = Accrual ; Tree = 1corp\_is

	<b>Period to Date</b>	<b>%</b>	<b>Year to Date</b>	<b>%</b>
<b>OPERATING INCOME</b>	<b>1,340,568</b>	<b>70</b>	<b>2,579,004</b>	<b>46</b>
<b>OTHER INCOME/(EXPENSE)</b>				
MHC Contributions to MHM	-20,000	-1	-40,000	-1
Fee Income- Affiliates	0	0	68,312	1
<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>-20,000</b>	<b>-1</b>	<b>28,312</b>	<b>1</b>
<b>NET INCOME</b>	<b>1,320,568</b>	<b>69</b>	<b>2,607,316</b>	<b>46</b>

**Budget Comparison**

Period = Jun 2024

Book = Accrual ; Tree = 1corp\_board\_sum

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
<b>INCOME</b>									
Grants and Donation Income	42,405	60,760	-18,355	-30	685,894	694,833	-8,939	-1	1,190,647
Fee Income	1,812,237	2,097,625	-285,388	-14	4,447,195	4,617,434	-170,239	-4	5,810,489
Interest / Other Income	66,218	62,125	4,093	7	496,676	372,747	123,929	33	765,495
<b>TOTAL INCOME</b>	<b>1,920,860</b>	<b>2,220,510</b>	<b>-299,650</b>	<b>-13</b>	<b>5,629,765</b>	<b>5,685,014</b>	<b>-55,249</b>	<b>-1</b>	<b>7,766,631</b>
<b>OPERATING EXPENSE</b>									
Staffing Expenses	349,662	397,054	47,392	12	2,092,278	2,417,329	325,051	13	4,918,874
Other Expenses	230,630	211,973	-18,657	-9	958,484	1,129,735	171,251	15	2,165,672
<b>TOTAL OPERATING EXPENSE</b>	<b>580,292</b>	<b>609,027</b>	<b>28,735</b>	<b>5</b>	<b>3,050,761</b>	<b>3,547,064</b>	<b>496,303</b>	<b>14</b>	<b>7,084,546</b>
<b>OPERATING INCOME</b>	<b>1,340,568</b>	<b>1,611,483</b>	<b>-270,915</b>	<b>-17</b>	<b>2,579,004</b>	<b>2,137,950</b>	<b>441,054</b>	<b>21</b>	<b>682,085</b>
<b>OTHER INCOME / (EXPENSE)</b>									
MHC Contributions to MHM	-20,000	-39,584	19,584	49	-40,000	-237,500	197,500	83	-475,000
Fee Income - Affiliates	0	0	0	N/A	68,312	64,312	4,000	6	176,392
<b>TOTAL OTHER INCOME / (EXPENSE)</b>	<b>-20,000</b>	<b>-39,584</b>	<b>19,584</b>	<b>49</b>	<b>28,312</b>	<b>-173,188</b>	<b>201,500</b>	<b>116</b>	<b>-298,608</b>
<b>NET INCOME</b>	<b>1,320,568</b>	<b>1,571,899</b>	<b>-251,331</b>	<b>-16</b>	<b>2,607,316</b>	<b>1,964,762</b>	<b>642,554</b>	<b>33</b>	<b>383,477</b>

# Budget Comparison

Period = Jun 2024

Book = Accrual ; Tree = 1c\_budg\_detail

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
<b>INCOME</b>									
Individual Small Business & Nonprofit Donations	365	334	31	9	104,264	4,500	99,764	2,217	51,500
Corporate In-Kind Donations	0	500	-500	-100	0	3,000	-3,000	-100	6,000
Corporate Contributions	0	0	0	N/A	2,500	0	2,500	N/A	0
Sponsorships	42,040	1,666	40,374	2,423	55,040	10,000	45,040	450	106,250
Corporate/Business Grants	0	38,069	-38,069	-100	149,000	228,411	-79,411	-35	456,825
NeighborWorks Grants	0	5,316	-5,316	-100	338,000	356,900	-18,900	-5	388,800
Government Grants	0	14,875	-14,875	-100	24,442	89,250	-64,808	-73	178,500
Other Grants & Contracts	0	0	0	N/A	12,648	2,772	9,876	356	2,772
Resident Org & Program Fees	87,218	77,994	9,224	12	499,190	447,761	51,429	11	915,725
Developer Fees	1,725,019	2,019,631	-294,612	-15	3,481,882	3,703,550	-221,668	-6	4,428,641
Partnership Fee Income	0	0	0	N/A	466,123	466,123	0	0	466,123
Other/Misc Income	0	0	0	N/A	20,653	0	20,653	N/A	20,000
Interest Income - External	8,261	4,167	4,094	98	54,896	25,000	29,896	120	50,000
Interest Income - Affiliates	57,517	57,518	-1	0	418,487	345,107	73,380	21	690,215
Interest Income - Affiliates Bad Debt Recovery	440	440	0	0	2,640	2,640	0	0	5,280
<b>TOTAL INCOME</b>	<b>1,920,860</b>	<b>2,220,510</b>	<b>-299,650</b>	<b>-13</b>	<b>5,629,765</b>	<b>5,685,014</b>	<b>-55,249</b>	<b>-1</b>	<b>7,766,631</b>
<b>OPERATING EXPENSE</b>									
Corporate Salary	335,703	385,756	50,053	13	2,004,615	2,306,424	301,809	13	4,730,124
Allocated Salaries	-28,478	-33,851	-5,373	-16	-170,866	-203,112	-32,246	-16	-406,227
Corp Adjusted Salaries	0	-9,987	-9,987	-100	0	-59,922	-59,922	-100	-119,844
Corporate Payroll Taxes	25,686	29,415	3,729	13	166,578	213,289	46,711	22	380,169
401k Employer Match	13,360	15,104	1,744	12	85,877	90,300	4,423	5	185,754
Employee Benefits	27,073	43,950	16,877	38	146,829	261,980	115,151	44	543,560
Workers Comp	1,180	1,473	293	20	7,132	8,808	1,676	19	18,006
Employee Service Fee	15,633	17,826	2,193	12	94,383	106,284	11,901	11	218,916
Allocated PR Taxes Benefits Svc Fees	-8,062	-8,978	-916	-10	-48,370	-53,869	-5,499	-10	-107,735
Corp Adjusted Load	0	-4,152	-4,152	-100	0	-24,913	-24,913	-100	-49,825
Allocated HR Service Fee	-32,433	-39,502	-7,069	-18	-193,901	-227,940	-34,039	-15	-474,024
Contract & Consultants	16,194	12,610	-3,584	-28	79,532	102,136	22,604	22	183,192
Contract & Consultants (In-Kind)	0	500	500	100	0	3,000	3,000	100	6,000
Professional Fees	2,929	3,065	136	4	37,599	46,390	8,791	19	88,780
Audit Fees	3,520	3,520	0	0	21,120	21,120	0	0	42,240
Legal Fees	0	2,873	2,873	100	6,737	17,240	10,503	61	34,480
Yardi Fees	1,374	1,554	180	12	8,144	9,324	1,180	13	18,648
Office Supplies	2,275	2,590	315	12	7,587	15,586	7,999	51	31,121
Computers & Software	5,463	52,382	46,919	90	39,774	98,862	59,088	60	145,680
Outside Computer Services	25,325	12,547	-12,778	-102	59,080	75,293	16,213	22	150,587
Printing & Copying	0	1,006	1,006	100	6,386	6,036	-350	-6	12,072
Telephone & Internet	3,329	5,086	1,757	35	22,217	30,519	8,302	27	61,038

**Budget Comparison**

Period = Jun 2024

Book = Accrual ; Tree = 1c\_budg\_detail

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
Postage & Shipping	0	401	401	100	845	2,406	1,561	65	4,812
Employment & Screening	389	286	-103	-36	1,518	1,367	-151	-11	2,606
Meeting Expenses	19,217	8,725	-10,492	-120	41,450	52,209	10,759	21	105,480
Organizing Program Supplies	2,055	1,355	-700	-52	34,539	8,128	-26,411	-325	16,256
Board & Member Expenses	250	3,883	3,633	94	13,263	26,150	12,887	49	50,450
Insurance	2,535	1,764	-771	-44	13,786	10,584	-3,202	-30	21,168
Office Rent	15,593	15,061	-532	-4	91,932	90,366	-1,566	-2	180,732
Training & Conference	11,699	7,723	-3,976	-51	21,143	36,922	15,779	43	79,511
Mileage & Travel	9,242	7,271	-1,971	-27	37,651	40,114	2,463	6	81,831
Intern Stipends	0	358	358	100	5,103	2,148	-2,955	-138	4,296
Membership Dues & Subscriptions	1,013	1,744	731	42	7,492	11,079	3,587	32	22,530
Marketing & Advertising	10,972	7,959	-3,013	-38	33,209	47,754	14,545	30	95,508
Interest Expense	59,200	12,500	-46,700	-374	140,264	75,000	-65,264	-87	150,000
Taxes Permits & Licenses	136	242	106	44	2,441	1,452	-989	-68	2,904
Grants & Donations to Other Organizations	0	167	167	100	0	1,000	1,000	100	2,000
Corp Contributions to Affiliates	0	0	0	N/A	0	27,200	27,200	100	32,600
Depreciation	887	970	83	9	5,321	5,820	499	9	11,640
Bad Debt	33,974	33,974	0	0	203,844	203,844	0	0	407,688
Predevelopment Write Off	0	5,833	5,833	100	0	34,998	34,998	100	69,996
Other Expenses	1,015	997	-18	-2	4,295	6,330	2,035	32	12,310
Corp Office Move	0	584	584	100	0	4,700	4,700	100	8,200
Amortization Expense	420	420	0	0	2,521	2,520	-1	0	5,040
Perm Loan Fee Amortization	1,624	2,023	399	20	9,691	12,138	2,447	20	24,276
<b>TOTAL OPERATING EXPENSE</b>	<b>580,292</b>	<b>609,027</b>	<b>28,735</b>	<b>5</b>	<b>3,050,761</b>	<b>3,547,064</b>	<b>496,303</b>	<b>14</b>	<b>7,084,546</b>
<b>OPERATING INCOME</b>	<b>1,340,568</b>	<b>1,611,483</b>	<b>-270,915</b>	<b>-17</b>	<b>2,579,004</b>	<b>2,137,950</b>	<b>441,054</b>	<b>21</b>	<b>682,085</b>
<b>OTHER INCOME / (EXPENSE)</b>									
MHC Contributions to MHM	-20,000	-39,584	19,584	49	-40,000	-237,500	197,500	83	-475,000
Fee Income - Affiliates	0	0	0	N/A	68,312	64,312	4,000	6	176,392
<b>TOTAL OTHER INCOME / (EXPENSE)</b>	<b>-20,000</b>	<b>-39,584</b>	<b>19,584</b>	<b>49</b>	<b>28,312</b>	<b>-173,188</b>	<b>201,500</b>	<b>116</b>	<b>-298,608</b>
<b>NET INCOME</b>	<b>1,320,568</b>	<b>1,571,899</b>	<b>-251,331</b>	<b>-16</b>	<b>2,607,316</b>	<b>1,964,762</b>	<b>642,554</b>	<b>33</b>	<b>383,477</b>

**MUTUAL HOUSING CALIFORNIA  
AND AFFILIATES**

**COMBINED FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED DECEMBER 31, 2023 AND 2022**

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

TABLE OF CONTENTS

	Page
Independent Auditor's Report.....	1
Combined Statements of Financial Position.....	4
Combined Statements of Activities.....	6
Combined Statements of Functional Expenses.....	8
Combined Statements of Cash Flows.....	10
Notes to Combined Financial Statements.....	12
Supplementary Information.....	33
Combining Schedules of Financial Position.....	34
Combining Schedules of Activities.....	36
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	38

\* \* \* \*

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Board of Directors  
Mutual Housing California and Affiliates  
Sacramento, California

**INDEPENDENT AUDITOR'S REPORT**

**Report on the Audit of the Combined Financial Statements**

**Opinion**

We have audited the accompanying combined financial statements of Mutual Housing California, a California nonprofit public benefit corporation and Affiliates, which comprise the combined statements of financial position as of December 31, 2023 and 2022, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements present fairly, in all material respects, the combined financial position of Mutual Housing California and Affiliates as of December 31, 2023 and 2022, and the combined changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

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

**Responsibilities of Management for the Combined Financial Statements**

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

*Auditor's Responsibilities for the Audit of the Combined Financial Statements*

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 omissions, 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 combined financial statements.

In performing an audit in accordance with GAAS 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 combined 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 combined 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 Mutual Housing California and Affiliates' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mutual Housing California and Affiliates' 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information on pages 34 through 37 is presented for the purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2024 on our consideration of Mutual Housing California and Affiliates' 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 solely 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 Mutual Housing California and Affiliates' 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 Mutual Housing California and Affiliates' internal control over financial reporting and compliance.

*Lindquist, von Hoven and Joyce LLP*

June 24, 2024

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
 COMBINED STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Current assets:		
Cash	\$ 2,950,343	\$ 3,225,650
Investments (Note 3)	2,264,738	1,352,082
Accounts receivable – net (Notes 2 and 4)	765,312	2,134,361
Pledges receivable – net (Notes 2 and 5)	5,000	5,500
Prepaid expenses and other deposits	657,273	586,813
Restricted cash – current portion (Note 6)	698,012	1,209,376
Total current assets	7,340,678	8,513,782
Non-current assets:		
Restricted cash – net of current portion (Note 6)	17,619,077	24,162,745
Property and equipment – net (Note 7)	213,840,058	168,952,285
Development in progress (Note 7)	81,836,286	60,282,580
Deferred costs – net (Note 9)	264,799	270,514
Right-of-use asset – operating lease (Note 12)	722,527	957,985
Total non-current assets	314,282,747	254,626,109
Total assets	\$ 321,623,425	\$ 263,139,891

*The accompanying notes are an integral part of these combined financial statements.*

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
 COMBINED STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2023 AND 2022

	2023	2022
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 5,124,509	\$ 10,245,848
Accounts payable – construction	13,409,652	4,373,282
Deferred revenue – current portion	112,036	66,996
Interest payable – current portion (Note 10)	632,813	605,172
Notes payable – current portion (Note 10)	5,162,244	5,054,770
Operating lease payable – current portion (Note 12)	246,233	235,458
<b>Total current liabilities</b>	<b>24,687,487</b>	<b>20,581,526</b>
<b>Non-current liabilities:</b>		
Security and other deposits	830,685	770,838
Working capital reserve deposit liability (Note 6)	221,474	384,209
Other deposit liability	1,017,636	1,017,636
Unrecognized tax benefit (Note 18)	736,556	-
Deferred revenue – net of current portion	1,711,021	1,601,916
Interest payable – net of current portion (Note 10)	16,464,312	14,166,930
Notes payable – net of current portion (Note 10)	221,187,470	176,728,036
Operating lease payable – net of current portion (Note 12)	571,001	817,234
<b>Total non-current liabilities</b>	<b>242,740,155</b>	<b>195,486,799</b>
<b>Total liabilities</b>	<b>267,427,642</b>	<b>216,068,325</b>
<b>Net assets:</b>		
<b>Without donor restrictions:</b>		
Controlling interests	9,080,375	10,219,037
Non-controlling interests	42,701,982	33,546,601
<b>Total net assets without donor restrictions</b>	<b>51,782,357</b>	<b>43,765,638</b>
<b>With donor restrictions (Note 13)</b>	<b>2,413,426</b>	<b>3,305,928</b>
<b>Total net assets</b>	<b>54,195,783</b>	<b>47,071,566</b>
<b>Total liabilities and net assets</b>	<b>\$ 321,623,425</b>	<b>\$ 263,139,891</b>

*The accompanying notes are an integral part of these combined financial statements.*

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
 COMBINED STATEMENTS OF ACTIVITIES  
 YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Operating support and revenue:			
Grants and contracts	\$ 1,713,550	\$ -	\$ 1,713,550
NeighborWorks America grants (Note 14)	404,750	-	404,750
Developer fees	2,044,291	-	2,044,291
Gross potential rent	15,972,031	-	15,972,031
Less: vacancies and concessions	(659,814)	-	(659,814)
Interest and investment income	468,945	-	468,945
Other	561,531	-	561,531
Net assets released from restrictions (Note 13)	892,502	(892,502)	-
Total operating support and revenue	21,397,786	(892,502)	20,505,284
Operating expenses:			
Program services	15,386,127	-	15,386,127
Management and general	2,139,033	-	2,139,033
Fundraising	206,663	-	206,663
Total operating expenses	17,731,823	-	17,731,823
Change in net assets from operations	3,665,963	(892,502)	2,773,461
Other expenses:			
Derecognition of tax benefit (Note 18)	1,259,227	-	1,259,227
Interest expense (Note 10)	3,594,236	-	3,594,236
Depreciation and amortization	7,065,720	-	7,065,720
Total other expenses	11,919,183	-	11,919,183
Change in net assets	(8,253,220)	(892,502)	(9,145,722)
Net assets, beginning of year	43,765,638	3,305,928	47,071,566
Syndication costs	(173,895)	-	(173,895)
Capital contributions – net	16,443,834	-	16,443,834
Net assets, end of year	\$ 51,782,357	\$ 2,413,426	\$ 54,195,783
Reconciliation of net assets:			
Controlling interest:			
Beginning of year			\$ 13,524,965
Controlling interests in non-profit corporation, limited liability company and limited partnership net earnings (losses)			(2,031,164)
End of year			11,493,801
Non-controlling interest:			
Beginning of year			33,546,601
Syndication costs			(173,895)
Capital contributions – net			16,443,834
Non-controlling interests in limited partnership net earnings (losses)			(7,114,558)
End of year			42,701,982
Net assets, end of year			\$ 54,195,783

*The accompanying notes are an integral part of these combined financial statements.*

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
 COMBINED STATEMENTS OF ACTIVITIES  
 YEARS ENDED DECEMBER 31, 2023 AND 2022

	2022		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Operating support and revenue:			
Grants and contracts	\$ 468,369	\$ -	\$ 468,369
NeighborWorks America grants (Note 14)	382,544	-	382,544
Contributions	1,000	-	1,000
Developer fees	1,816,310	-	1,816,310
Management fees	18,200	-	18,200
Organizing fees	21,873	-	21,873
Gross potential rent	14,237,737	-	14,237,737
Less: vacancies and concessions	(585,137)	-	(585,137)
Interest and investment income (loss)	(186,716)	-	(186,716)
Forgiveness of debt	14,820	-	14,820
Employee retention credit	1,888,094	-	1,888,094
Other	105,634	-	105,634
Net assets released from restrictions (Note 13)	892,502	(892,502)	-
Total operating support and revenue	19,075,230	(892,502)	18,182,728
Operating expenses:			
Program services	13,227,002	-	13,227,002
Management and general	2,246,590	-	2,246,590
Fundraising	146,960	-	146,960
Total operating expenses	15,620,552	-	15,620,552
Change in net assets from operations	3,454,678	(892,502)	2,562,176
Other expenses:			
Interest expense (Notes 10)	3,388,584	-	3,388,584
Depreciation and amortization	6,856,702	-	6,856,702
Total other expenses	10,245,286	-	10,245,286
Change in net assets	(6,790,608)	(892,502)	(7,683,110)
Net assets, beginning of year	45,875,524	4,198,430	50,073,954
Syndication costs	(307,250)	-	(307,250)
Capital contributions – net	4,987,972	-	4,987,972
Net assets, end of year	\$ 43,765,638	\$ 3,305,928	\$ 47,071,566
Reconciliation of net assets:			
Controlling interest:			
Beginning of year			\$ 12,094,380
Controlling interests in non-profit corporation, limited liability company and limited partnership net earnings (losses)			1,430,585
End of year			13,524,965
Non-controlling interest:			
Beginning of year			37,979,574
Syndication costs			(307,250)
Capital contributions – net			4,987,972
Non-controlling interests in limited partnership net earnings (losses)			(9,113,695)
End of year			33,546,601
Net assets, end of year			\$ 47,071,566

*The accompanying notes are an integral part of these combined financial statements.*

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
 COMBINED STATEMENTS OF FUNCTIONAL EXPENSES  
 YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023						
	<i>Program Services</i>				<i>Supportive Services</i>		
	<i>Social Services</i>	<i>Affordable Housing Development</i>	<i>Affordable Housing Operations</i>	<i>Total Program</i>	<i>Management and General</i>	<i>Fundraising</i>	<i>Total</i>
Salaries and benefits	\$ 1,186,745	\$ 1,106,009	\$ 4,067,775	\$ 6,360,529	\$ 1,378,768	\$ 149,880	\$ 7,889,177
Employee service fee	59,520	32,030	172,596	264,146	109,944	2,720	376,810
Manager unit and community room	-	-	247,325	247,325	-	-	247,325
Consultants and professional fees	7,014	77,782	297,279	382,075	168,241	15,983	566,299
Audit and accounting fees	-	-	215,210	215,210	44,710	-	259,920
Legal fees	956	7,338	108,535	116,829	15,052	-	131,881
Travel	16,145	5,539	22,553	44,237	16,309	65	60,611
Board of directors and committee	3,732	-	-	3,732	8,850	-	12,582
Office space (Note 12)	25,668	46,440	60,036	132,144	92,450	5,400	229,994
Telephone	15,397	7,946	195,769	219,112	17,728	457	237,297
Supplies	64,319	2,323	72,071	138,713	32,866	392	171,971
Computer consulting/supplies/software	124,644	31,033	284,152	439,829	99,217	6,353	545,399
Administrative expenses	44,936	6,273	381,166	432,375	57,226	24,293	513,894
Management and bookkeeping fees	-	-	159,032	159,032	-	-	159,032
Operating and maintenance	-	-	2,350,598	2,350,598	-	-	2,350,598
Security	-	-	160,708	160,708	-	-	160,708
Utilities	-	-	2,109,105	2,109,105	-	-	2,109,105
Training and conference	16,486	23,015	15,521	55,022	16,440	285	71,747
Advertisement, marketing and events	454	96	21,390	21,940	72,782	-	94,722
Bad debts	-	-	306,313	306,313	-	-	306,313
Taxes and insurance	7,934	9,461	1,008,596	1,025,991	8,450	835	1,035,276
Asset management and compliance fees	-	-	54,820	54,820	-	-	54,820
Loss on disposal of fixed assets	-	-	173,809	173,809	-	-	173,809
Recovery of predevelopment projects	-	(27,467)	-	(27,467)	-	-	(27,467)
Total operating expenses	1,573,950	1,327,818	12,484,359	15,386,127	2,139,033	206,663	17,731,823
Derecognition of tax benefit (Note 18)	-	-	-	-	1,259,227	-	1,259,227
Interest expense (Note 10)	-	81,809	3,512,427	3,594,236	-	-	3,594,236
Depreciation & amortization	-	-	7,048,580	7,048,580	17,140	-	7,065,720
Total other expenses	-	81,809	10,561,007	10,642,816	1,276,367	-	11,919,183
Total expenses	\$ 1,573,950	\$ 1,409,627	\$ 23,045,366	\$ 26,028,943	\$ 3,415,400	\$ 206,663	\$ 29,651,006

*The accompanying notes are an integral part of these combined financial statements.*

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
 COMBINED STATEMENTS OF FUNCTIONAL EXPENSES  
 YEARS ENDED DECEMBER 31, 2023 AND 2022

	2022						
	<i>Program Services</i>				<i>Supportive Services</i>		
	<i>Social Services</i>	<i>Affordable Housing Development</i>	<i>Affordable Housing Operations</i>	<i>Total Program</i>	<i>Management and General</i>	<i>Fundraising</i>	<i>Total</i>
Salaries and benefits	\$ 1,177,871	\$ 790,754	\$ 3,579,422	\$ 5,548,047	\$ 1,517,413	\$ 108,196	\$ 7,173,656
Employee service fee	58,640	22,210	150,358	231,208	97,515	1,733	330,456
Manager unit and community room	-	-	220,077	220,077	-	-	220,077
Consultants and professional fees	33,420	18,408	233,054	284,882	244,136	518	529,536
Audit and accounting fees	-	-	204,700	204,700	31,130	-	235,830
Legal fees	456	2,028	96,257	98,741	26,644	-	125,385
Travel	26,183	1,910	23,794	51,887	4,663	-	56,550
Board of directors and committee	1,588	-	-	1,588	15,130	-	16,718
Office space (Note 12)	44,708	37,624	54,009	136,341	86,721	7,988	231,050
Telephone	17,245	5,431	183,701	206,377	14,731	573	221,681
Supplies	35,519	2,422	51,168	89,109	13,762	50	102,921
Computer consulting/supplies/software	90,313	32,976	225,045	348,334	65,886	6,349	420,569
Administrative expenses	35,446	15,354	102,097	152,897	62,746	20,837	236,480
Management and bookkeeping fees	-	-	199,246	199,246	-	-	199,246
Operating and maintenance	-	-	1,997,257	1,997,257	-	-	1,997,257
Security	-	-	152,384	152,384	-	-	152,384
Utilities	-	-	1,974,555	1,974,555	-	-	1,974,555
Training and conference	11,333	8,807	23,912	44,052	17,590	98	61,740
Advertisement, marketing and events	309	5,081	19,823	25,213	43,777	-	68,990
Bad debts	-	-	162,107	162,107	-	-	162,107
Taxes and insurance	4,822	2,703	826,491	834,016	4,746	618	839,380
Asset management and compliance fees	-	-	188,483	188,483	-	-	188,483
Cost certification fees	-	-	40,000	40,000	-	-	40,000
Loss on predevelopment projects	-	35,501	-	35,501	-	-	35,501
Total operating expenses	1,537,853	981,209	10,707,940	13,227,002	2,246,590	146,960	15,620,552
Interest expense (Note 10)	-	23,931	3,358,153	3,382,084	6,500	-	3,388,584
Depreciation & amortization	-	-	6,839,941	6,839,941	16,761	-	6,856,702
Total other expenses	-	23,931	10,198,094	10,222,025	23,261	-	10,245,286
Total expenses	\$ 1,537,853	\$ 1,005,140	\$ 20,906,034	\$ 23,449,027	\$ 2,269,851	\$ 146,960	\$ 25,865,838

*The accompanying notes are an integral part of these combined financial statements.*

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
 COMBINED STATEMENTS OF CASH FLOWS  
 YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (9,145,722)	\$ (7,683,110)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	7,065,720	6,856,702
Interest expense – amortization of permanent loan costs	404,408	258,948
Loss on disposal of fixed assets	173,809	-
(Increase) decrease in assets:		
Accounts receivable	1,369,049	(1,942,177)
Pledges receivable	500	(5,500)
Prepaid expenses and other deposits	(70,460)	(76,687)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(5,298,582)	2,682,327
Unrecognized tax benefit	736,556	-
Deferred revenue	154,145	773,317
Interest payable	(687,786)	2,074,982
Security and other deposits	59,847	47,491
	(5,238,516)	2,986,293
Net cash (used in) provided by operating activities		
Cash flows from investing activities:		
Decrease in investments	(912,656)	(13,033)
Net increase in property and equipment	(17,611,104)	(36,430,205)
Net increase in development in progress	(43,792,890)	(15,321,683)
Net increase in other non-current assets	(44,877)	(65,161)
	(62,361,527)	(51,830,082)
Net cash used in investing activities		
Cash flows from financing activities:		
Net payments of notes payable	(34,589,505)	(9,423,886)
Net proceeds from notes payable	79,503,914	47,052,209
Capital contributions from non-controlling interests	16,443,834	4,987,972
Decrease in working capital reserve	(162,735)	(770,581)
Net increase in syndication costs	(173,895)	(307,250)
Net increase in permanent loan costs	(751,909)	(503,043)
	60,269,704	41,035,421
Net cash provided by financing activities		
Net decrease in cash and restricted cash	(7,330,339)	(7,808,368)
Cash and restricted cash, beginning of year	28,597,771	36,406,139
Cash and restricted cash, end of year	\$ 21,267,432	\$ 28,597,771

*The accompanying notes are an integral part of these combined financial statements.*

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
 COMBINED STATEMENTS OF CASH FLOWS  
 YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Supplementary information:		
Cash paid for interest	\$ 3,189,828	\$ 2,176,427
Noncash investing and financing activities:		
Property and equipment acquired by incurring liabilities	\$ 5,087,095	\$ 5,715,021
Development in progress acquired by incurring liabilities	\$ 4,126,518	\$ 2,374,376
Cash	\$ 2,950,343	\$ 3,225,650
Restricted cash:		
Construction cash	580,588	1,083,164
Impound deposits	117,424	126,212
Replacement reserves	5,301,186	5,017,719
Operating reserves	3,616,673	3,267,138
Rent subsidy reserve	6,180,445	3,821,150
Tenant security deposits	796,701	781,020
Working capital reserve	221,474	384,209
Funds held by lender	-	9,415,670
Funds held by general partner	1,018,802	1,017,784
Other reserves	483,796	458,055
Total cash and restricted cash shown in the statements of cash flows	\$ 21,267,432	\$ 28,597,771

*The accompanying notes are an integral part of these combined financial statements.*

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Mutual Housing California (Mutual Housing, MHC, the Corporation, or the Organization) is a California non-profit public benefit corporation that was formed in November 1988. Mutual Housing develops, owns and operates housing in the community interest, serves as an ongoing producer of resident directed housing, helps to develop and support resident leaders, and advocates for policies which improve the quality of housing and safety of neighborhoods in the region. Mutual Housing is a member of the National NeighborWorks® network.

Mutual Housing has developed and placed in service twenty-one affordable housing developments located in the Northern California counties of Sacramento and Yolo. This portfolio houses 3,500 residents and consists of 1,328 homes in multifamily mutual housing communities which are designated for extremely low- to low-income families, seniors and individuals. Mutual Housing maintains its own property management services through Mutual Housing Management (MHM).

The entities listed below are included in the combined financial statements in accordance with generally accepted accounting principles (GAAP):

- Mutual Housing is also affiliated with and under common board control with other nonprofit organizations which have been formed either as supporting entities to Mutual Housing, or as instruments to further Mutual Housing’s organizational objectives:
  - Evergreen Mutual Housing Association
  - Highlands Mutual Housing Corporation, Inc.
  - Mutual Housing Corporation
  - Mutual Housing Management
  - Mutual Housing Marin
  - River Garden Mutual Housing Corporation
  - Sky Parkway Mutual Housing Corporation
  - Westerner Mutual Housing Association
  - Yolo Mutual Housing Association
- Single member limited liability company (LLC) in which Mutual Housing is the sole member:
  - 2000 16th St Mutual Housing Association LLC
  - 805 R Mutual Housing Association LLC
  - Cornerstone North Mutual Housing Association LLC
  - Cornerstone South Mutual Housing Association LLC
  - Fifth Street Mutual Housing LLC
  - Foothill Plaza Mutual Housing Association LLC
  - Lavender Mutual Housing LLC
  - Phase 2 Spring Lake Mutual Housing Association LLC
  - San Juan Mutual Housing Association LLC
  - Spring Lake Mutual Housing Association LLC
  - Stockton Boulevard Mutual Housing LLC
  - Victory Trio Mutual Housing Association LLC
  - Wong Center Mutual Housing LLC
- Multi-member limited liability company (LLC) in which Mutual Housing or an affiliated entity holds a co-managing member interest:
  - New Harmony, LLC <sup>(1)</sup>

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

- Multi-member limited liability company (LLC) in which Mutual Housing or an affiliated entity holds a controlling managing member interest:
  - Owendale Mutual Housing Association, LLC <sup>(1)</sup>
  - South Sacramento Mutual Housing, LLC
- <sup>(1)</sup> YMHA holds the co-managing member interest and non-controlling managing member interest in New Harmony, LLC and Owendale Mutual Housing Association, LLC, respectively.
- Low income housing tax credit limited partnerships in which Mutual Housing or an affiliated entity holds a controlling general partner interest:

<i>Limited Partnerships</i>	<i>Controlling Entity</i>	<i>GP Interest</i>
<u>Wholly-owned</u> <sup>(2)</sup>		
Davis MHA Twin Pines Community Associates	Yolo Mutual Housing Association	0.10%
Lemon Hill Housing Associates, L.P.	Evergreen Mutual Housing Association	0.01%
Norwood Housing Associates, L.P.	Mutual Housing Corporation	1.00%
YMHA Moore Village Associates	Yolo Mutual Housing Association	0.01%
YMHA Tremont Green Associates	Yolo Mutual Housing Association	0.01%
River Garden Housing Associates	River Garden Mutual Housing Corporation	1.00%
<u>Non-controlling Limited Partners</u>		
Cornerstone North Mutual Housing Associates, L.P.	Cornerstone Mutual Housing Association LLC	0.01%
Cornerstone South Mutual Housing Associates, L.P.	Cornerstone Mutual Housing Association LLC	0.01%
Foothill Plaza Housing Associates, L.P.	Foothill Plaza Mutual Housing Association LLC	0.01%
Lavender Housing Associates, L.P.	Lavender Mutual Housing, LLC	0.01%
Mutual Housing 5 <sup>th</sup> Street, L.P.	Fifth Street Mutual Housing LLC	0.01%
New Harmony, L.P.	New Harmony, LLC	0.01%
Owendale Mutual Housing Associates, L.P.	Owendale Mutual Housing Association, LLC	0.01%
Phase 2 Spring Lake Mutual Housing Associates, L.P.	Phase 2 Spring Lake Mutual Housing Association, LLC	0.01%
South Sacramento Mutual Housing, L.P.	South Sacramento Mutual Housing, LLC	0.01%
Spring Lake Housing Associates, L.P.	Spring Lake Mutual Housing Association, LLC	0.01%
Stockton Boulevard Housing Associates, L.P.	Stockton Boulevard Mutual Housing LLC	0.01%
Victory Trio Mutual Housing Associates, L.P.	Victory Trio Housing Association LLC	0.01%
Wong Center at the Railyard, L.P.	Wong Center Mutual Housing Association LLC	0.0051%

<sup>(2)</sup> Mutual Housing or an affiliated entity holds a limited-partner interest in the partnership.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Combination

Non-profit Corporations:

The combined financial statements include the accounts of Mutual Housing and other non-profit entities that are commonly controlled by Mutual Housing’s officers or board of directors. All material intercompany balances and transactions have been eliminated in the combined financial statements.

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

Limited Partnerships:

Partnerships that are controlled by the Corporation are included in the combined financial statements. This means that all of the partnerships' assets, liabilities, and partners' equity are included in the combined financial statements. The partners' equity of the partnerships are divided into two types: net assets without donor restrictions – controlling interests (that portion held by the Corporation) and net assets without donor restrictions – non-controlling interests (that portion held by third parties, typically limited partners). All material intercompany balances and transactions have been eliminated in the combined financial statements.

Eliminations:

Material intercompany balances and transactions between controlled entities are eliminated in the combined financial statements. Examples include: elimination of the profit portion of developer fee revenue on Mutual Housing's books against the developer fee cost which is capitalized in the building cost on a partnership's books; elimination of partnership management, property management and bookkeeping fees on Mutual Housing Management's books against the corresponding operating expenses on a partnership or property's books; elimination of receivables (includes notes receivable) from partnerships, properties, and projects on Mutual Housing's books against the corresponding payables (including notes payable) on the partnerships, properties, and projects' books; elimination of investment in partnerships and associated income or loss on the Other Entities books against the net assets and associated income or loss on the Affordable Housing or Predevelopment Pipeline entity's books. Due to the significant amount of work the Corporation performs between controlled entities, eliminations are very large. Financial statements for each of the Corporation's major business components, prior to eliminations, are available in the Supplementary Information.

Accounting Method

The Corporation uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The Corporation reports information regarding its combined financial position and activities according to two classes of net assets, as applicable: net assets without donor restrictions and net assets with donor restrictions.

- Net assets without donor restrictions include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Organization.
- Net assets with donor restrictions include those assets subject to donor restrictions and for which the applicable restrictions were not met as of the end of the current reporting period. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. When a donor restriction expires – that is, when a stipulated time restrictions ends or purpose restriction is accomplished – net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as *net assets released from restrictions*. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity.

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

Revenue Recognition

Contributions

Contributions are recognized as revenue when they are unconditionally communicated. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions are recorded at their fair value as support without donor restrictions or support with donor restrictions, depending on the absence or existence of donor-imposed restrictions as applicable. 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 combined statements of activities as net assets released from restrictions. If donors' restrictions are satisfied in the same period that the contribution is received, the contribution is reported as support without donor restrictions. Contributions restricted for the purchase of long-lived assets, are reported as without donor restriction when expended for that purpose.

Government grants, excluding fee-for-service or cost-reimbursement type contracts, are treated as contributions.

Revenue from Contracts with Customers

Rental Income:

Rental income is shown at its maximum gross potential. Vacancy loss and operating lease receivable deemed uncollectible are shown as a reduction in rental income. Rental units occupied by employees are included in rental income and as an expense of operations.

The Corporation's revenue is mainly derived from leases. Other income is ancillary to the lease process and is recognized as revenue at the point in time such income or fees are earned.

The Corporation accounts for the existing leases with residential tenants of the Project as operating leases.

Developer Fees – Multi-Family Rental Housing Projects:

Mutual Housing earns fees for development of properties and generally recognizes the fees as earned over the development period as follows: 30% of each anticipated total developer fee is recorded when the predevelopment phase ends and the construction period begins; and 65% is recorded throughout the construction period based on the percentage of completion from the general contractor's progress billing. The remaining 5% of the fee is recognized upon achievement of breakeven operations and obtaining the Internal Revenue Service Form 8609. Certain projects recognize developer fee with a specified fee at construction close and the remaining portion recognized at construction completion. Developer fees received in advance are recorded as deferred revenue.

Leases

The accounting standard on leases, required by accounting principles generally accepted in the United States of America, requires lessees to account for leases as either finance leases or operating leases and to recognize right-of-use (ROU) assets and corresponding lease liabilities on the balance sheet for all leases other than leases with terms of 12 months or less. For finance leases, lessees would recognize interest expense and amortization of the ROU asset, and for operating leases, lessees would recognize straight-line total rent expense. The accounting standard also requires additional disclosures about the amount, timing, and uncertainty of cash flows arising from leases.

The Corporation accounts for the existing office space lease as an operating lease.

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

Cash and Concentration of Credit Risk

Cash is defined as cash in demand deposit accounts as well as cash on hand. Certificates of deposit with initial maturity dates of three months or less are considered cash equivalents. Not included as cash are funds restricted as to their use, regardless of liquidity, such as construction cash, impound deposits, replacement reserves, operating reserves, rent subsidy reserves, working capital reserve, funds held by lender, other reserves, and tenant security deposits. Certain restricted deposits are held by mortgage lenders, trustees, and/or governmental agencies. The Corporation occasionally maintains cash on deposit at various banks in excess of the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) limits. The uninsured cash balance, including restricted accounts, but excluding deposits held by the lender, trustee, or governmental agencies as of December 31, 2023 was approximately \$9,340,000 and \$1,577,000 under FDIC and SIPC, respectively. The Corporation has not experienced any losses in such accounts.

Allowances for Uncollectible Accounts

Mutual Housing records an allowance for uncollectible pledges based on a review of outstanding receivables, historical collection information, and existing economic conditions.

Management reassesses collectability of rental income during the lease term and elects to record a general reserve for operating lease receivables when collection is doubtful based on a review of outstanding receivables, historical collection information, and existing economic conditions. The general reserve was \$469,354 and \$428,258 as of December 31, 2023 and 2022, respectively.

Investments

Under GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Corporation. Unobservable inputs, if any, reflects the Corporation’s assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access at measurement date. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on significant inputs that are observable, either directly or indirectly or quoted prices in markets that are not active, that is, markets in which there are few transactions, the prices are not current or price quotations vary substantially either over time or among market makers.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed.

Fair Value of Financial Instruments

It is not practicable for management to estimate the fair value of accounts and notes receivable and notes payable because of the nature of such instruments and because there is no readily available market information for financial instruments with similar terms.

Derivative Financial Instruments

Mutual Housing accounts for hedge transactions in accordance with accounting principles generally accepted in the United States of America for *Accounting for Derivative Instruments and Hedging Activities*, which require that derivative instruments (including certain derivative instruments embedded in other contracts) be recorded in the statements of financial position as either an asset or liability measured at their estimated fair value. The interest rate cap agreement entered into by Mutual Housing 5<sup>th</sup> Street qualified as a derivative instrument in accordance with accounting principles generally accepted in the United States of America. The derivative's fair value, which was estimated annually by management, represented the net present value of the stream of expected net interest receipts and payments over the life of the agreement. The gain or loss on the swap contract was recognized in earnings in the period of change and terminated in 2022.

Development in Progress

Project Cost Reimbursement and Development Expenses:

The Corporation incurs costs during the development phase of each affordable housing project undertaken. Such costs may include governmental fees, legal and consulting fees to investigate the feasibility and arrange for the financing of each project under consideration. The Corporation records these costs as assets (development in progress) and the costs are usually recoverable from the projects either from loan proceeds, limited partner contributions or residual receipts generated by project operations.

Any funds expended on a project that do not pass beyond the development stage are recorded as expenses when activity on the project ceases. Development expenses totaling \$(27,467) and \$35,501 were recognized as (recovered) unrealizable in 2023 and 2022, respectively.

Property and Equipment and Deferred Costs

Property and equipment are stated at cost of acquisition, construction, rehabilitation, or fair value if donated. The cost of maintenance and repairs is charged to expense as incurred. Costs incurred for assets that have, or extend, a useful life of more than one year and exceed \$1,500 per unit are capitalized. Depreciation is computed based on the straight-line method over the estimated useful lives of the assets.

Deferred costs were incurred in order to obtain tax credits for the Project. Deferred costs are stated at cost and amortized on a straight-line basis over the 10-year tax credit period. Organization costs are expensed as incurred.

Development in progress is not depreciated until the completion of construction or rehabilitation.

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

The useful lives of the assets are estimated as follows:

Buildings and improvements	5 to 40 years
Site improvements	5 to 20 years
Furniture, fixtures, and equipment	3 to 12 years
Tax credit fees	10 years

In accordance with GAAP, the Corporation reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property, including the low-income housing credits and/or any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in 2023 and 2022.

Permanent Financing Costs

Costs incurred in order to obtain permanent financing are stated at costs and amortized on a straight-line basis into interest expense over the term of the loan. Permanent loan costs are reported as a direct deduction from the face amount of the related debt.

Capitalized Interest

The Corporation capitalized interest incurred during development as a component of development in progress or building and improvement costs. The Corporation capitalized interest of \$3,012,809 and \$1,104,163 in 2023 and 2022, respectively.

Income Taxes

Mutual Housing, YMHA, and all other affiliated non-profit organizations, with the exception of Mutual Housing Management, are public benefit corporations and are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Mutual Housing Management is a public benefit corporation and exempt from federal and state income taxes under Section 501(c)(4) of the Internal Revenue Code and Section 23701(f) of the California Revenue and Taxation Code.

The income or loss from partnerships is reported by the partners on their income tax returns.

No income tax provision has been included in the combined financial statements for the single member LLCs which are generally considered disregarded entities. The income and loss of the LLCs is included in the tax returns of their respective sole members. Only the annual California limited liability company minimum tax and the annual fee appear as expense in the combined financial statements.

The Corporation may recognize the tax benefits from a tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities on the technical merits of the position. The Corporation filed various claims for qualified Employee Retention Credits (ERC) in 2022, a portion of which were examined by the Internal Revenue Service (IRS) in 2023 and disallowed. The Corporation has contacted the IRS to appeal the examination results. In accordance with generally accepted accounting principles, the Corporation has derecognized certain previously recorded tax benefits associated with claims examined and disallowed by the IRS, including amounts collected and outstanding. See Note 18. The Corporation believes that it has appropriate support for all other tax positions taken, and as such, does not have any other uncertain tax positions that are material to the combined financial statements. The federal and state income tax returns for the years 2019 through 2022 are subject to examination by regulatory agencies, generally for three years and four years after they were filed for federal and state, respectively.

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

Allocation of Partnership Income/Loss and Tax Credits

The affiliated partnerships are generally expected to generate low-income housing tax credits, which will be allocated in the same manner as the income or loss of the affiliated partnerships. Because the limited partners' losses are limited to their investments, the limited partners' capital will generally not be reduced below zero unless future capital contributions will be made in an amount sufficient to absorb the losses. All remaining losses are allocated to the general partners. Any subsequent income allocable to the limited partners is allocated to the general partners first until the general partners' share of that income offsets the losses not previously recognized by the limited partners.

Functional Expenses Allocation

The costs of providing program services and supporting services are summarized on a functional basis in the combined statements of activities and combined statements of functional expenses. Accordingly, certain costs are allocated among program services and supporting services based on estimates of employees' time incurred and on usage of resources.

Subsequent Events

Management has reviewed subsequent events through June 24, 2024, the date on which the combined financial statements were available to be issued.

Reclassification

Certain amounts previously reported in the 2022 financial statements were reclassified to conform to the 2023 presentation for comparative purposes.

**NOTE 3 – INVESTMENTS**

The following table presents information about the Corporation's investments measured at fair value on a recurring basis as of December 31, 2023 and 2022, and indicates the fair value hierarchy of the valuation techniques utilized by the Corporation to determine the fair values:

	2023				
	<i>Cost as of December 31, 2023</i>	<i>Quoted Prices in Active Markets for Identical Assets (Level 1)</i>	<i>Significant Other Observable Inputs (Level 2)</i>	<i>Significant Unobservable Inputs (Level 3)</i>	<i>Fair Value as of December 31, 2023</i>
Mutual Funds	\$ 2,264,738	\$ -	\$ 2,264,738	\$ -	\$ 2,264,738
Total	\$ 2,264,738	\$ -	\$ 2,264,738	\$ -	\$ 2,264,738

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2022				<i>Fair Value as of December 31, 2022</i>
	<i>Cost as of December 31, 2022</i>	<i>Quoted Prices in Active Markets for Identical Assets (Level 1)</i>	<i>Significant Other Observable Inputs (Level 2)</i>	<i>Significant Unobservable Inputs (Level 3)</i>	
Certificates of deposit, with initial maturity dates > 90 days	\$ 263,152	\$ -	\$ 263,914	\$ -	\$ 263,914
Mutual Funds	1,075,895	-	1,088,168	-	1,088,168
<b>Total</b>	<b>\$ 1,339,047</b>	<b>\$ -</b>	<b>\$ 1,352,082</b>	<b>\$ -</b>	<b>\$ 1,352,082</b>

The investments that pertain to the rent subsidy reserve for Highlands Mutual Housing Corporation, Inc. are included in restricted cash (see Note 6).

**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable are summarized as follows:

	2023	2022
Tenant and subsidy receivable – net (Note 2)	\$ 180,896	\$ 80,051
Property tax refund	-	65,129
Employee retention credit receivable (Note 18)	183,890	1,688,539
TCAC refundable deposit	117,691	37,431
SMUD incentive	-	94,500
STAND CEC grant	164,864	-
Donations	64,252	-
Other	53,719	168,711
<b>Total</b>	<b>\$ 765,312</b>	<b>\$ 2,134,361</b>

**NOTE 5 – PLEDGES RECEIVABLE**

Pledges receivable are summarized as follows:

	2023	2022
Gross pledges receivable – without donor restrictions	\$ 5,000	\$ 5,500
Less: allowance for uncollectible pledges	-	-
<b>Net pledges receivable</b>	<b>\$ 5,000</b>	<b>\$ 5,500</b>
Amounts expected to be received in less than one year	<b>\$ 5,000</b>	<b>\$ 5,500</b>

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

**NOTE 6 – RESTRICTED CASH**

Restricted cash is summarized as follows:

	2023	2022
Construction cash	\$ 580,588	\$ 1,083,164
Impound deposits	117,424	126,212
Replacement reserves	5,301,186	5,017,719
Operating reserves	3,616,673	3,267,138
Rent subsidy reserve	6,180,445	3,821,150
Tenant security deposits	796,701	781,020
Working capital reserve	221,474	384,209
Funds held by lender	-	9,415,670
Funds held by general partner	1,018,802	1,017,784
Other	483,796	458,055
	18,317,089	25,372,121
Total	18,317,089	25,372,121
Less: current portion	(698,012)	(1,209,376)
	\$ 17,619,077	\$ 24,162,745
Non-current portion	\$ 17,619,077	\$ 24,162,745

Construction Cash

Loan proceeds and other funding received for the development of projects are maintained in separate accounts and shall only be used for development costs.

Impound Deposits

Certain properties are required to make deposits to impound accounts to cover property taxes, insurance premiums, reserve deposits, and mortgage payments in accordance with lenders' regulatory agreements.

Replacement and Operating Reserves

Certain properties are required to maintain operating reserves as well as replacement and repair reserves for property and equipment in accordance with partnership and lenders' regulatory agreements.

Rent Subsidy Reserve

Highlands Mutual Housing Corporation, Inc. established a rent subsidy reserve from American Recovery and Reinvestment Act of 2009 (ARRA) grant proceeds for the purpose of subsidizing operating costs of the project.

Mutual Housing 5<sup>th</sup> Street, L.P. established a rent subsidy reserve in 2023 in accordance with the partnership agreement and regulatory agreement. The reserve is to be funded in the amount of \$2,000,000 using proceeds from capital contributions.

The rent subsidy reserve is designed to support various tenant populations and unit designations in accordance with the projects' operating projections.

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

Fair value of investments (rent subsidy reserve) are summarized as follows:

	2023	2022
Cash and cash equivalents	\$ 90,269	\$ 220,931
Fixed income securities – bonds	2,540,071	2,387,517
Mutual funds	3,550,105	1,212,702
	\$ 6,180,445	\$ 3,821,150

Net unrealized gain (losses) on investments totaled \$349,106 and \$(302,769) in 2023 and 2022, respectively.

The following table presents information about the investments (rent subsidy reserve) measured at fair value on a recurring basis as of December 31, 2023 and 2022, and indicates the fair value hierarchy of the valuation techniques utilized by the Corporation to determine the fair values:

	2023		
	<i>Quoted Prices in Active Markets for Identical Assets (Level 1)</i>	<i>Significant Other Observable Inputs (Level 2)</i>	<i>Balance as of December 31, 2023</i>
Cash and cash equivalents	\$ 90,269	\$ -	\$ 90,269
Fixed income securities – bonds	-	2,540,071	2,540,071
Mutual funds	3,550,105	-	3,550,105
Total	\$ 3,640,374	\$ 2,540,071	\$ 6,180,445
	2022		
	<i>Quoted Prices in Active Markets for Identical Assets (Level 1)</i>	<i>Significant Other Observable Inputs (Level 2)</i>	<i>Balance as of December 31, 2022</i>
Cash and cash equivalents	\$ 220,931	\$ -	\$ 220,931
Fixed income securities – bonds	-	2,387,517	2,387,517
Mutual funds	1,212,702	-	1,212,702
Total	\$ 1,433,633	\$ 2,387,517	\$ 3,821,150

Tenant Security Deposits

Properties are required to hold security deposits in separate bank accounts in the names of the partnerships.

Working Capital Reserve

The investor limited partner of an affiliated partnership pre-funded capital contributions to pay or reimburse costs of construction, as allowed by the partnership agreement. Withdrawals require consent of the special limited partner.

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

Funds Held by Lender

Proceeds from the sale of projects are held by lender and were released to the affiliated partnership to fund capital contributions and construction costs.

Other Restricted Deposits

Based on various loan and limited partnership agreements, certain properties are required to establish various reserves for the stated purpose of funding unexpected expenses, debt service, limited partner exit taxes, capital improvements, and maintenance.

**NOTE 7 – PROPERTY AND EQUIPMENT AND DEVELOPMENT IN PROGRESS**

Property and equipment is summarized as follows:

	2023	2022
Land and offsite improvements	\$ 12,136,819	\$ 12,002,121
Buildings and improvements	248,280,446	198,651,465
Site improvements	18,281,096	16,355,342
Green/solar improvements	175,000	175,000
Furniture, fixtures, and equipment	5,026,125	4,885,499
	283,899,486	232,069,427
Less: accumulated depreciation	(70,059,428)	(63,117,142)
Net property and equipment	\$ 213,840,058	\$ 168,952,285

Development in progress is summarized as follows:

	2023	2022
Stockton Boulevard Housing Associates, L.P.	\$ -	\$ 25,653,468
Lavender Housing Associates, L.P.	-	1,077
Wong Center at the Railyard, L.P.	37,960,785	14,728,685
Mutual Housing site-search costs	1,091,721	670,768
Cornerstone (North and South)	40,672,885	19,228,582
Victory Trio Mutual Housing Associates, L.P.	41,306	-
San Juan Mutual Housing Associates, L.P.	1,879,996	-
805 R Mutual Housing Associates, L.P.	189,593	-
	\$ 81,836,286	\$ 60,282,580
Total development in progress	\$ 81,836,286	\$ 60,282,580

**NOTE 8 – DERIVATIVE FINANCIAL INSTRUMENT**

On October 15, 2020, Mutual Housing entered into an interest rate cap agreement with SMBC Capital Markets, Inc. to potentially minimize the effect of changes in the variable interest rates on the construction loan on Mutual Housing 5<sup>th</sup> Street, L.P. (see Note 10). The interest rate cap agreement expired on October 1, 2022.

SMBC Capital Markets, Inc. estimated the fair value of the interest rate cap contract, discounting an estimate of the amounts of interest to be paid and an estimate of the amounts of interest to be received, during the agreement period. The interest received from the derivative, which is presented net of interest expense was \$76,741 for the year ended December 31, 2022.

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

The interest swap transaction related details are as follows:

	2023	2022
Initial notional amount	\$ -	\$ 543,737
Outstanding notional amount	-	-
Fixed interest rate	-	0.50%

**NOTE 9 – DEFERRED COSTS**

Deferred costs are summarized as follows:

	2023	2022
Tax credit fees/market studies	\$ 616,100	\$ 804,897
Less: accumulated amortization	(351,301)	(534,383)
Total	\$ 264,799	\$ 270,514

**NOTE 10 – NOTES PAYABLE**

Notes payable are summarized as follows:

	2023		2022	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
<b><u>Mutual Housing Predevelopment Facilities</u></b>				
Wells Fargo Patient Capital Loan, in the original amount of \$300,000, non-recourse, unsecured and subordinated to other creditors of borrower, bears 2.00% simple interest per annum, which is payable quarterly. Unpaid principal and accrued interest are due and payable in full on January 31, 2028. From April 1, 2026 to the maturity date, the Corporation will be required to make quarterly principal payments in the amount of \$37,500. Interest expense was \$6,000 and \$4,500 in 2023 and 2022, respectively.	\$ 1,500	\$ 300,000	\$ 1,500	\$ 300,000
First Citizen Bank, unsecured, in the original amount of \$175,000, which increased to \$500,000, further increased to \$2,000,000 in 2023, bears variable interest of prime less 0.75%, floor rate at 4.75%, which is payable monthly. Unpaid principal and accrued interest due in August 2024. Interest expense was \$31,125 and \$6,041 in 2023 and 2022, respectively.	-	500,000	1,233	500,000

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023		2022	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
NeighborWorks Capital, unsecured, with maximum amount of \$2,000,000, unsecured, bears 6.00% simple interest per annum, payable monthly. Unpaid principal and accrued interest is due in July 2026. Interest expense was \$3,000 in 2023.	3,000	1,000,000	-	-
CIT Bank, Equity Equivalent Investment, with maximum amount of \$1,500,000, bears 2.95% simple interest per annum, payable quarterly. Unpaid principal and accrued interest is due in May 2028. Interest expense was \$33,174 in 2023.	11,063	1,500,000	-	-
Sub-total Mutual Housing corporate notes	15,563	3,300,000	2,733	800,000
<b><u>Affiliates</u></b>				
Acquisition and construction loans, with variable interest rates, generally with interest only payments due monthly, to be repaid in full or partially converted to permanent loans through 2024, recourse, secured by the properties. Capitalized interest was \$2,362,407 and \$452,605 in 2023 and 2022, respectively. Interest expense was \$800,539 and \$883,520 in 2023 and 2022, respectively. <sup>(2)</sup>	670,294	75,178,671	262,154	53,622,016
Permanent loans, bearing interest from 1.00% to 6.45%, generally with principal and interest due monthly, to be repaid in full through 2075, nonrecourse, secured by the properties. Capitalized interest was \$128,823 and \$192,713 in 2023 and 2022, respectively. Interest expense was \$881,666 and \$902,391 in 2023 and 2022, respectively.	391,562	34,000,946	268,597	34,639,962
State loans, bearing interest from 0.00% to 3.00%, generally with principal and interest deferred or payable annually from surplus cash in arrears, to be repaid in full through 2078, nonrecourse, secured by the properties. Interest expense was \$297,733 and \$239,954 in 2023 and 2022, respectively.	3,252,984	38,366,892	2,990,491	17,710,930

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023		2022	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
City loans, bearing interest from 0.00% to 3.37%, generally with principal and interest deferred or payable annually from surplus cash in arrears, to be repaid in full through 2079, nonrecourse, secured by the properties. Capitalized interest was \$48,101 and \$59,456 in 2023 and 2022, respectively. Interest expense was \$844,610 and \$809,899 in 2023 and 2022, respectively.	9,343,637	35,438,195	8,477,051	35,193,951
Sacramento Housing and Redevelopment Agency (SHRA) loans, bearing interest from 0.00% to 4.00%, generally with principal and interest deferred or payable annually from surplus cash in arrears, to be repaid in full through 2079, nonrecourse, secured by the properties. Capitalized interest was \$259,858 and \$125,432 in 2023 and 2022, respectively. Interest expense was \$245,386 and \$242,377 in 2023 and 2022, respectively.	2,915,681	33,291,056	2,494,852	32,607,859
Affordable Housing Program (AHP) and United States Department of Agriculture (USDA) loans, bearing interest from 0.00% to 1.00%, to be repaid in full through 2077, nonrecourse, secured by the properties. In certain cases, the loans may be forgiven at maturity. Interest expense was \$26,768 and \$27,564 in 2023 and 2022, respectively.	-	4,453,404	2,267	4,540,037
Enterprise Community Asset Management, Inc. Equity Advance loan, bearing interest at 6.00% to be repaid in full in April 2024. Capitalized interest was \$213,620 and \$273,957 in 2023 and 2022, respectively. Interest expense was \$19,827 in 2023. See Note 18.	507,404	3,833,281	273,957	3,833,281
Sub-total affiliate notes	17,081,562	224,562,445	14,769,369	182,148,036
Total	17,097,125	227,862,445	14,772,102	182,948,036
Less:				
Unamortized permanent loan costs <sup>(1)</sup>	-	(1,512,731)	-	(1,165,230)
Current portion	(632,813)	(5,162,244)	(605,172)	(5,054,770)
Long-term portion	\$ 16,464,312	\$ 221,187,470	\$ 14,166,930	\$ 176,728,036

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

- (1) Costs incurred in order to obtain permanent financing were \$2,897,944 and \$2,146,035 in 2023 and 2022, respectively, and are amortized on a straight-line basis into interest expense over the term of the loan. Interest expense for amortization of permanent loan costs was \$404,408 and \$258,948 in 2023 and 2022, respectively.
- (2) The current portion of certain construction loans have been excluded from current liabilities since the loans will be extended, converted to permanent loans and/or repaid with capital contributions from limited partners. In addition, principal payments of certain construction loans for the next five years cannot be reasonably estimated due to these circumstances.
- (3) During 2023, MHC obtained unsecured lines of credit from EPF Growth Fund, LLC and Umpqua Bank in the amounts of \$1,500,000 and \$2,000,000, respectively. The facility with EPF Growth Fund, LLC bears 5% simple interest due quarterly, and principal is payable at maturity of October 24, 2028. The facility with Umpqua Bank bears interest at the Bank's Prime Rate less .75%, with a floor of 6.5%, due quarterly, and principal is payable at maturity of February 3, 2024. No amounts were drawn on these facilities during 2023.

Principal payments on notes payable for the next five years are subject to changes in net cash flow and are estimated as follows:

	2024	2025	2026	2027	2028	<i>Thereafter</i>	<i>Total</i>
Mutual Housing Acquisition and construction	\$ 500,000	\$ -	\$ 1,112,500	\$ 150,000	\$ 1,537,500	\$ -	\$ 3,300,000
Permanent	-	-	-	-	-	75,178,671	75,178,671
State	659,656	689,234	717,350	745,360	1,615,206	29,574,140	34,000,946
City	72,069	-	-	-	-	38,294,823	38,366,892
SHRA	8,441	2,793	4,309	4,453	4,597	35,413,602	35,438,195
AHP / USDA	14,756	13,556	16,884	17,394	17,920	33,210,546	33,291,056
Enterprise	74,041	81,550	82,369	84,024	84,868	4,046,552	4,453,404
	<u>3,833,281</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,833,281</u>
	<u>\$ 5,162,244</u>	<u>\$ 787,133</u>	<u>\$ 1,933,412</u>	<u>\$ 1,001,231</u>	<u>\$ 3,260,091</u>	<u>\$ 215,718,334</u>	<u>\$ 227,862,445</u>

**NOTE 11 – LINES OF CREDIT**

The Corporation entered into various predevelopment lines of credit. Terms of the lines of credit, outstanding balances and interest accrued are summarized in Note 10. All of the lines of credit are subject to certain loan covenants and reporting requirements.

**NOTE 12 – OPERATING LEASES**

In February 2019, MHC entered into a lease agreement for office space with an effective commencement date of August 2019 and which expires in February 2027. The lease requires monthly rental payments with a base rent of \$14,025, commencing in April 2020, after the free rent period, and increases on an annual basis.

The ROU asset and lease liability were calculated utilizing a rate of 1.63%, based on the risk-free interest rate based on the daily treasury rate published by the U.S. Department of the Treasury. Rental expense was \$229,994 and \$230,497 in 2023 and 2022, respectively.

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

The line items in the statement of financial position which include amounts for the operating lease as of December 31, 2023 are summarized as follows:

	2023	2022
Right-of-use asset – operating lease	\$ 722,527	\$ 957,985
Total operating lease liability	817,234	1,052,692
Less: current portion	(246,233)	(235,458)
Long-term portion	\$ 571,001	\$ 817,234

Minimum lease payments for the next five years are as follows:

	<i>Year Ending December 31,</i>
2024	\$ 255,391
2025	262,217
2026	269,042
2027	45,504

**NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following:

	<i>December 31,</i> <i>2022</i>	<i>Contributions</i>	<i>Releases</i>	<i>December 31,</i> <i>2023</i>
ARRA recoverable grant <sup>(1)</sup>	\$ 3,305,928	\$ -	\$ (892,502)	\$ 2,413,426
Total	\$ 3,305,928	\$ -	\$ (892,502)	\$ 2,413,426

	<i>December 31,</i> <i>2021</i>	<i>Contributions</i>	<i>Releases</i>	<i>December 31,</i> <i>2022</i>
ARRA recoverable grant <sup>(1)</sup>	\$ 4,198,430	\$ -	\$ (892,502)	\$ 3,305,928
Total	\$ 4,198,430	\$ -	\$ (892,502)	\$ 3,305,928

<sup>(1)</sup> ARRA Recoverable Grant – The federal recoverable grant was awarded to Mutual Housing at the Highlands, a qualifying multi-family property. This recoverable grant shall be repayable if the property does not remain available for very low-income housing through a specific term or the recoverable grant will become due and payable by reason of default under the recoverable grant agreement. In the event of noncompliance as described in the recoverable grant agreement, the recoverable grant will be payable on demand; otherwise, it will not need to be repaid. Since the property is expected to comply with the recoverable grant provisions, the recoverable grant will be released over 15 years from net with donor restrictions to net assets without donor restrictions.

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

**NOTE 14 – NEIGHBORWORKS AMERICA GRANTS**

Mutual Housing received the following grants during the years ended December 31, 2023 and 2022:

Support without Donor Restrictions:

NeighborWorks America (NWA) provided \$404,750 and \$381,844 of expendable and capital grants during 2023 and 2022, respectively to support program activities.

**NOTE 15 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is without donor or other restriction limiting their use, within one year of the combined statements of financial position comprise the following:

<i>Financial Assets</i>	2023	2022
<i>Financial assets at the end of the year:</i>		
Cash	\$ 2,950,343	\$ 3,225,650
Investments	2,264,738	1,352,082
Accounts receivable	765,312	2,134,361
Pledges receivable	5,000	5,500
Restricted cash – current portion	698,012	1,209,376
Restricted cash – noncurrent portion	17,619,077	24,162,745
Total	24,302,482	32,089,714
<i>Less: financial assets not available for general expenditure:</i>		
Cash restricted for reserves, security deposits, loans to affordable housing properties, construction, and contributions	(20,581,827)	(26,724,203)
Financial assets available for general expenditure within one year	\$ 3,720,655	\$ 5,365,511

Cash restricted by donors or restricted for use is excluded from cash available for general expenditure. The Corporation manages liquidity needed for operations primarily through budgeted monthly cash inflows and outflows. Cash inflows can be easily predicted since they are comprised mostly of revenue from related entities, grants, donations, and rent and subsidy receipts. Cash outflows are planned accordingly so as not to exceed those expected inflows. A minimal amount of excess cash is on hand in the event of unexpected outflows. In addition, the Corporation maintains funds in reserve accounts that may be accessed only with approval of investors and lenders as follows:

	2023	2022
Replacement reserves	\$ 5,301,186	\$ 5,017,719
Operating reserves	3,616,673	3,267,138
Rent subsidy reserve	6,180,445	3,821,150
Tenant security deposits	796,701	781,020
Other	483,796	9,873,725
Total	\$ 16,378,801	\$ 22,760,752

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

Mutual Housing invests financial assets in checking, savings, money market, fixed income securities and mutual funds. The Corporation has a goal to maintain financial assets on hand to meet 30-365 days of normal operating expenses. The Corporation invests operating cash, operating reserves, replacement reserves in checking, saving, money market accounts, mutual funds and fixed income securities. In the event of an unanticipated liquidity event, the Corporation can draw on the unsecured line of credit of \$2,000,000 for Mutual Housing California or access reserves with investor and lender approval for the related entities. In addition, Mutual Housing has \$7,300,000 of credit to invest in predevelopment projects.

**NOTE 16 – RETIREMENT PLAN**

The Corporation participates in a 401K defined contribution plan (the Plan) established by Mutual Housing. Employees with at least six months of service are eligible to contribute to the Plan. Mutual Housing matches contributions up to 6% of compensation of employees who elect to participate in the Plan. All contributions are fully vested when made. The Corporation accrued contributions of \$-0- for the years ended December 31, 2023 and 2022, respectively. Total contributions to the plan were \$266,746 and \$262,619 in 2023 and 2022, respectively.

**NOTE 17 – COMMITMENTS AND CONTINGENCIES**

Guarantees

Mutual Housing and affiliates issue a variety of guarantees in the course of developing properties. The guarantees are generally issued in favor of limited partner investors or lenders. Quantifiable guarantees as of December 31, 2023 consist of the following:

	2023	2022
Operating deficits	\$ 1,875,000	\$ 1,062,000
Construction loan repayment and completion	70,928,000	49,369,000
Tax benefits	55,514,000	31,972,000
Total	\$ 128,317,000	\$ 82,403,000

Operating Deficit Guarantees - Inter-entity

Operating deficit guarantees are commitments to fund future operating deficits of affiliated partnerships. The guarantees are issued in favor of tax credit limited partnerships, and generally are for the fifteen-year period when the investor is expected to hold its limited partner interest, or for shorter periods (for example, until certain debt ratios are achieved). A payment under such a guarantee would result in the transfer of cash resources from the guarantor to a consolidated affiliate, resulting in an obligation to repay the advance, usually from future operating cash flow. To date, Mutual Housing and affiliates have not experienced any calls on these guarantees.

Construction Loan Repayment and Completion Guarantees

Mutual Housing and affiliates provide repayment guarantees to construction loan lenders for amounts borrowed to develop properties. Mutual Housing and affiliates also generally provide unlimited construction completion guarantees to fund the development and lease-up of a project, should the project not receive expected permanent financing, or should the cost of the development exceed permanent financing received. A payment under such a guarantee would result in the transfer of cash resources from the guarantor to a consolidated affiliate that is obligated to complete a development, resulting in an obligation to repay the advance, usually from future operating cash flow. To date, Mutual Housing and affiliates have not experienced non-completion of a project, nor have they been called on for any loan repayment guarantees.

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

Tax Benefit Guarantees

As the sponsor or the developer of certain properties financed in part by federal and/or state tax credit allocations, Mutual Housing has made certain guarantees to investors as to the tax credits and other benefits to be derived from the properties. These guarantees generally cover the tax compliance period of fifteen years after initial lease-up. A payment under such a guarantee could result in a cash distribution from an affiliate's operating cash flow to the investor limited partner. In the opinion of management, compliance with tax regulations and careful monitoring of the properties should preclude these contingent liabilities from materializing. To date, Mutual Housing and affiliates have not experienced any calls on these guarantees.

Equity Contribution Guarantees

Mutual Housing and affiliates are the general partners, co-general partners, members, or co-managing members of various limited partnerships or limited liability companies as disclosed in Note 1. Mutual Housing and affiliates executed various performance guarantees in connection with those limited partnerships or limited liability companies. Mutual Housing is generally obligated to fund various affiliated organizations with capital contributions in the event such guarantees are called upon. A payment under such a guarantee would result in the transfer of cash resources from the guarantor to a consolidated affiliate. To date, Mutual Housing and affiliates have not experienced any calls on these guarantees and consider the occurrence of such events remote.

No liability has been recorded in connection with the operating deficit, construction loan repayment and completion, tax benefit, or equity contribution guarantees since these are guarantees to entities under common control.

Grants and Loans

In connection with various federal, state and city grants and loan programs, Mutual Housing and affiliates are obligated to operate in accordance with those grant and loan requirements and are subject to audit by those agencies. In cases of noncompliance, the agencies involved may require that Mutual Housing and affiliates refund payment of program funds. The amount, if any, of expenses which may be disallowed by the agencies cannot be determined at this time, although Mutual Housing and affiliates expect such amounts, if any, to be immaterial.

Legal Proceedings

In the normal course of business, the Organization is a party to claims and legal proceedings relating to evictions, tenant complaints and compliance. Management has evaluated these claims and has determined that any losses would be immaterial to the combined financial statements.

**NOTE 18 – EMPLOYEE RETENTION CREDITS AND UNCERTAIN TAX POSITIONS**

During the year ended December 31, 2022, MHC and MHM each filed various claims for Employee Retention Credits in accordance with the criteria established by the IRS at the time. Management believed it met the criteria, specifically as it pertains to reported declines in revenue or facts and circumstances, as appropriate, and their position was more-likely-than-not to be sustained upon examination.

In December 2023, the IRS examined MHM's ERC claims for refund and related Forms 941-X for the periods covering Q1 and Q3 2021. The IRS examination resulted in the disallowance of all claims examined, purportedly in accordance with program criteria and guidance issued by the IRS in effect at date of examination. The Corporation disagrees with the results of the IRS' determination letter and has engaged legal counsel to appeal the results. In January 2024, a formal response was submitted to the IRS appealing their determination and disallowance of specified claims. There has been no reply from the IRS as of the report date.

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

The below table represents ERC claims filed by each component entity and the amounts subject to derecognition. Accordingly, the Corporation has derecognized a previously recorded tax benefit in the amount of \$1,259,227 resulting from the IRS' examination and disallowance of MHM tax benefits. The derecognition includes benefits associated with MHM, and certain MHC claims as the latter's tax position mirrored MHM's for specified quarters filed under a facts and circumstances tax position. MHC is not currently under audit by the IRS for its ERC claims. The Corporation considered the impact of related underpayment penalties and accrued interest and determined they are immaterial to the combined financial statements. Accordingly, no provision is recorded for such amounts.

	MHM	MHC	Total
Claims filed, including awarded interest, in 2022	\$ 1,026,805	\$ 890,879	\$ 1,917,684
Amounts derecognized in 2023	1,026,805	232,422	1,259,227

The Corporation believes its tax position with respect to certain other MHC ERC claims remain more-likely-than-not to be sustained upon examination and, therefore, are excluded from derecognition. The aggregate receivable for those claims is \$183,890 as of December 31, 2023, which is included with accounts receivable in the statement of financial position.

The unrecognized tax benefit liability for ERC claims paid, including awarded interest income, to MHM and MHC through December 31, 2023 is \$736,556.

The Corporation will review its tax position at each reporting date. The liability for the unrecognized tax benefit generally would be written off, or derecognized, only when:

- New information, such as additional authoritative support, causes the Corporation to change its assessment of the likelihood the position would be sustained to more-likely-than-not.
- The Corporation loses on appeal and pays the assessed tax.
- The taxing authority settles the disputed matter and accepts the position.
- The statute of limitations for the taxing authority to examine the position expires.

**SUPPLEMENTARY INFORMATION**

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
COMBINING SCHEDULES OF FINANCIAL POSITION  
DECEMBER 31, 2023 AND 2022

		2023						
		<i>Predevelopment</i>						
		<i>Mutual Housing</i>	<i>Pipeline / Under</i>	<i>Affordable Housing</i>	<i>Other Entities</i>	<i>Total</i>	<i>Eliminations</i>	<i>Combined</i>
ASSETS		<i>California</i>	<i>Construction</i>					
<b>Current assets:</b>								
Cash	\$	1,340,196	-	\$ 1,592,781	\$ 17,366	\$ 2,950,343	-	\$ 2,950,343
Investments		2,264,738	-	-	-	2,264,738	-	2,264,738
Accounts receivable – net		11,472,363	95,060	417,047	1,209,923	13,194,393	(12,429,081)	765,312
Pledges receivable – net		5,000	-	-	-	5,000	-	5,000
Prepaid expenses and other deposits		151,512	6,723	437,637	61,401	657,273	-	657,273
Restricted cash – current portion		-	525,495	172,517	-	698,012	-	698,012
Total current assets		<u>15,233,809</u>	<u>627,278</u>	<u>2,619,982</u>	<u>1,288,690</u>	<u>19,769,759</u>	<u>(12,429,081)</u>	<u>7,340,678</u>
<b>Non-current assets:</b>								
Restricted cash – net of current portion		1,018,802	288,552	16,311,723	-	17,619,077	-	17,619,077
Investments in partnerships and LLCs		(6,190,486)	-	-	(13,008,862)	(19,199,348)	19,199,348	-
Notes and interest receivable		20,405,598	-	-	7,087,510	27,493,108	(27,493,108)	-
Less: allowance for notes and interest receivable		(8,894,367)	-	-	(4,511,292)	(13,405,659)	13,405,659	-
Property and equipment – net		87,463	151,100	228,215,671	-	228,454,234	(14,614,176)	213,840,058
Development in progress		1,091,721	83,505,799	41,306	-	84,638,826	(2,802,540)	81,836,286
Deferred costs – net		-	-	264,799	-	264,799	-	264,799
Right-of-use asset – operating lease		722,527	-	-	-	722,527	-	722,527
Total non-current assets		<u>8,241,258</u>	<u>83,945,451</u>	<u>244,833,499</u>	<u>(10,432,644)</u>	<u>326,587,564</u>	<u>(12,304,817)</u>	<u>314,282,747</u>
Total assets	\$	<u>\$ 23,475,067</u>	<u>\$ 84,572,729</u>	<u>\$ 247,453,481</u>	<u>\$ (9,143,954)</u>	<u>\$ 346,357,323</u>	<u>\$ (24,733,898)</u>	<u>\$ 321,623,425</u>
<b>LIABILITIES AND NET ASSETS</b>								
<b>Current liabilities:</b>								
Accounts payable and accrued expenses	\$	520,925	\$ 3,539,144	\$ 2,505,265	\$ 1,046,420	\$ 7,611,754	\$ (2,487,245)	\$ 5,124,509
Accounts payable – construction		-	12,091,657	11,322,730	-	23,414,387	(10,004,735)	13,409,652
Deferred revenue – current portion		-	560	111,476	-	112,036	-	112,036
Interest payable – current portion		15,563	-	617,250	-	632,813	-	632,813
Notes payable – current portion		500,000	-	4,662,244	-	5,162,244	-	5,162,244
Operating lease payable – current portion		246,233	-	-	-	246,233	-	246,233
Total current liabilities		<u>1,282,721</u>	<u>15,631,361</u>	<u>19,218,965</u>	<u>1,046,420</u>	<u>37,179,467</u>	<u>(12,491,980)</u>	<u>24,687,487</u>
<b>Non-current liabilities:</b>								
Security and other deposits		-	-	830,685	-	830,685	-	830,685
Working capital reserve deposit liability		-	-	221,474	-	221,474	-	221,474
Other deposit liability		1,017,636	-	-	-	1,017,636	-	1,017,636
Unrecognized tax benefit		232,422	-	-	504,134	736,556	-	736,556
Deferred revenue – net of current portion		482,881	-	1,228,140	-	1,711,021	-	1,711,021
Interest payable – net of current portion		-	1,339,506	20,211,220	-	21,550,726	(5,086,414)	16,464,312
Notes payables – net of current portion		2,879,222	63,053,426	175,272,755	2,325,862	243,531,265	(22,343,795)	221,187,470
Operating lease payable – net of current portion		571,001	-	-	-	571,001	-	571,001
Total non-current liabilities		<u>5,183,162</u>	<u>64,392,932</u>	<u>197,764,274</u>	<u>2,829,996</u>	<u>270,170,364</u>	<u>(27,430,209)</u>	<u>242,740,155</u>
Total liabilities		<u>6,465,883</u>	<u>80,024,293</u>	<u>216,983,239</u>	<u>3,876,416</u>	<u>307,349,831</u>	<u>(39,922,189)</u>	<u>267,427,642</u>
<b>Net assets:</b>								
<b>Without donor restrictions:</b>								
Controlling interests (deficit)		17,009,184	930,259	(11,026,989)	(13,020,370)	(6,107,916)	15,188,291	9,080,375
Non-controlling interests		-	3,618,177	39,083,805	-	42,701,982	-	42,701,982
Total net assets without donor restrictions		<u>17,009,184</u>	<u>4,548,436</u>	<u>28,056,816</u>	<u>(13,020,370)</u>	<u>36,594,066</u>	<u>15,188,291</u>	<u>51,782,357</u>
<b>With donor restrictions</b>								
Total net assets		17,009,184	4,548,436	30,470,242	(13,020,370)	39,007,492	15,188,291	54,195,783
Total liabilities and net assets	\$	<u>\$ 23,475,067</u>	<u>\$ 84,572,729</u>	<u>\$ 247,453,481</u>	<u>\$ (9,143,954)</u>	<u>\$ 346,357,323</u>	<u>\$ (24,733,898)</u>	<u>\$ 321,623,425</u>

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
COMBINING SCHEDULES OF FINANCIAL POSITION  
DECEMBER 31, 2023 AND 2022

		2022						
		<i>Predevelopment</i>						
		<i>Mutual Housing</i>	<i>Pipeline / Under</i>	<i>Affordable Housing</i>	<i>Other Entities</i>	<i>Total</i>	<i>Eliminations</i>	<i>Combined</i>
		<i>California</i>	<i>Construction</i>					
<b>ASSETS</b>								
Current assets:								
Cash	\$	925,984	-	2,069,002	230,664	3,225,650	-	3,225,650
Investments		1,352,082	-	-	-	1,352,082	-	1,352,082
Accounts receivable – net		8,866,098	98,980	518,696	1,811,879	11,295,653	(9,161,292)	2,134,361
Pledges receivable – net		5,500	-	-	-	5,500	-	5,500
Prepaid expenses and other deposits		102,330	4,350	415,692	64,441	586,813	-	586,813
Restricted cash – current portion		-	668,012	541,364	-	1,209,376	-	1,209,376
Total current assets		11,251,994	771,342	3,544,754	2,106,984	17,675,074	(9,161,292)	8,513,782
Non-current assets:								
Restricted cash – net of current portion		1,017,784	9,703,477	13,441,484	-	24,162,745	-	24,162,745
Investments in partnerships and LLCs		(6,210,651)	-	-	(11,736,910)	(17,947,561)	17,947,561	-
Notes and interest receivable		17,874,348	-	-	6,977,388	24,851,736	(24,851,736)	-
Less: allowance for notes and interest receivable		(8,559,951)	-	-	(4,373,005)	(12,932,956)	12,932,956	-
Property and equipment – net		104,603	497,093	178,245,589	-	178,847,285	(9,895,000)	168,952,285
Development in progress		670,768	64,056,987	1,077	-	64,728,832	(4,446,252)	60,282,580
Deferred costs – net		-	-	270,514	-	270,514	-	270,514
Right-of-use asset – operating lease		957,985	-	-	-	957,985	-	957,985
Total non-current assets		5,854,886	74,257,557	191,958,664	(9,132,527)	262,938,580	(8,312,471)	254,626,109
Total assets	\$	17,106,880	75,028,899	195,503,418	(7,025,543)	280,613,654	(17,473,763)	263,139,891
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable and accrued expenses	\$	540,701	8,690,621	2,178,977	980,988	12,391,287	(2,145,439)	10,245,848
Accounts payable – construction		-	6,749,909	4,639,226	-	11,389,135	(7,015,853)	4,373,282
Deferred revenue – current portion		-	-	64,336	2,660	66,996	-	66,996
Interest payable – current portion		2,733	273,957	328,482	-	605,172	-	605,172
Notes payable – current portion		500,000	3,833,281	721,489	-	5,054,770	-	5,054,770
Operating lease payable – current portion		235,458	-	-	-	235,458	-	235,458
Total current liabilities		1,278,892	19,547,768	7,932,510	983,648	29,742,818	(9,161,292)	20,581,526
Non-current liabilities:								
Security and other deposits		-	-	770,838	-	770,838	-	770,838
Working capital reserve deposit liability		-	-	384,209	-	384,209	-	384,209
Other deposit liability		1,017,636	-	-	-	1,017,636	-	1,017,636
Deferred revenue – net of current portion		340,582	-	1,261,334	-	1,601,916	-	1,601,916
Interest payable – net of current portion		-	519,278	18,113,724	-	18,633,002	(4,466,072)	14,166,930
Notes payables – net of current portion (restated)		448,375	48,205,831	146,133,632	2,325,862	197,113,700	(20,385,664)	176,728,036
Operating lease payable – net of current portion		817,234	-	-	-	817,234	-	817,234
Total non-current liabilities		2,623,827	48,725,109	166,663,737	2,325,862	220,338,535	(24,851,736)	195,486,799
Total liabilities		3,902,719	68,272,877	174,596,247	3,309,510	250,081,353	(34,013,028)	216,068,325
Net assets:								
Without donor restrictions:								
Controlling interests (deficit)		13,204,161	3,122,926	(12,312,262)	(10,335,053)	(6,320,228)	16,539,265	10,219,037
Non-controlling interests		-	3,633,096	29,913,505	-	33,546,601	-	33,546,601
Total net assets without donor restrictions		13,204,161	6,756,022	17,601,243	(10,335,053)	27,226,373	16,539,265	43,765,638
With donor restrictions								
Total net assets		-	-	3,305,928	-	3,305,928	-	3,305,928
Total liabilities and net assets	\$	17,106,880	75,028,899	195,503,418	(7,025,543)	280,613,654	(17,473,763)	263,139,891

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
COMBINING SCHEDULES OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023						
	<i>Mutual Housing California</i>	<i>Predevelopment Pipeline / Under Construction <sup>(1)</sup></i>	<i>Affordable Housing <sup>(2)</sup></i>	<i>Other Entities <sup>(3)</sup></i>	<i>Total</i>	<i>Eliminations</i>	<i>Combined</i>
Operating support and revenue:							
Grants and contracts	\$ 1,680,357	\$ -	\$ 33,193	\$ -	\$ 1,713,550	\$ -	\$ 1,713,550
NeighborWorks America grants	404,080	-	-	670	404,750	-	404,750
Contributions	514,414	-	-	301,820	816,234	(816,234)	-
Developer fees	5,378,606	-	-	-	5,378,606	(3,334,315)	2,044,291
Management fees	417,523	-	-	1,856,723	2,274,246	(2,274,246)	-
Organizing fees	810,341	-	-	-	810,341	(810,341)	-
Gross potential rent	-	-	15,972,031	-	15,972,031	-	15,972,031
Less: vacancies and concessions	-	-	(659,814)	-	(659,814)	-	(659,814)
Interest and investment income	702,378	-	390,229	143,844	1,236,451	(767,506)	468,945
Bad debt recovery	54,665	-	-	-	54,665	(54,665)	-
Other	53,499	-	465,897	42,135	561,531	-	561,531
<b>Total operating support and revenue</b>	<b>10,015,863</b>	<b>-</b>	<b>16,201,536</b>	<b>2,345,192</b>	<b>28,562,591</b>	<b>(8,057,307)</b>	<b>20,505,284</b>
Operating expenses:							
Program services	3,666,700	-	13,570,800	3,032,779	20,270,279	(4,884,152)	15,386,127
Management and general	2,006,107	-	-	1,029,685	3,035,792	(896,759)	2,139,033
Fundraising	206,663	-	-	-	206,663	-	206,663
<b>Total operating expenses</b>	<b>5,879,470</b>	<b>-</b>	<b>13,570,800</b>	<b>4,062,464</b>	<b>23,512,734</b>	<b>(5,780,911)</b>	<b>17,731,823</b>
Change in net assets from operations	4,136,393	-	2,630,736	(1,717,272)	5,049,857	(2,276,396)	2,773,461
Other expenses:							
	232,422	-	-	1,026,805	1,259,227	-	1,259,227
Interest expense	81,809	-	4,189,602	-	4,271,411	(677,175)	3,594,236
Depreciation and amortization	17,139	-	7,395,248	-	7,412,387	(346,667)	7,065,720
<b>Total other expenses</b>	<b>331,370</b>	<b>-</b>	<b>11,584,850</b>	<b>1,026,805</b>	<b>12,943,025</b>	<b>(1,023,842)</b>	<b>11,919,183</b>
Change in net assets	3,805,023	-	(8,954,114)	(2,744,077)	(7,893,168)	(1,252,554)	(9,145,722)
Net assets, beginning of year, restated	13,204,161	6,756,022	20,907,171	(10,335,053)	30,532,301	16,539,265	47,071,566
Other activities:							
Syndication costs	-	-	(173,895)	-	(173,895)	-	(173,895)
Reclassification	-	(2,207,786)	2,207,786	-	-	-	-
Capital contributions – net	-	200	16,483,294	58,760	16,542,254	(98,420)	16,443,834
<b>Net assets, end of year</b>	<b>\$ 17,009,184</b>	<b>\$ 4,548,436</b>	<b>\$ 30,470,242</b>	<b>\$ (13,020,370)</b>	<b>\$ 39,007,492</b>	<b>\$ 15,188,291</b>	<b>\$ 54,195,783</b>

<sup>(1)</sup> Includes limited partnerships for future development of affordable housing.

<sup>(2)</sup> Includes non-profit organizations and limited partnerships providing affordable housing.

<sup>(3)</sup> Includes single purpose non-profit organizations and limited liability companies holding general partner interests.

MUTUAL HOUSING CALIFORNIA AND AFFILIATES  
COMBINING SCHEDULES OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2022						
	<i>Mutual Housing California</i>	<i>Predevelopment Pipeline / Under Construction <sup>(1)</sup></i>	<i>Affordable Housing <sup>(2)</sup></i>	<i>Other Entities <sup>(3)</sup></i>	<i>Total</i>	<i>Eliminations</i>	<i>Combined</i>
Operating support and revenue:							
Grants and contracts	\$ 435,176	\$ -	\$ 33,193	\$ -	\$ 468,369	\$ -	\$ 468,369
NeighborWorks America grants	381,844	-	-	700	382,544	-	382,544
Contributions	282,206	-	-	243,580	525,786	(524,786)	1,000
Developer fees	4,801,710	-	-	-	4,801,710	(2,985,400)	1,816,310
Management fees	432,608	-	-	1,659,151	2,091,759	(2,073,559)	18,200
Organizing fees	769,628	-	-	-	769,628	(747,755)	21,873
Gross potential rent	-	-	14,237,737	-	14,237,737	-	14,237,737
Less: vacancies and concessions	-	-	(585,137)	-	(585,137)	-	(585,137)
Interest and investment income	610,555	-	(201,214)	141,553	550,894	(737,610)	(186,716)
Forgiveness of debt	-	14,820	-	-	14,820	-	14,820
Bad debt recovery	92,499	-	-	-	92,499	(92,499)	-
Employee retention credit	890,879	-	-	997,215	1,888,094	-	1,888,094
Other	116	-	86,839	18,679	105,634	-	105,634
<b>Total operating support and revenue</b>	<b>8,697,221</b>	<b>14,820</b>	<b>13,571,418</b>	<b>3,060,878</b>	<b>25,344,337</b>	<b>(7,161,609)</b>	<b>18,182,728</b>
Operating expenses:							
Program services	3,364,244	-	11,741,299	3,986,930	19,092,473	(5,865,471)	13,227,002
Management and general	2,246,590	-	-	-	2,246,590	-	2,246,590
Fundraising	146,960	-	-	-	146,960	-	146,960
<b>Total operating expenses</b>	<b>5,757,794</b>	<b>-</b>	<b>11,741,299</b>	<b>3,986,930</b>	<b>21,486,023</b>	<b>(5,865,471)</b>	<b>15,620,552</b>
Change in net assets from operations	2,939,427	14,820	1,830,119	(926,052)	3,858,314	(1,296,138)	2,562,176
Other expenses:							
Interest expense	30,431	-	4,081,719	-	4,112,150	(723,566)	3,388,584
Depreciation and amortization	16,761	-	7,181,079	-	7,197,840	(341,138)	6,856,702
<b>Total other expenses</b>	<b>47,192</b>	<b>-</b>	<b>11,262,798</b>	<b>-</b>	<b>11,309,990</b>	<b>(1,064,704)</b>	<b>10,245,286</b>
Change in net assets	2,892,235	14,820	(9,432,679)	(926,052)	(7,451,676)	(231,434)	(7,683,110)
Net assets, beginning of year	10,317,326	7,231,592	22,459,927	(14,776,323)	25,232,522	24,841,432	50,073,954
Other activities:							
Syndication costs	-	-	(307,250)	-	(307,250)	-	(307,250)
Reclassification	-	(5,038,326)	5,038,326	-	-	-	-
Transfer of assets and liabilities to affiliate – net	(5,400)	-	-	2,485,921	2,480,521	(2,480,521)	-
Capital contributions – net	-	4,547,936	3,148,847	2,881,401	10,578,184	(5,590,212)	4,987,972
<b>Net assets, end of year</b>	<b>\$ 13,204,161</b>	<b>\$ 6,756,022</b>	<b>\$ 20,907,171</b>	<b>\$ (10,335,053)</b>	<b>\$ 30,532,301</b>	<b>\$ 16,539,265</b>	<b>\$ 47,071,566</b>

<sup>(1)</sup> Includes limited partnerships for future development of affordable housing.

<sup>(2)</sup> Includes non-profit organizations and limited partnerships providing affordable housing.

<sup>(3)</sup> Includes single purpose non-profit organizations and limited liability companies holding general partner interests.

Board of Directors  
Mutual Housing California and Affiliates  
Sacramento, California

**INDEPENDENT AUDITOR'S REPORT 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**

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 financial statements of Mutual Housing California and Affiliates, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2024.

*Report on Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements, we considered Mutual Housing California and Affiliates internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mutual Housing California and Affiliates internal control. Accordingly, we do not express an opinion on the effectiveness of Mutual Housing California and Affiliates 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 financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mutual Housing California and Affiliates 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

*Lindquist, von Hoven and Joyce LLP*

June 24, 2024



**City of Elk Grove  
AFFORDABLE HOUSING FUND**

**Disclosure Form**

**Instructions**

This form must be completed by all project owners, regardless of their percentage of interest in the partnership.

A response is required for all questions. If the response to any question is "yes," please provide additional information on the subject matter. You may attach correspondence to this form. Responding persons must sign the disclosure; signatures of counsel or any other person will not be accepted.

	<b>YES</b>	<b>NO</b>
Have you or any entity which you've managed, filed for bankruptcy protection or have been adjudicated bankrupt in the last 10 years?		NO
Have you or any entity which you've managed, defaulted on <u>any</u> loan or other financing?		NO
Have any projects owned by you or any entity you've managed, been in foreclosure?		NO
Have any of the projects you own or manage been the subject of code enforcement action?		NO
Have you had any professional licenses revoked or suspended?		NO
Have you been convicted of criminal fraud, forgery, theft, perjury or similar crime?		NO
Have any civil actions been brought against you or any entity you've managed?	YES	

**Supplemental Comments**

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Civil Lawsuit from residents at Glen Ellen community, Sacramento.

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RYAN CASSIDY

VP- REAL ESTATE DEVELOPMENT

ryan@mutualhousing.com

**Name (printed)**

**Title**

**Email address**

10/17/24

Signature

Date



**City of Elk Grove  
AFFORDABLE HOUSING FUND**

**Authorization for Release of Information**

To Whom It May Concern:

I hereby authorize the City of Elk Grove to make inquiry relating to any information necessary to determine my eligibility and/or the eligibility of my organization, Mutual Housing California, for consideration under the Affordable Housing Fund. Any information obtained by the City of Elk Grove will be used solely to evaluate ability to participate in the aforementioned programs.

I, the undersigned, authorize the City of Elk Grove, its employees, and authorized agents to verify any information (including information of a privileged or confidential nature) necessary in connection with my and/or my organization's application.

I understand this authorization is effective 12 months from the date below.

**BY ATTACHING THIS RELEASE FORM, OR A COPY OF SAME, to any verification form requiring the undersigned's signature, you are authorized by the undersigned to release the information requested by the City of Elk Grove.**

I hereby release you, your organization, or others from liability or damage which may result from furnishing the information requested.

Mutual Housing California

**Applicant Name**

SSN or Tax ID Number

Date of Birth

Residence Address (if applicable)

Mutual Housing California

3321 Power Inn Rd Sacramento, CA 95826

Name of Business

Business Address

Signature

10/10/24

Date



**City of Elk Grove  
AFFORDABLE HOUSING FUND**

**Authorization for Release of Information**

To Whom It May Concern:

I hereby authorize the City of Elk Grove to make inquiry relating to any information necessary to determine my eligibility and/or the eligibility of my organization, Mutual Housing California, for consideration under the Affordable Housing Fund. Any information obtained by the City of Elk Grove will be used solely to evaluate ability to participate in the aforementioned programs.

I, the undersigned, authorize the City of Elk Grove, its employees, and authorized agents to verify any information (including information of a privileged or confidential nature) necessary in connection with my and/or my organization's application.

I understand this authorization is effective 12 months from the date below.


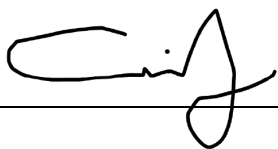
**BY ATTACHING THIS RELEASE FORM, OR A COPY OF SAME, to any verification form requiring the undersigned's signature, you are authorized by the undersigned to release the information requested by the City of Elk Grove.**

I hereby release you, your organization, or others from liability or damage which may result from furnishing the information requested.

Mutual Housing California	94-3093354	
<b>Applicant Name</b>	SSN or Tax ID Number	Date of Birth

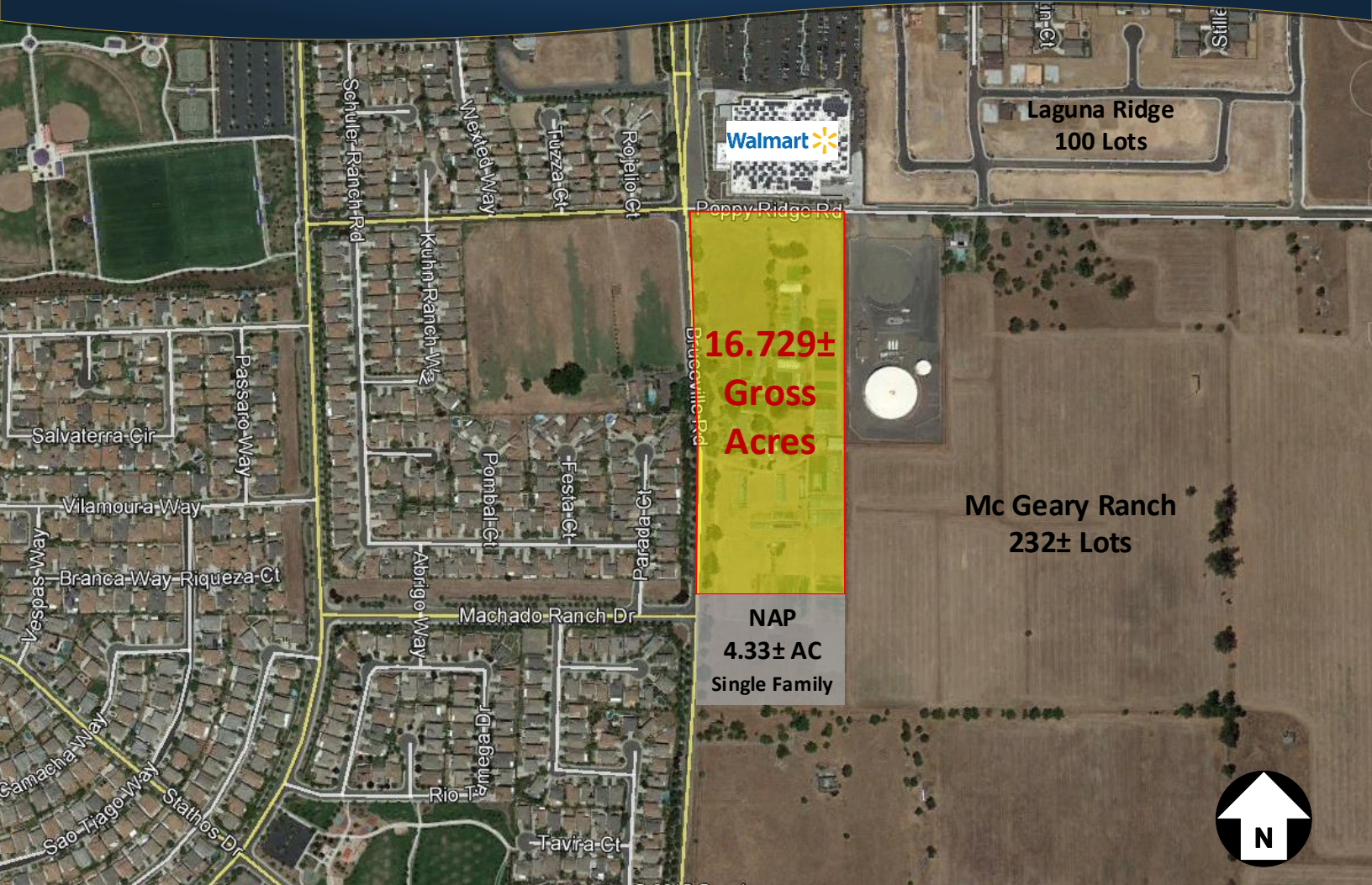
Residence Address (if applicable)

Mutual Housing California	3321 Power Inn Rd Sacramento, CA 95826
Name of Business	Business Address

		10/10/24
Signature		Date

# FOR SALE

10149 BRUCEVILLE ROAD  
ELK GROVE, CA 95757



10149 BRUCEVILLE ROAD | ELK GROVE | CA | 95757

## PROPERTY INFORMATION

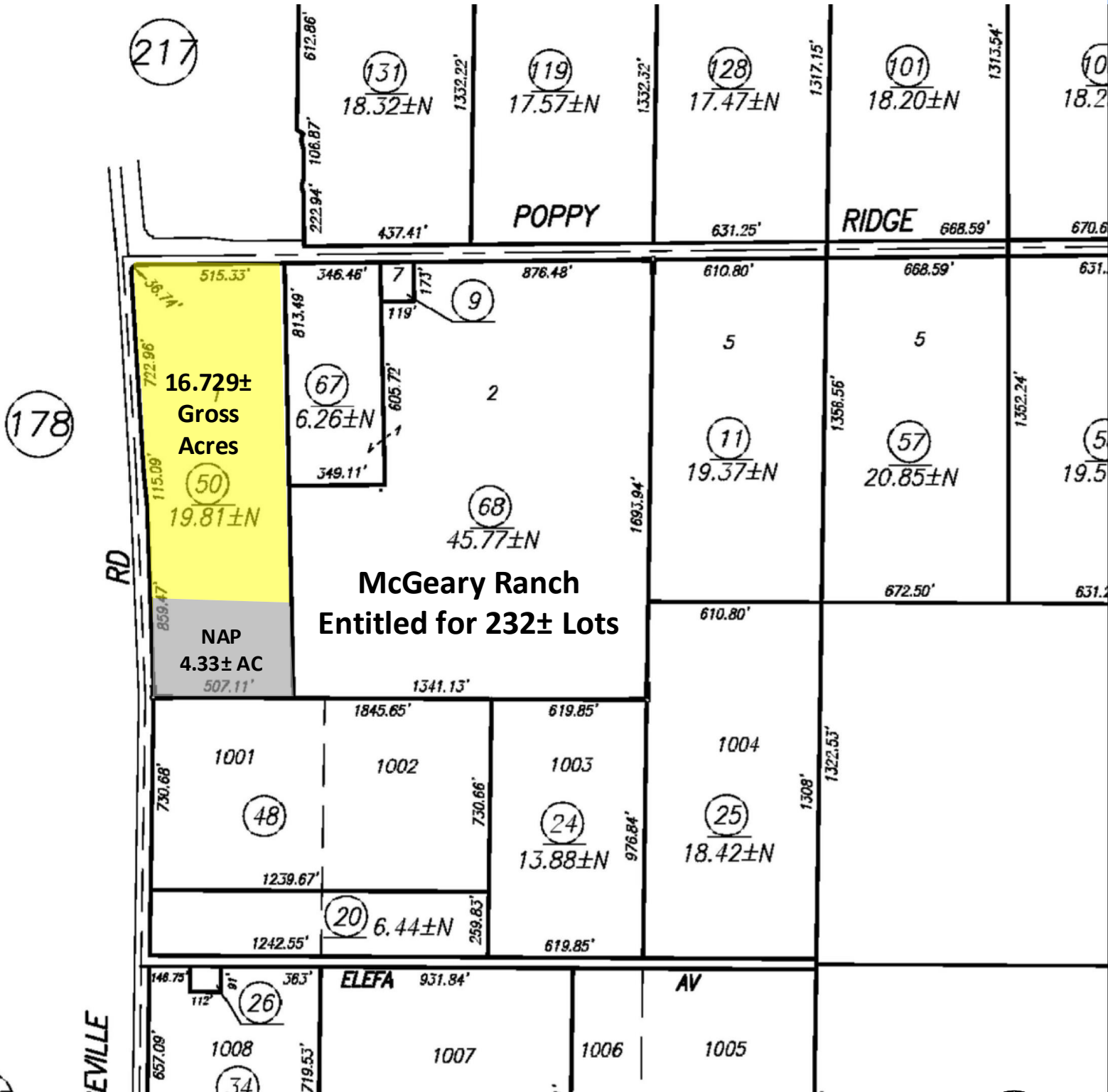
PRICE:	\$4,000,000	LOCATION:	SOUTHEAST CORNER OF BRUCEVILLE ROAD AND POPPY RIDGE ROAD.
SIZE: GROSS	16.729± GROSS ACRES	ENTITLEMENTS:	NO ENTITLEMENT WORK HAS BEEN DONE ON THE PROPERTY. "BEING SOLD AS-IS, WHERE IS."
POTENTIAL ZONING:	16.729± GROSS ACRES RD-30	IMPROVEMENTS:	HOUSE ON THE PROPERTY; RENTED ONCE ON A MONTH TO MONTH BASIS.
POTENTIAL ENTITLEMENTS:	THE CITY OF ELK GROVE WANTS 294 APARTMENT UNITS ON THIS SITE.	REMARKS:	REVIEW THE LAGUNA RIDGE SPECIFIC PLAN (SEE ATTACHED)



**Fritz Brown**  
916.565.2212  
fritz@brownstevens.com  
DRE 00312635

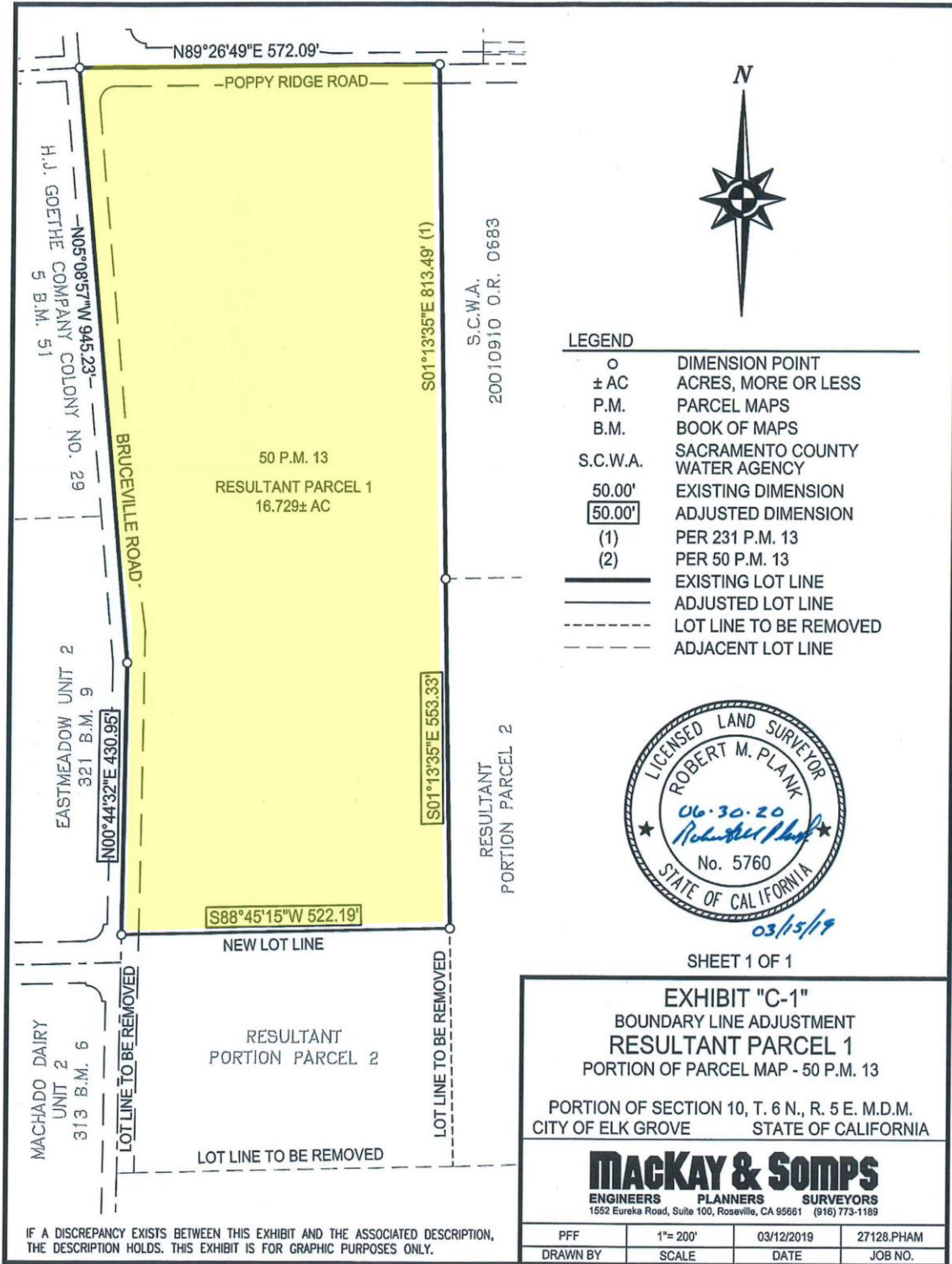
3600 American River Drive Suite 120 | Sacramento, CA 95864 | 916.929.0262 | CA BRE 00532987  
www.brownstevens.com

10149 BRUCEVILLE ROAD  
 ELK GROVE, CA 95757



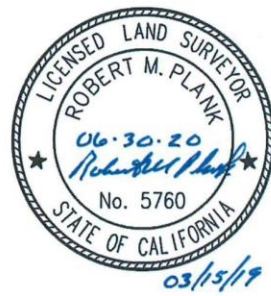
**Fritz Brown**  
 916.565.2212  
 fritz@brownstevens.com  
 DRE 00312635





**LEGEND**

o	DIMENSION POINT
± AC	ACRES, MORE OR LESS
P.M.	PARCEL MAPS
B.M.	BOOK OF MAPS
S.C.W.A.	SACRAMENTO COUNTY WATER AGENCY
50.00'	EXISTING DIMENSION
50.00'	ADJUSTED DIMENSION
(1)	PER 231 P.M. 13
(2)	PER 50 P.M. 13
—	EXISTING LOT LINE
—	ADJUSTED LOT LINE
- - - -	LOT LINE TO BE REMOVED
- - - -	ADJACENT LOT LINE



SHEET 1 OF 1

**EXHIBIT "C-1"**  
BOUNDARY LINE ADJUSTMENT  
**RESULTANT PARCEL 1**  
PORTION OF PARCEL MAP - 50 P.M. 13  
PORTION OF SECTION 10, T. 6 N., R. 5 E. M.D.M.  
CITY OF ELK GROVE STATE OF CALIFORNIA

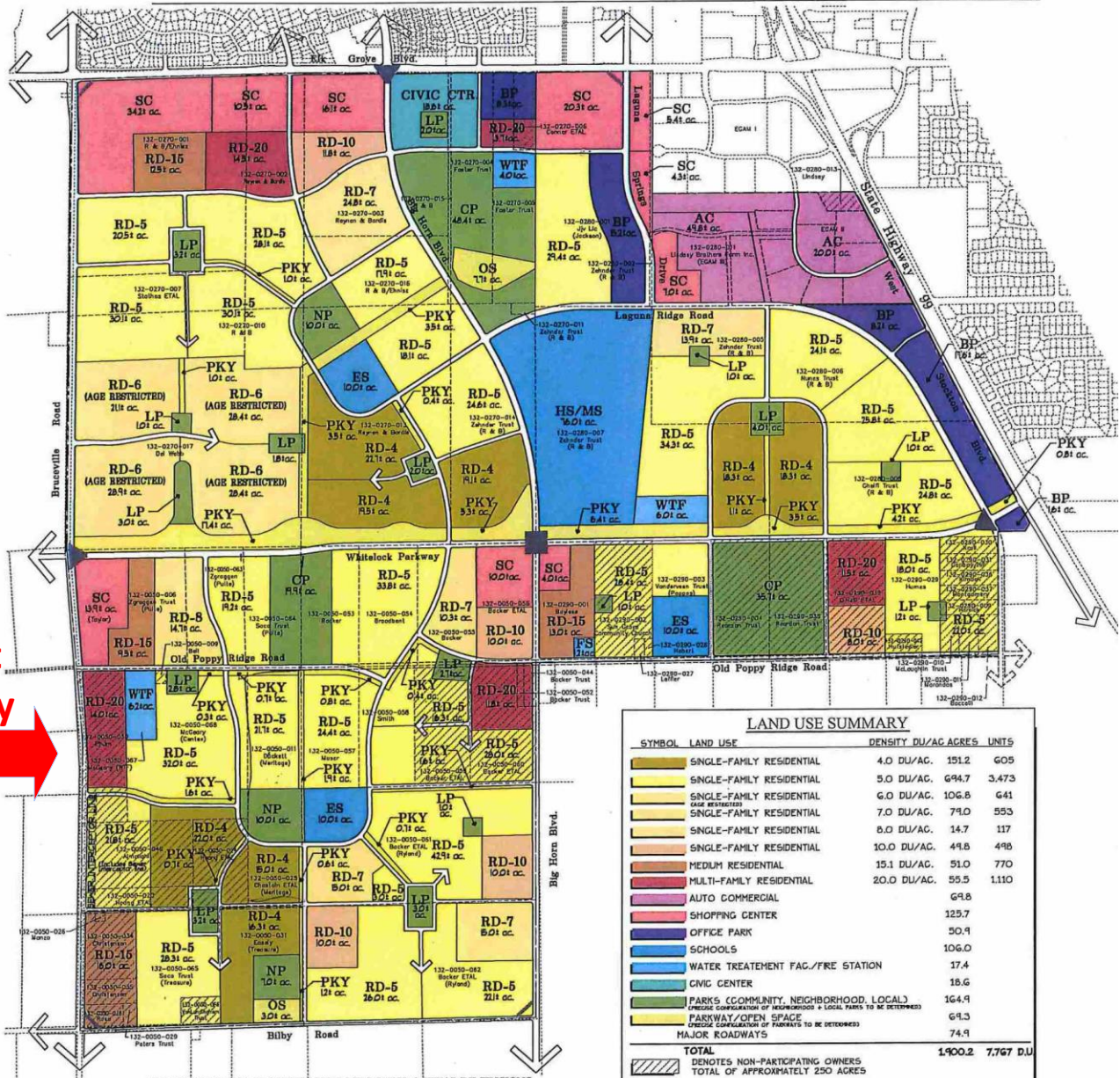
**MACKAY & SOMPS**  
ENGINEERS PLANNERS SURVEYORS  
1552 Eureka Road, Suite 100, Roseville, CA 95661 (916) 773-1189

PFF	1" = 200'	03/12/2019	27128.PHAM
DRAWN BY	SCALE	DATE	JOB NO.

IF A DISCREPANCY EXISTS BETWEEN THIS EXHIBIT AND THE ASSOCIATED DESCRIPTION, THE DESCRIPTION HOLDS. THIS EXHIBIT IS FOR GRAPHIC PURPOSES ONLY.



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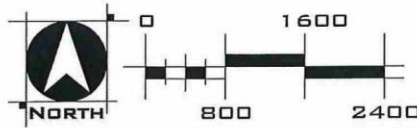


**Subject Property**

LAND USE SUMMARY		
SYMBOL	LAND USE	DENSITY DU/AC ACRES UNITS
[Yellow]	SINGLE-FAMILY RESIDENTIAL	4.0 DU/AC. 151.2 G05
[Light Yellow]	SINGLE-FAMILY RESIDENTIAL	5.0 DU/AC. 694.7 3,473
[Lighter Yellow]	SINGLE-FAMILY RESIDENTIAL	6.0 DU/AC. 106.8 641
[Lightest Yellow]	SINGLE-FAMILY RESIDENTIAL	7.0 DU/AC. 79.0 593
[Lightest Yellow]	SINGLE-FAMILY RESIDENTIAL	8.0 DU/AC. 14.7 117
[Lightest Yellow]	SINGLE-FAMILY RESIDENTIAL	10.0 DU/AC. 49.8 498
[Lightest Yellow]	MEDIUM RESIDENTIAL	15.1 DU/AC. 51.0 770
[Lightest Yellow]	MULTI-FAMILY RESIDENTIAL	20.0 DU/AC. 55.5 1,110
[Lightest Yellow]	AUTO COMMERCIAL	64.8
[Lightest Yellow]	SHOPPING CENTER	125.7
[Lightest Yellow]	OFFICE PARK	50.9
[Lightest Yellow]	SCHOOLS	106.0
[Lightest Yellow]	WATER TREATMENT FAC./FIRE STATION	17.4
[Lightest Yellow]	CIVIC CENTER	18.6
[Lightest Yellow]	PARKS (COMMUNITY, NEIGHBORHOOD, LOCAL)	164.9
[Lightest Yellow]	PARWAY/OPEN SPACE (PRECISE CONFIGURATION OF NEIGHBORHOODS + LOCAL PARKS TO BE DETERMINED)	69.3
[Lightest Yellow]	MAJOR ROADWAYS	74.9
[Lightest Yellow]	TOTAL	1900.2 7,767 DU
[Lightest Yellow]	DENOTES NON-PARTICIPATING OWNERS	
[Lightest Yellow]	TOTAL OF APPROXIMATELY 250 ACRES	
[Triangle]	PRIMARY ENTRY FEATURE	
[Square]	CROSSROADS FEATURE	
[Line]	PROJECT EDGE FEATURE	

FOR CONCEPTUAL PLANNING PURPOSES ONLY. ACTUAL DIMENSIONS, ROAD ALIGNMENTS, ACREAGES AND YIELDS WILL VARY WITH MORE ACCURATE MAPPING AND DESIGN.

**WOOD RODGERS**  
ENGINEERING - MAPPING - PLANNING - SURVEYING  
3301 C St, Bldg. 100-B Tel 916.341.7760  
Sacramento, CA 95816 Fax 916.341.7767



# LAGUNA RIDGE SPECIFIC PLAN

CITY OF ELK GROVE, CALIFORNIA

## Figure 3-1 - LAND USE PLAN

June 2004  
Page 3-3

**BROWN STEVENS ELMORE & SPARE**  
COMMERCIAL REAL ESTATE



ELK GROVE NEWS

# Elk Grove leaders break ground on 236-unit affordable housing apartment complex

BY MARCUS D. SMITH

FEBRUARY 24, 2024 5:00 AM |



Concept art shows the planned Pardes Apartments, anticipated to be completed for Elk Grove residents by August 2025. *HED*



Only have a minute? Listen instead

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00:00



1.0x

03:49

Elk Grove will add to its growing list of affordable housing sites in the city with one of its latest projects.

Real estate developers and city officials gathered at a Friday news conference to break ground on an incoming, 236-unit affordable apartment complex called the Pardes Apartments, developed by CRP Affordable Housing and Community Development.

Paul Salib, the CEO of CRP, expressed his anticipation for the project.

“This is a project we’re very proud of and we’re looking forward to getting it built,” Salib said. “Affordable housing is getting out of hand. The problem is getting worse and worse. These are much needed projects. Rents are skyrocketing, inflation is still not under control...These projects are super important.”

TOP VIDEOS



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**Elk Grove has plans to develop a midtown-like corridor near a high-volume street. Here’s where**



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According to a CRP news release, the two-phased project will consist of five buildings spread across eight acres of land at 8310 Poppy Ridge Road.

Residents will have housing options that include 84 one-bedroom, 72 two-bedroom and 80 three-bedroom apartments. Unit sizes are expected to range from 629 to 1,339 square feet.

Apartments will include sustainability features such as in-unit, energy-efficient appliances, water-efficient design and appliances, water-efficient landscaping, solar panels, 100% electric appliances and bike parking, according to a news release.

Anticipated on-site amenities at Pardes Apartments, the news release said, will consist of child care services, early childhood development services, adult or continuing education, job assistance and workforce training, counseling services, a computer lab and services to reduce eviction and resident turnover.



Elk Grove city officials break ground Friday on the planned affordable housing site for Pardes Apartments at 8310 Poppy Ridge Road. *Marcus D. Smith*

A waiting list for potential residents is expected to open next year, by late February 2025.

Construction for Pardes Apartments is anticipated to be completed by August 2025, weather permitting.

“The affordable housing crisis is statewide, it’s nationwide and we know that in the city of Elk Grove,” Mayor Bobbie Singh-Allen said during the news conference. “I’m just so proud of our partnership with CRP. I really want to shout out to all of our team, including our staff who played an instrumental role in getting us to this great day today.”

She added: “It’s going to take all of us working together to make this happen for our state, our region and our city. We are so grateful for this partnership, 236 units that are 100% affordable housing. 100%. Kudos to all of you. We need more projects like this. We know the importance of affordable housing in our city.”

Salib told The Sacramento Bee in an interview that the Pardes Apartments are set to be available to individuals or families earning between 30% and 70% of the area’s median income.

“It’s very rewarding to get up every day and help get people (into) good quality homes,” Salib said. “It’s very important to me that the low-income kids go to the better school systems.”

During Friday’s news conference, Vice Mayor Rod Brewer said the area is canvassed to develop into a “beautiful community”.

“You have great schools to the north and to the south, you have a firehouse right back of you, you have an institute of higher learning (Cosumnes River College’s Elk Grove Center) not too far away — so this is a community that’s going to grow. It’s a community where everyone will be welcomed.”

He added: “We do have a need for affordable housing. Pardes Apartments fulfills that purpose in helping us grow our community and be a stronger community. It was a team effort getting to this point. It’s going to be a team effort getting us to the finish line and providing homes so people can begin developing their dreams here in Elk Grove.”

## Daily Morning Bulletin

Each morning, the daily news bulletin arrives with the top stories of the day.

By submitting, I agree to the [Privacy Policy](#) and [Terms of Service](#).

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ELK GROVE NEWS

ELK GROVE NEWS

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FEBRUARY 23, 2024 12:00 PM

## Elk Grove could be closing in on additional affordable housing projects. Here's where

FEBRUARY 15, 2024 5:00 AM



MARCUS D. SMITH

THE SACRAMENTO BEE

916-321-1755

Marcus D. Smith is The Sacramento Bee's Elk Grove reporter. He joined The Bee in 2020, covering Black communities for the Equity Lab. Prior to The Bee, Smith covered high school sports at the Citrus Heights Sentinel. He received his journalism degree from Texas Southern University.

### JOIN THE CONVERSATION

FOLLOW

Your comments will appear under the nickname **User c55e5a4**. If you'd like to update your nickname, [click here](#).

UC Start the conversation, User c55e5a4

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## ALLISON LEWIS

ARCHITECT

Ms. Lewis is a Licensed Architect and Certified Interior Designer. She has nine years of experience in architecture with emphases in multifamily housing, commercial, retail, single-family residential, rehabilitation projects, tenant improvements, and working with historic buildings. Her professional software experience spans multiple programs and including Revit, AutoCAD, ArchiCAD and SketchUp. She is passionate about housing and climate issues, California architecture, interior design, and historic buildings.

Ms. Lewis' passion for art, photography, and historic architecture lends itself to finished products that are thoughtfully designed and reflective of the unique communities they serve.



### PROJECT EXPERIENCE

#### 3015 PARK AVE

Located in Merced, California, this 1.5-acre site will include approximately 66 affordable one-bedroom apartment units and 3,500 square feet of common spaces and outdoor courtyard.

#### LOFTS AT FORT VISALIA

80 units of affordable one- and two-bedroom artist lofts located on a 67,082 square foot site of the original Fort Visalia. Ground floor to feature approximately 5,500 square feet of art gallery, classroom, and office space. Site amenities will include a courtyard gathering area, outdoor kitchen, and on-site parking. Currently under construction.

#### ONYX APARTMENTS SACRAMENTO

A new multifamily housing complex with a courtyard common area, a rental office, and bike and vehicle parking. The project includes two 3-story buildings connected with

egress balconies. Unit types include studio, 1-bedroom, and 2-bedroom units, with accessible units at the ground floor. Completed 2019.

#### MERCY HOUSING WEST SACRAMENTO

A formerly-homeless housing project for West Sacramento. Comprised of 3 buildings and a shared courtyard and park space. Building A has support services for residents and 4 stories of 1-bedroom mobility and adaptable units, accessed by an elevator. Buildings B and C have 1-bedroom mobility and adaptable units at the ground floor. Completed 2021.

#### VETERANS GUEST HOUSE

Expansion of an existing non-profit Veterans Guest House adjacent to the Veterans Affairs Hospital in Reno, Nevada. The 11,000 square foot expansion adds 21 beds, kitchens, a dining room, and a larger administrative space to the current facility. Completed in 2018.

#### EDUCATION

Master of Architecture & Graduate Certificate in Heritage Conservation, University of Arizona

Bachelor of Science, Architectural Studies, Washington State University

Diploma Course in Interior Design, Interior Design Institute

#### LICENSURE

- California Architects Board License C-38621
- California Council for Interior Design Certification, Certified Interior Designer #7306

#### CONTACT

1331 T Street  
Sacramento, CA 95811  
916.443.1033  
alewis@mogaveroarchitects.com



**Dan Fenocchio, PE**  
Civil Engineering Project Manager

With a comprehensive understanding of engineering principles and construction practices, Dan Fenocchio is able to readily achieve client goals by providing cost effective, practical designs and by thoroughly responding to construction issues as they arise. He is a strong proponent of the Green Movement and is known by clients for his responsiveness, positive communication skills and commitment to both project and client objectives.

Dan's extensive knowledge of the design and construction process allows his team to proactively address civil engineering challenges. He is experienced with Stormwater Best Management Practices and the implementation of LEED concepts and has successfully coordinated with design teams to incorporate sustainable initiatives on numerous projects.

Dan has performed civil engineering services on over three dozen multi-family and affordable housing projects. This experience has enabled Dan to become very well versed in the challenges and opportunities associated with multi-family, infill housing and affordable housing design. Areas in which Dan routinely makes significant contributions to projects include: efficient stormwater quality designs, ADA site accessibility design, and construction detailing to support fast-paced construction sequencing.

**Education**

- B.S. Civil Engineering  
University of California, Davis

**Licenses / Certifications**

- Civil Engineer California, C-51484
- Qualified SWPPP Developer (QSD) /  
Qualified SWPPP Practitioner (QSP)
- National Ready Mix Concrete Association,  
Former Pervious Concrete Technician

**Professional Affiliations**

- American Council of Engineering  
Companies, Sierra Chapter
- American Institute of Architects, Central  
Valley Chapter, Former Board Member
- City of Davis Safety and Parking Advisory  
Commission, Former
- Habitat for Humanity of Greater  
Sacramento, Board Member
- Sacramento Planning and Development  
Code User Advisory Group, Former
- Urban Land Institute

**Presentations**

- Low Impact Development Expert  
Presented to over 20 local agencies
- Green Streets Workshop Presenter,  
Sacramento County
- LEED-ND Overview, U.S. Green Building  
Council, Northern California Chapter

**Selected Experience**

**Mirasol Village (formerly Twin Rivers), Sacramento**

Dan served as Civil Engineering Principal-in-Charge for this \$291M Sacramento project. Plans included demolition of the existing 215 units on a 24-acre site. Located in Sacramento's River District, the 468-unit residential development features a pool, open common-space areas, a fitness center and lounge space. The rental units include a combination of town homes and three-and four-story apartments.

**Mercy Housing 7th & H Streets, Sacramento**

Dan served as Civil Engineering Project Manager for the redevelopment of this approximate half-acre site with a new mixed-use, mid-rise sustainable building. The general development building scheme consists of ground floor clinic and retail/commercial space, 150 single room occupancy (SRO) affordable residential units, parking garage, large outdoor landscaped terraces and roof top solar panel array.

**Additional Affordable Housing & Residential Experience**

A sampling of Dan's additional affordable housing and residential projects includes:

- Colonia San Martin | Sacramento
- Cornerstone | Sacramento
- Glen Ellen Estates (Mutual Housing  
Community) | Sacramento
- Habitat for Humanity, Persifer Street |  
Folsom
- La Valentina | Sacramento
- Mercy Housing 7th & H | Sacramento
- Mirasol Village (formerly Twin Rivers) |  
Sacramento
- Mutual Housing at the Greenway |  
Sacramento
- Mutual Housing at North Highlands | North  
Highlands
- Mutual Housing at Sky Park (Los Robles) |  
Sacramento
- Mutual Housing on the Boulevard |  
Sacramento
- New Harmony Mutual Housing | Davis
- Saint Anton | Various Locations
- The Heights on Stockton

Law Offices of  
**GUBB & BARSHAY LLP**

235 Montgomery Street, Suite 1110  
San Francisco, CA 94104

Telephone: (415) 781-6600  
www.gubbandbarshay.com

**Firm Resume**

**Gubb & Barshay LLP** has extensive experience with all types of affordable housing programs, including tax-exempt bonds, HUD programs, elderly and special needs housing, and state and local programs. The firm also has substantial experience with the federal and state housing tax credit programs and has been involved in the structuring and closing hundreds of low-income housing tax credit syndications in California and other states. This work has involved drafting limited partnerships, analyzing financial projections, negotiating with investors, and structuring transactions to maximize funding potential.

**V. Nicole Kline**

Ms. Kline is a partner in the firm, specializing in affordable housing finance and real estate matters. Ms. Kline has represented developers, lenders and equity investors in numerous real estate development projects which qualify for the low-income housing tax credit and tax-exempt bond financing. Her practice has also included a wide array of general corporate and nonprofit law matters.

*Education:* Graduated from the University of California, Riverside, in 1998, with a B.A. Degree in Political Science. Member of Phi Beta Kappa, Pi Sigma Alpha and graduated with highest honors. Received J.D. from the University of California, Los Angeles School of Law in 2003, with a specialization in corporate law, where she was Managing Editor of the *Journal of Law & Technology*. Member of The State Bar of California, the Florida Bar and the American Bar Association.

## DAVID J. MOGAVERO, AIA, LEED AP

PRINCIPAL

David Mogavero is the Senior Principal of Mogavero Architects. He began his career designing naturally heated and cooled buildings over thirty years ago. David's practice embraces the full range of progressive community design, such as high density mixed-use infill and holistic building systems, including daylighting, natural ventilation, passive heating and cooling, solar shading, water recycling, on-site energy generation and agriculture. David's roles as developer and environmental advocate help him conceive projects that are economically viable and sensitive to the community and the environment. Through his professional practice, writings and lectures, service as past president and board member of Environmental Council of Sacramento and Planning and Conservation League, and current board member of the Council of Infill Builders, David has promoted the adoption of sustainable building and smart growth practices and policies.



### PROJECT EXPERIENCE

#### THE LOHSE APARTMENTS, ROSEVILLE, CA

A mixed use 5-story concrete podium structure in Downtown Roseville with 58 units of affordable family housing, retail, common facilities, and underground parking.

#### BARTLETT COMMONS, THE CANNERY, DAVIS, CA

62 units of family affordable housing within the master planned Cannery development including community facilities.

#### SMUD CORP YARD, SACRAMENTO, CA

Master planning and feasibility analysis for redevelopment of a 20 acre former corp yard for 750 residential units, retail, a farmers market, parks and a light rail station.

#### SACRAMENTO NATURAL FOODS CO-OP, SACRAMENTO, CA

Sustainability driven design, including 85% reduction of energy use, for a newly constructed 40,000 sf building.

#### WEST GATEWAY PLACE, WEST SACRAMENTO, CA

A 4-story wood frame mixed use project with 77 units of affordable family housing over ground floor retail, community facilities and structure parking.

#### MCKINLEY VILLAGE RECREATION CENTER, SACRAMENTO, CA

The community facilities for a 375 home infill community.

#### CAPITOL YARDS, WEST SACRAMENTO, CA

A 270 market rate 3-story apartment community on 8.5 acres with extensive community facilities, park, gym, and pool.

#### 7TH & H STREET MIXED-USE, SACRAMENTO, CA

8-story building with 150 units of affordable housing for special needs, a clinic for residents and neighborhood retail with natural ventilation and a central plant with evaporative cooling. 185kW photovoltaic and solar domestic hot water in an urban neighborhood.

#### SACRAMENTO CENTRAL CITY NEIGHBORHOOD DESIGN

Design Guidelines and District Urban Design that incorporated design standards for streetscape improvements and buildings.

#### MAPLE PARK, LIVE OAK, CA

56 family and 35 senior units of affordable housing on 3.33 acres of a redeveloped public housing site, including community facilities, childcare, and a park.

#### SMUD CUSTOMER SERVICE CENTER, SACRAMENTO, CA

A LEED Platinum 186,000 sf facility with administrative offices, customer service facilities, featuring daylighting, natural ventilation, off peak cooling, displacement ventilation and photovoltaics.

#### EDUCATION:

- BA in Architecture, State University of New York, 1974
- Ohio State University, School of Architecture, 1967-71

#### PROFESSIONAL CERTIFICATION:

- Architect, California, 1979
- License No. C10145
- LEED Accredited Professional

#### PROFESSIONAL AFFILIATIONS:

- American Institute of Architects
- Past President, Board Member, Environmental Council of Sacramento
- U.S. Green Building Council
- Urban Land Institute
- North State Building Industry Association
- UC Davis Landscape Department: Advisory Committee

#### COMMUNITY ACTIVITIES & AWARDS:

- Multiple design awards from the AIA, APA, ULI, MFE, NAHB, PCBC
- Green Architecture Instructor, 2001-2012 UC Davis Extension
- ECOS Environmentalist of the Year

# REVATI RAJWADE

[revati.rajwade@berkeley.edu](mailto:revati.rajwade@berkeley.edu) • 415-416-9982 • <https://www.linkedin.com/in/revati-rajwade/>

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## EDUCATION

**University of California, Berkeley- College of Engineering & Design**

**May 2024**

***Abbey Master of Real Estate Development + Design***

- ULI Chamberlin Graduate Student Fellow, UCB CED Fellow, CREW SV Scholarship. Member: Hack-A-House Competition.
- Real estate financial modeling, affordable housing finance, market analysis, land use regulations, entitlements & permits
- Two courses by Ann Silverberg, Ben Metcalf and Claire Parisa focused on affordable housing development, due diligence, feasibility analysis, finance - LIHTC, local and state funding sources, and asset management.
- Volunteer at NPH and Housing California events and conferences. Member: ULI Multi-family Silver Product Council.

**University of Mumbai, IES College of Architecture, India**

**Mar 2014**

***Bachelor of Architecture***

- Graduated with honors, HUDCO Trophy Finalist, Member: Council of Architecture
- 

## EXPERIENCE

**Mutual Housing California, Sacramento -*Housing Development Project Manager***

**Aug 2024 - Present**

- Financial modeling and underwriting, entitlements strategy, funding applications, project management for 3 affordable housing developments located in Elk Grove, Stockton and Vacaville with over 350 units.

**L&T Realty Developers (Larsen & Toubro), Mumbai, India**

**Nov 2015 - Apr 2022**

***Assistant Manager, Development (2018-2022), Project Manager (2015-2018)***

- Managed a portfolio of 8 development projects worth \$1.1 B measuring over 9.5 million sf. Projects included high-rise offices, retail, and mixed-use development: 1600-unit high-rise condos and 0.1 million sf retail.
- Formulated and managed critical project documentation for entitlements and building permits ensuring timely launch of a 496-unit condo project. This led to a record 45% condo-bookings in the 1<sup>st</sup> month and resulted in sales worth \$98M.
- Managed all stages of project development from feasibility analysis, due diligence, consultant appointments to construction management for a 6 million sf mixed-use project with condos, retail, and an office. Conducted weekly inspection of the jobsite which ensured adherence to design, quality standards and schedule.
- Conducted weekly meetings with all stakeholders for active projects which ensured timely delivery of drawings and facilitated coordination among consultants and contractors.
- Prepared RFPs for projects, conducted preliminary meetings and led procurement of consultants and contractors.
- Assessed change order requests, developed estimates, and negotiated costs with vendors and contractors.
- Maintained regular communication with the senior management, lenders, investors, and all stakeholders providing updates on project progress, and budget expenditures. Prepared weekly project reports and risk management plans.
- Oversaw holistic onsite construction activity and maintained logs pertaining to job status and submittals.
- Led crucial project tasks for a \$277M land lease to secure a deal with Amazon Web Services for their Data Centre in Mumbai. Negotiated with senior stakeholders of L&T subsidiaries to vacate project land and prepared the master plan.
- Developed strategies for value-engineering leasable area, parking and construction costs for office buildings which reduced design time by 15% for 7 projects and construction cost by 6% for 2 projects during my tenure at L&T.
- Implemented BIM process for a 4 million sf condo project as a member of the company's digitization initiative. This led to seamless co-ordination amongst consultants, reduced the design schedule by 7% and reduced RFI's by 20%.

**Freelance Work, Mumbai, India**

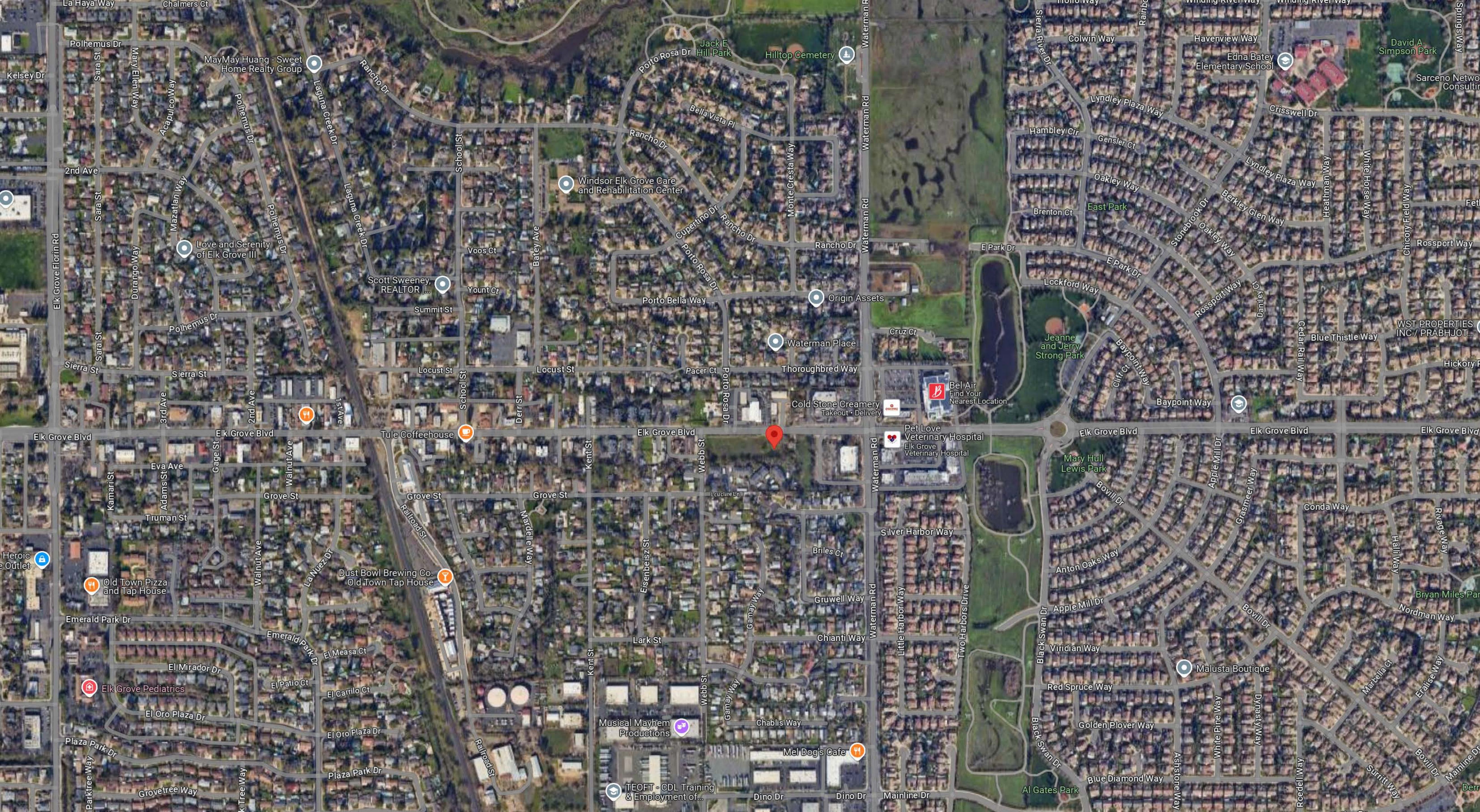
**May 2014 - Jan 2022**

***Co-owner/Project Manager***

- Led the programming, prepared financial analysis, managed funding requirements, and raised \$0.2M capital for 6,700 sf and 10,200 sf affordable housing projects for people with special needs.
  - Managed entire design development process, entitlements, permits and appointment of contractor for executing low-cost and sustainable building development in rural India.
  - Led turnkey projects for interior design and development of 10 condos worth \$0.4M ranging from 600 sf to 1800 sf. This involved client presentations, managing project budget, schedule, and monitoring execution. Managed procurement process and unhindered delivery of construction materials and furnishings.
- 

## ADDITIONAL

- **Content Writer:** 19 articles in magazines 'Indian Architect and Builder' and 'Urban Vaastu' from 2015-2017.
- **Software:** Revit/BIM, Photoshop, AutoCAD, SketchUp, Bluebeam MS Suite – Excel, PowerPoint, Teams, SharePoint.
- **Skills:** Project management, communication, analytical thinking, adaptability, strong work ethic, team player.



MayMay Huang - Sweet Home Realty Group

Love and Serenity of Elk Grove III

Scott Sweeney, REALTOR | ...

Windsor Elk Grove Care and Rehabilitation Center

Origin Assets

Waterman Place

Cold Stone Creamery Takeout + Delivery

Bel Air Find Your Nearest Location

Pet Love Veterinary Hospital Elk Grove Veterinary Hospital

Dust Bowl Brewing Co. Old Town Tap House

Old Town Pizza and Tap House

Elk Grove Pediatrics

Musical Mayhem Productions

Mel Dog's Cafe

TEOFT - CDL Training & Employment of...

Malusta Boutique

BIMcloud: bimcloud.mogaveroarchitects.com - BIMcloud/222046 - Elk Groves Old Town Site-SD - Printed: Friday, August 23, 2024, 1:44 PM



MULTI-FAMILY HOUSING

SINGLE FAMILY HOUSING

PORTO ROSE DRIVE

BUSINESS

BUSINESS

DAYCARE

HISTORIC OLD TOWN

ELK GROVE BLVD

WEBB ST

BUSINESS

BUSINESS

PROJECT SITE

30'-0"

SINGLE FAMILY HOUSING

MULTIFAMILY

MULTIFAMILY

SINGLE FAMILY HOUSING

## EXHIBIT A

The land referred to is situated in the County of Sacramento, City of Elk Grove, State of California, and is described as follows:

Parcels 1, 2, 3 and 4 as shown on that certain Parcel Map entitled "North 201.24 feet of Lot 14-Gunter's Addition to Elk Grove-Book 13 of Maps, Page 21", recorded November 3, 1976, in [Book 29 of Parcel Maps, at Page 7](#), Sacramento County Records.

APN: [134-0072-013-0000](#), [134-0072-014-0000](#), [134-0072-015-0000](#), [134-0072-016-0000](#)



**OLD REPUBLIC**  
TITLE COMPANY

555 12th Street, Suite 2000  
Oakland, CA 94607  
(510) 272-1121 Fax: (510) 208-5045

## PRELIMINARY REPORT

Our Order Number 1117028699-JM

MUTUAL HOUSING CALIFORNIA  
3321 Power Inn Road, Suite 320  
Sacramento, CA 95826

Attention: REVATI RAJWADE

When Replying Please Contact:

Julie Massey  
JMassey@ortc.com  
(510) 272-1121

Property Address:

9220 & 9244 Elk Grove Blvd, Elk Grove, CA

In response to the above referenced application for a policy of title insurance, OLD REPUBLIC TITLE COMPANY, as issuing Agent of Old Republic National Title Insurance Company, hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit I attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the Homeowner's Policy of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit I. Copies of the Policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit I of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of August 28, 2024, at 7:30 AM

**OLD REPUBLIC TITLE COMPANY**  
For Exceptions Shown or Referred to, See Attached

Page 1 of 9 Pages

**OLD REPUBLIC TITLE COMPANY**  
**ORDER NO. 1117028699-JM**

The form of policy of title insurance contemplated by this report is:

CLTA Standard Coverage Owner's Policy of Title Insurance - 2022; AND ALTA Loan Policy of Title Insurance - 2021. A specific request should be made if another form or additional coverage is desired.

The estate or interest in the land hereinafter described or referred or covered by this Report is:

Fee

Title to said estate or interest at the date hereof is vested in:

City of Elk Grove, a municipal corporation

The land referred to in this Report is situated in the County of Sacramento, City of Elk Grove, State of California, and is described as follows:

Parcels 1, 2, 3 and 4 as shown on that certain Parcel Map entitled "North 201.24 feet of Lot 14-Gunter's Addition to Elk Grove-Book 13 of Maps, Page 21", recorded November 3, 1976, in [Book 29 of Parcel Maps, at Page 7](#), Sacramento County Records.

[APN: 134-0072-013-0000, 134-0072-014-0000, 134-0072-015-0000, 134-0072-016-0000](#)

At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said policy form would be as follows:

1. Taxes and assessments, general and special, for the fiscal year 2024 - 2025, a lien, but not yet due or payable.
2. Taxes and assessments, general and special, for the fiscal year 2023 - 2024, as follows:

Assessor's Parcel No	:	134-0072-013-0000	
Bill No.	:	23237608	
Code No.	:	07-025	
1st Installment	:	\$40.29	Marked Paid
2nd Installment	:	\$40.29	Marked Paid

Affects Parcel 4

**OLD REPUBLIC TITLE COMPANY**  
**ORDER NO. 1117028699-JM**

3. Taxes and assessments, general and special, for the fiscal year 2023 - 2024, as follows:

Assessor's Parcel No	:	134-0072-014-0000	
Bill No.	:	23237609	
Code No.	:	07-025	
1st Installment	:	\$39.01	Marked Paid
2nd Installment	:	\$39.01	Marked Paid

Affects Parcel 3

4. Taxes and assessments, general and special, for the fiscal year 2023 - 2024, as follows:

Assessor's Parcel No	:	134-0072-015-0000	
Bill No.	:	23237610	
Code No.	:	07-025	
1st Installment	:	\$39.01	Marked Paid
2nd Installment	:	\$39.01	Marked Paid

Affects Parcel 2

5. Taxes and assessments, general and special, for the fiscal year 2023 - 2024, as follows:

Assessor's Parcel No	:	134-0072-0016-0000	
Bill No.	:	23237611	
Code No.	:	07-025	
1st Installment	:	\$37.91	Marked Paid
2nd Installment	:	\$37.91	Marked Paid

Affects Parcel 1

6. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq., of the Revenue and Taxation Code of the State of California.

**OLD REPUBLIC TITLE COMPANY**  
**ORDER NO. 1117028699-JM**

7. Any special tax which is now a lien and that may be levied within the Elk Grove Unified School District Community Facilities District No. 1, notice(s) for which having been recorded.

NOTE: Among other things, there are provisions in said notice(s) for a special tax to be levied annually, the amounts of which are to be added to and collected with the property taxes.

NOTE: The current annual amount levied against this land is \$0.00.

NOTE: Further information on said assessment or special tax can be obtained by contacting:

Name : Elk Grove Unified School District  
Address : 9510 Elk Grove Florin Road, Suite 206  
Elk Grove, CA 95624  
Telephone No. : 916-686-7562

8. The herein described property lying within the proposed boundaries of a Community Facilities District, as follows:

District No : 2014-1  
For : Clean energy  
Disclosed By : Assessment Map, Book 119, Page 14  
Recorded : [October 5, 2015 in Book 20151005 of Official Records, Page 0763](#)

Further information may be obtained by contacting:

Golden State Finance Authority  
[www.gsfahome.org](http://www.gsfahome.org)  
(855)740-7422

9. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Granted To : County of Sacramento  
For : drainage canal, ditch or pipeline  
Recorded : [November 1, 1976 in Book 761101 of Official Records, Page 804](#)  
Affects : as described therein

Said easement is shown on that certain Parcel Map, [Book 29, Page 7.](#)

**OLD REPUBLIC TITLE COMPANY**  
**ORDER NO. 1117028699-JM**

10. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Granted To : County of Sacramento  
For : public highway or road  
Recorded : [November 1, 1976 in Book 761101 of Official Records, Page 806](#)  
Affects : as described therein

Said easement is shown on that certain Parcel Map, [Book 29, Page 7](#).

11. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as shown on the filed map.

For : Drainage canal, ditch and pipeline  
Affects : A portion of said land

For : Public highway or road  
Affects : A portion of said land

12. Rights of the public, County and/or City, in and to that portion of said land lying within the lines of Elk Grove Boulevard and Kent Street (Webster Street).

13. Release and relinquishment of vehicular access rights over the Northern portion of Parcel 1, as set forth on the filed Map of said land.

14. Terms and provisions as contained in an instrument,

Entitled : Agreement to Mitigation Monitoring and Reporting Program for Old Town Mixed-Use Development-Rezone, Tentative Subdivision Map and Design Review

Executed By : Elk Grove Commercial LLC

Recorded : [June 27, 2006 in Book 20060627 of Official Records, Page 476](#)

15. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

16. Any unrecorded and subsisting leases.
17. The requirement that this Company be provided with an opportunity to inspect the land (the Company reserves the right to make additional exceptions and/or requirements upon completion of its inspection).
18. The requirement that this Company be provided with a suitable Owner's Declaration (form ORT 174). The Company reserves the right to make additional exceptions and/or requirements upon review of the Owner's Declaration.
19. Note: It appears that Old Republic National Title Insurance may be asked to insure against the rights of Mechanics Lien claimants. The Company may require the following:
  - A. Signed indemnities by all parties.
  - B. A copy of the construction cost breakdown.
  - C. Appropriate financial statements from all Indemnitors.
20. The requirement that satisfactory evidence be furnished to this Company of compliance with applicable statutes, ordinances and charters governing the ownership and disposition of the herein described land.

----- **Informational Notes** -----

- A. We find no open Deeds of Trust. A written statement must be provided by the current owner(s) attesting to whether any outstanding Deeds of Trust exist.

**OLD REPUBLIC TITLE COMPANY**  
**ORDER NO. 1117028699-JM**

B. The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented to reflect the following additional items relating to the issuance of an American Land Title Association loan form policy:

NONE

NOTE: Our investigation has been completed and said land is unimproved. Said vacant land is known as: 9220 and 9244 Elk Grove Boulevard, Elk Grove, CA 95624

The ALTA loan policy, when issued, will contain the CLTA Modified 100 (TIM-52) and Modified 116 (TIM-58) endorsements. The referenced modifications to both endorsements delete only non-applicable coverage relating to improvements located upon said land.

Unless shown elsewhere in the body of this report, there appears of record no transfers or agreements to transfer the land described herein within the last three years prior to the date hereof, except as follows:

NONE

C. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument  
Entitled : Grant Deed  
By/From : Marcus W. Bigelow and Jan K. Bigelow, husband and wife as community property, and Wayne B. Bigelow, Successor Trustee of the Bigelow Family Trust dated 6/12/1998  
To : City of Elk Grove, a municipal corporation  
Recorded : [May 17, 2021 in Official Records under Recorder's Serial Number 202105171179](#)

As to Parcel 2

D. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument  
Entitled : Grant Deed  
By/From : Anthony F. Badique and Eloisa Badique, as joint tenants  
To : City of Elk Grove, a municipal corporation  
Recorded : [May 26, 2021 in Official Records under Recorder's Serial Number 202105261791](#)

As to Parcel 3

**OLD REPUBLIC TITLE COMPANY**  
**ORDER NO. 1117028699-JM**

E. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument  
Entitled : Grant Deed  
By/From : Mamerta Cabrera, Successor Trustee of the Cabrera Family Trust  
dated September 24, 1992  
To : City of Elk Grove, a municipal corporation  
Recorded : [May 26, 2021 in Official Records under Recorder's Serial Number 202105261806](#)

As to Parcel 1

F. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument  
Entitled : Grant Deed  
By/From : Anthony F. Badique and Eloisa D. Badique, husband and wife, and  
Mamerta S. Cabrera, and unmarried woman, and Marcus Bigelow and  
Jan Bigelow, husband and wife, and Wayne Bigelow, an unmarried  
man  
To : City of Elk Grove, a municipal corporation  
Recorded : [July 26, 2021 in Official Records under Recorder's Serial Number 202107260875](#)

As to Parcel 4

**NOTE:**

The following statement is deemed attached as a coversheet to any declaration, governing document, or deed identified in the above exceptions:

**If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.**

Information for processing a "Restrictive Covenant Modification" form:

1. Print a complete copy of the document in question. Strike out what you believe to be unlawful restrictive language in the document.
2. Print and complete the "Restrictive Covenant Modification" ("RCM") form. Note that the signature on the form must be acknowledged by a notary public or other qualified officer.
3. Submit the completed RCM form and the document with your strike-outs to the County Clerk-Recorder's Office for the county where the property is located. No fee is required for this service.
4. The County Clerk-Recorder's Office will forward the RCM form and the document with your strike-outs to the Office of the County Counsel, who will determine whether the document contains any unlawful restrictions.
5. The Office of the County Counsel will return the RCM form and the document with your strike-outs to the County Clerk-Recorder's Office along with its determination. If approved, a Deputy County Counsel will sign the RCM, and the County Clerk-Recorder's Office will record, image and index it. If the Office of the County Counsel determines that the document does not contain an unlawful restriction, the County Clerk-Recorder's Office will not record the RCM.
6. The approved RCM will be returned to the submitter by mail.

The "Restrictive Covenant Modification" form is linked below:

[Restrictive Covenant Modification form](#)

Exhibit I

**CALIFORNIA LAND TITLE ASSOCIATION  
STANDARD COVERAGE OWNER'S POLICY OF TITLE INSURANCE – 2022**

**EXCLUSIONS FROM COVERAGE**

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
  - i. the occupancy, use, or enjoyment of the Land;
  - ii. the character, dimensions, or location of any improvement on the Land;
  - iii. the subdivision of land; or
  - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.  
Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
  - a. created, suffered, assumed, or agreed to by the Insured Claimant;
  - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - c. resulting in no loss or damage to the Insured Claimant;
  - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
  - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer:
    - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
    - ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

**EXCEPTIONS FROM COVERAGE**

**Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.**

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

**PART I**

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

## **PART II**

*(Variable exceptions such as taxes, easements, CC&R's, etc., are inserted here)*

**AMERICAN LAND TITLE ASSOCIATION  
LOAN POLICY OF TITLE INSURANCE – 2021**

**EXCLUSIONS FROM COVERAGE**

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
  - i. the occupancy, use, or enjoyment of the Land;
  - ii. the character, dimensions, or location of any improvement on the Land;
  - iii. the subdivision of land; or
  - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.  
Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
  - a. created, suffered, assumed, or agreed to by the Insured Claimant;
  - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - c. resulting in no loss or damage to the Insured Claimant;
  - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser or encumbrancer had been given for the Insured Mortgage at the Date of Policy.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business law.
5. Invalidity or unenforceability of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury law or Consumer Protection Law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction creating the lien of the Insured Mortgage is a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer:
    - i. to the extent the Insured Mortgage is not a transfer made as a contemporaneous exchange for new value; or
    - ii. for any other reason not stated in Covered Risk 13.b.
7. Any claim of a PACA-PSA Trust. Exclusion 7 does not modify or limit the coverage provided under Covered Risk 8.
8. Any lien on the Title for real estate taxes or assessments imposed by a governmental authority and created or attaching between the Date of Policy and the date of recording of the Insured Mortgage in the Public Records. Exclusion 8 does not modify or limit the coverage provided under Covered Risk 2.b. or 11.b.
9. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

**AMERICAN LAND TITLE ASSOCIATION  
LOAN POLICY OF TITLE INSURANCE – 2021  
(Continued)**

**EXCEPTIONS FROM COVERAGE**

**Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.**

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

*NOTE: The 2021 ALTA Loan Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed as 1 through 7 below:*

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

 <b>OLD REPUBLIC TITLE</b>	
<b>FACTS</b>	<b>WHAT DOES OLD REPUBLIC TITLE DO WITH YOUR PERSONAL INFORMATION?</b>

<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number and employment information</li> <li>• Mortgage rates and payments and account balances</li> <li>• Checking account information and wire transfer instructions</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

	Go to <a href="http://www.oldrepublictitle.com">www.oldrepublictitle.com</a> (Contact Us)
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Who we are	
Who is providing this notice?	Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.

What we do	
How does Old Republic Title protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit <a href="https://www.oldrepublictitle.com/privacy-policy">https://www.oldrepublictitle.com/privacy-policy</a>
How does Old Republic Title collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>• Give us your contact information or show your driver's license</li> <li>• Show your government-issued ID or provide your mortgage information</li> <li>• Make a wire transfer</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes - information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See the State Privacy Rights section location at <a href="https://www.oldrepublictitle.com/privacy-policy">https://www.oldrepublictitle.com/privacy-policy</a> for your rights under state law.</p>

Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., and Mississippi Valley Title Services Company</li> </ul>
Non-affiliates	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>• Old Republic Title does not share with non-affiliates so they can market to you</li> </ul>
Joint marketing	<p>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• Old Republic Title doesn't jointly market.</li> </ul>

Affiliates Who May be Delivering This Notice				
American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.	eRecording Partners Network, LLC
Genesis Abstract, LLC	Guardian Consumer Services, Inc.	iMarc, Inc.	L.T. Service Corp.	Lenders Inspection Company
Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mississippi Valley Title Services Company	Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.
Old Republic Escrow of Vancouver, Inc.	Old Republic Exchange Company	Old Republic National Ancillary Services, Inc.	Old Republic Title and Escrow of Hawaii, Ltd.	Old Republic National Title Insurance Company
Old Republic Title Company	Old Republic Title Company of Conroe	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma	Old Republic Title Company of Oregon
Old Republic Title Company of St. Louis	Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.	Old Republic Title, Ltd.	RamQuest Software, Inc.
Republic Abstract & Settlement, LLC	Sentry Abstract Company	Surety Title Agency, Inc.	Trident Land Transfer Company, LLC	

Updated: January 1, 2024

# Privacy Notice for California Consumers

This Privacy Notice for California Consumers supplements the information contained in the Master Privacy Notice for Old Republic Title and applies to consumers that reside in the State of California. The terms used in this Privacy Notice have the same meaning as the terms defined in the California Consumer Privacy Act (“CCPA”).

## What Personal Information We Collect

In accordance with the CCPA, personal information is information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Personal information does not include:

Information outside the scope of the CCPA such as:

- Health or medical information covered by the Health Insurance Portability Act of 1996 (HIPAA) and the California Confidentiality of Medical Information Act (CMIA).
- Personal Information covered by the Gramm-Leach-Bliley Act (GLBA), the Fair Credit Reporting Act (FCRA), the California Financial Information Privacy Act (FIPA), and the Driver’s Privacy Protection Act of 1994,
- Publicly available information or lawfully obtained, truthful information that is a matter of public concern, and
- De-identified or aggregated consumer information.

Please see the chart below to learn what categories of personal information we may have collected about California consumers within the preceding twelve months, the sources of and business purposes for that collection and the third parties to whom the information has been disclosed, if any.

<b>Category</b>	<b>Examples</b>	<b>Sources</b>	<b>Business Purpose for Collection</b>	<b>Categories of Third Parties with Whom Information is Shared</b>
Identifiers	Real name, alias, postal address, unique personal identifier, online	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or	Service providers associated with the transaction for a business

	<p>identifier, Internet protocol address, email address, account name, social security number, driver's license number, passport number or other similar identifiers</p> <p>Social security number, driver's license number, passport number are collected</p>	Title Agents associated with the transaction	complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	purpose
Personal information described in California Customer Records statute (Cal. Civ. Code § 1798.80(e))	<p>Name, signature, social security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card</p>	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose

	<p>number, or any other financial information, medical information, or health insurance information. "Personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.</p> <p>Social security number, driver's license number or state identification card number, passport number, bank account number, citizenship, immigration status are collected</p>			
<p>Characteristics of protected classifications under California or federal law</p>	<p>Age (40 years or older), race, color, ancestry, national origin, citizenship, religions or creed, marital</p>	<p>Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents</p>	<p>Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints. Other</p>	<p>Service providers associated with the transaction for a business purpose</p>

	<p>status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status, or genetic information (including familial genetic information).</p> <p>Marital status, sex, physical disability, citizenship is collected</p>	<p>associated with the transaction</p>	<p>audit or operational purposes.</p>	
<p>Internet or other electronic network activity</p>	<p>Browsing history, search history, information about a consumer's interaction with a website, application, or advertisement.</p>	<p>Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction</p>	<p>To provide access to certain online services. To understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Detecting security incidents,</p>	<p>Not Disclosed</p>

			protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	
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## What Personal Information We Disclose and Why We Disclose It

The CCPA requires us to tell you what categories of personal information we “sell”, “share” or “disclose.” We do not sell and will not sell your personal information as that term is commonly understood. We also do not sell and will not sell your personal information, including the personal information of persons under 16 years of age, as that term is defined by the CCPA. We do not share your personal information as that term is defined in the CCPA. When it is necessary for a business purpose, we may disclose your personal information with a service provider or contractor, and we enter into a contract with the service provider or contractor that limits how the information may be used and requires the service provider to protect the confidentiality of the information.

In the preceding twelve months, we have disclosed the following categories of personal information for the following business purposes. Where the personal information is shared with third parties, as that term is defined in the CCPA, the category of the third party is indicated.

Category	Examples	Business Purpose for Disclosure	Categories of Third Parties with Whom Information is Shared
Identifiers  (Including social security number, driver’s license number,	Real name, alias, postal address, unique personal identifier, online identifier, internet protocol address, email address, account name, social security number, driver’s license number, passport number or other similar identifiers	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against	Service providers associated with the transaction for a business purpose

and passport number)		malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	
Personal information described in California Customer Records statute (Cal. Civ. Code § 1798.80(e))  (Including Social security number, driver's license number or state identification card number, passport number, bank account number, citizenship, and immigration status)	Name, signature, social security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, or health insurance information. "Personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose
Characteristics of protected classifications under California or federal law  (Including marital status, sex, citizenship, and physical disability)	Age (40 years or older), race, color, ancestry, national origin, citizenship, religions or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status, or genetic information (including familial genetic information).	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose
Internet or other electronic	Browsing history, search history, information about a consumer's interaction with a	To provide access to certain online services. To	Not Disclosed

network activity	website, application, or advertisement.	understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	
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We may also transfer to a third party the personal information of a consumer as an asset that is part of a merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the business.

## Our Retention of Your Personal Information

The length of time that we retain personal information largely depends upon the purpose for which the information was collected rather than the category of the information as set forth in this Notice. When establishing retention periods, we consider applicable statutes of limitation and legal and regulatory requirements and guidelines. Personal information is generally retained for periods of time that permit the company to meet its legal and regulatory obligations.

## Your Rights and Choices

The CCPA provides California consumers with certain rights regarding their personal information. This chart describes those rights and certain limitations to those rights.

Right	What This Means
Notice	At or before the time your personal information is collected, you will be given written notice of the categories of personal information to be collected, the purposes for which the categories of personal information will be used, and whether that information is sold or shared.
Access	At your verifiable request, but no more than twice in a twelve month period, we shall disclose to you: 1) the categories of personal information we have collected about you, 2) the categories of sources for the personal information we collected about you, 3) our business or commercial purpose for collecting, selling or sharing your personal information, 4) the categories of third parties to whom we disclose your personal information, 5) the specific pieces of information we have collected about you, 6) the categories of personal

	<p>information disclosed about you for a business purpose and the categories of persons to whom your personal information was disclosed for a business purpose, and 7) if we sold or shared personal information, the categories of personal information sold or shared and the categories of third parties to whom it was sold or shared.</p>
Deletion	<p>You have the right to request that we delete any of your personal information that we collected from you, subject to certain exceptions. Once we receive and verify your request, we will delete (and direct our service providers and contractors to delete) your personal information from our records unless an exception applies. We may deny your request if retention of the information is necessary for us or our service providers to:</p> <ul style="list-style-type: none"> <li>• Complete the transaction for which we collected the personal information, provide a good or service that you requested, take actions reasonably anticipated within the context of our ongoing business relationship with you, or otherwise perform our contract with you.</li> <li>• Help to ensure security and integrity to the extent the use of your personal information is reasonably necessary and proportionate to that purpose. Debug to identify and repair errors that impair existing intended functionality.</li> <li>• Exercise free speech, ensure the right of another consumer to exercise their free speech rights, or exercise another right provided for by law.</li> <li>• Comply with the California Electronic Communications Privacy Act (Cal. Penal Code §1546 et seq.)</li> <li>• Engage in public or peer reviewed scientific, historical, or statistical research that conforms or adheres to all other applicable ethics and privacy laws, when the information's deletion is likely to render impossible or seriously impair the research's completion, if you previously provided informed consent.</li> <li>• Enable solely internal uses that are reasonably aligned with consumer expectations based on your relationship with us and compatible with the context in which you provided the information.</li> <li>• Comply with a legal obligation.</li> <li>• Or if it is the type of personal information that falls outside the scope of the CCPA, (HIPAA, CIMA, GLBA, or publicly available information)</li> </ul>
Correct	<p>You have the right to request that we correct inaccurate personal information about you, taking into account the nature of the personal information and the purposes of the processing of the personal information. After we receive and verify your request, we will use commercially reasonable efforts to correct the inaccurate personal information as directed by you.</p>
Opt-Out of Sale or Sharing	<p>With some limitations, you may direct a business that sells or shares personal information to third parties not to sell or share the personal information to these third parties.</p> <p>A business may not sell or share the personal information of persons less than sixteen years of age without their affirmative consent, and in the case of those less than thirteen years of age, the consent must come from a parent.</p>

Opt-In to Sale or Sharing	
Limit Use of Sensitive Personal Information	You may direct a business to limit the use of your sensitive personal information to that use which is necessary to perform the services or provide the goods reasonably expected by an average consumer who requests those goods or services and certain other limited uses as described in the CCPA and applicable regulations.
Non-Discrimination	We will not discriminate against you for exercising your rights under the CCPA. Unless otherwise permitted by the CCPA we will not: <ul style="list-style-type: none"> <li>• Deny you goods or service</li> <li>• Charge you different prices or rates for goods or services, including through granting discounts or other benefits, or imposing penalties</li> <li>• Provide a different level or quality of goods or services</li> <li>• Suggest that you will receive a different price or rate for goods or services or a different level or quality of goods or services</li> </ul>

## To Exercise Your Rights

### To Opt-out of the Sale or Sharing of Your Personal Information

The CCPA gives consumers the right to direct a business that sells or shares personal information about the consumer to third parties not to sell or share the consumer’s personal information. We do not sell and will not sell your personal information as that term is commonly understood. We also do not sell and will not sell your personal information, as that term is defined by the CCPA. We do not share your personal information as that term is defined in the CCPA.

### To Limit the Use of Sensitive Personal Information

The CCPA gives consumers the right to direct a business to limit the use of the consumer’s sensitive personal information to that use which is necessary to perform the services or provide the goods reasonably expected by an average consumer who requests those goods or services and certain other limited uses as described in the CCPA and applicable regulations. We do not use or disclose sensitive personal information for purposes other than those purposes specified in Section 7027, subsection (m) of the California Consumer Privacy Act Regulations. If we begin using or disclosing your sensitive personal information outside of those purposes, then we will provide you with the option to limit our use or disclosure through a clear and conspicuous link on our internet homepage.

## **To Request Access to, Correction or Deletion of Your Personal Information**

To exercise your access, correction or deletion rights described above, please submit a verifiable consumer request to us by either: Calling us at 1-855-557-8437 or contacting us through our website <https://ccpa.oldrepublictitle.com> .

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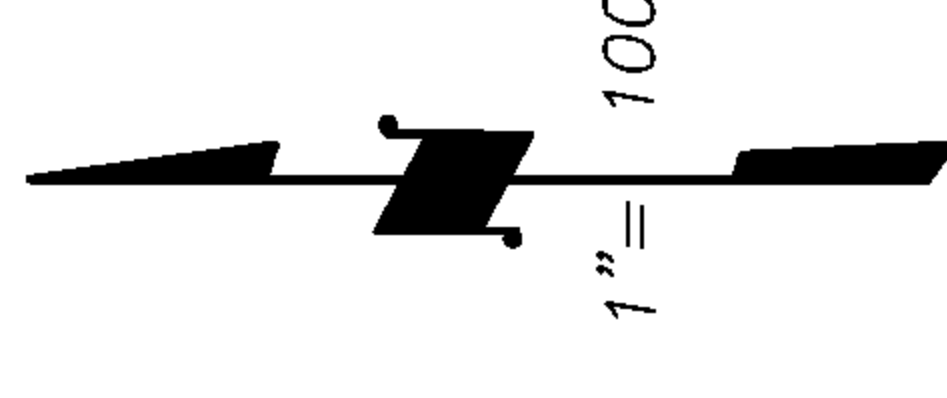
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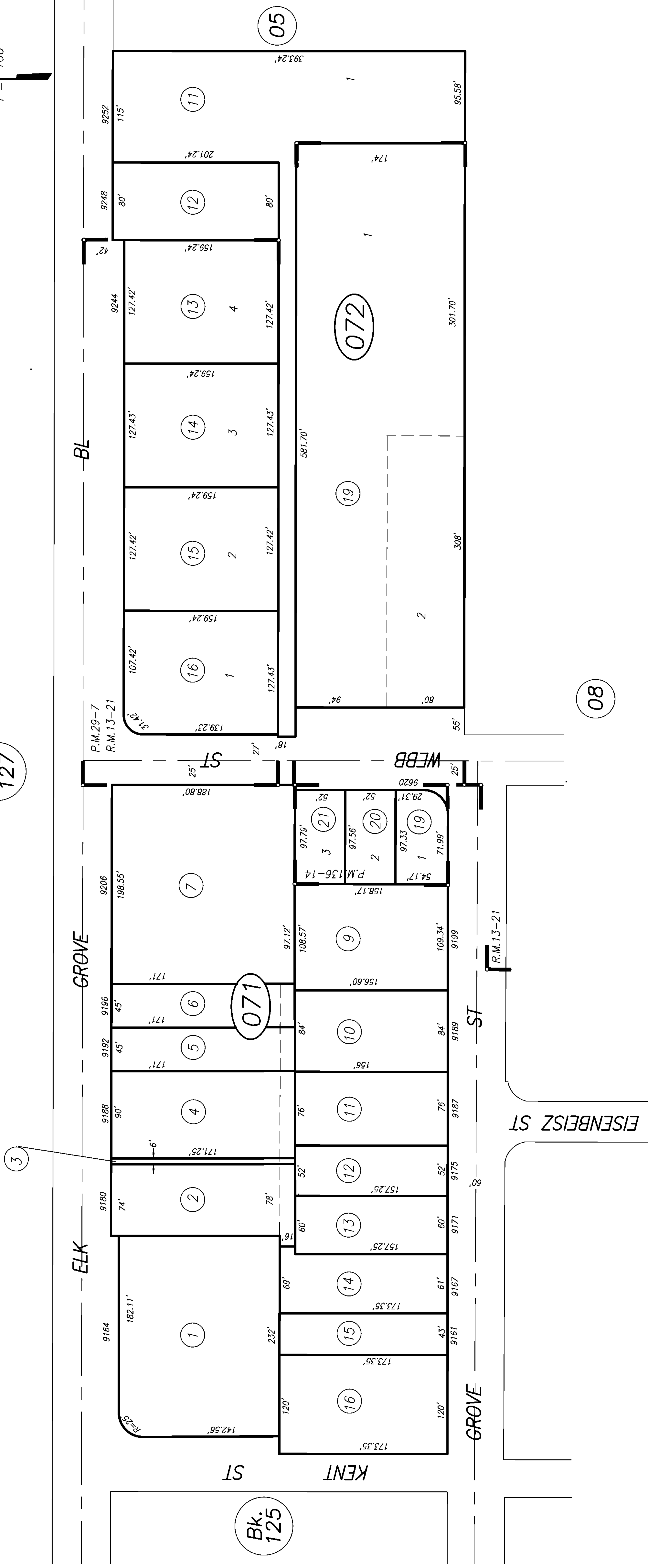
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134-07



Bk. 127



Bk. 125

08

Gunters Addition, R.M. Bk.13 Pg.21  
Treat Tract, R.S. Bk.1 Pg.81 1/2

CITY OF ELK GROVE  
Assessor's Map Bk. 134 Pg. 07  
County of Sacramento, Calif.

JULY, 30TH, 2017



**Valbridge**  
PROPERTY ADVISORS

## Appraisal Report

An Affordable Housing Site  
9220-9244 Elk Grove Boulevard  
Elk Grove, Sacramento County, California 95624

Report Date: November 25, 2024



FOR:

Mutual Housing California  
Revati Rajwade  
3321 Power Inn Road, Suite 320  
Sacramento, California 95826

**Valbridge Property Advisors |  
Northern California**

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Roseville, CA 95661  
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Valbridge File Number:  
CA09-24-0531-000



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November 25, 2024

Gene Williams, MAI, CCIM  
408.279.1520 x7150  
gwilliams@valbridge.com

Revati Rajwade  
Mutual Housing California  
3321 Power Inn Road, Suite 320  
Sacramento, California 95826

RE: Appraisal Report  
An Affordable Housing Site  
9220-9244 Elk Grove Boulevard  
Elk Grove, Sacramento County, California 95624

Dear Ms. Rajwade:

In accordance with your request, an appraisal of the above referenced property was performed. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to the value opinions. This letter of transmittal does not constitute an appraisal report and the rationale behind the value opinion(s) reported cannot be adequately understood without the accompanying appraisal report.

The subject property, as referenced above, is located at the southeast corner of Elk Grove Blvd at Webb St., just west of Waterman Rd. It is further identified as tax parcel numbers 134-0072-013, -014, -015, and -016. The subject site is a 1.87-acre or 81,457-square-foot property. The property is under a Letter of Intent for sale to the Client. The sale is contingent upon the buyer obtaining entitlements for the proposed project, which will include 89 affordable housing units in a three-story elevator-served building. For purposes of our analysis, we have assumed that the entitlements have been approved.

The analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and the requirements of our client.

The client in this assignment is Mutual Housing California and the intended users of this report are Mutual Housing California and the City of Elk Grove and no others. The intended use is for use in determining the required parkland dedication for a proposed project on the site.. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certifications contained in this report.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

**Extraordinary Assumptions:**

- The subject property is under a Letter of Intent for sale to the Client. The sale is contingent upon the buyer obtaining entitlements for the proposed project. It is an extraordinary assumption of this appraisal that the property is entitled for development as described herein.

**Hypothetical Conditions:**

- None noted

Based on the analysis contained in the following report, our value conclusions are summarized as follows:

<b>Value Conclusion</b>	
<b>Component</b>	<b>As Is</b>
Value Type	Fair Market Value
Real Property Interest	Fee Simple
Effective Date of Value	October 20, 2024
<b>Value Conclusion</b>	<b>\$1,200,000</b>
	<b>\$14.73 PSF</b>

Respectfully submitted,  
 Valbridge Property Advisors | Northern California



Gene Williams, MAI, CCIM  
 Managing Director  
 California Certified License #AG015954

# Table of Contents

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Cover Page	
Letter of Transmittal	
Table of Contents .....	4
Summary of Salient Facts .....	5
Aerial and Front Views.....	6
Location Map .....	7
Introduction.....	8
Scope of Work .....	10
Regional and Market Area Analysis.....	12
City and Neighborhood Analysis .....	18
Site Description .....	22
Subject Photographs.....	27
Assessment and Tax Data .....	29
Market Analysis .....	30
Highest and Best Use Analysis .....	32
Land Sales Comparison Approach.....	33
Exposure Time and Marketing Period .....	49
General Assumptions and Limiting Conditions .....	50
Certification – Gene Williams, MAI, CCIM.....	55
Addenda .....	56
Glossary .....	57
Qualifications .....	64
Valbridge Property Advisors Information / Office Locations .....	66

# Summary of Salient Facts

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## Property Identification

Property Name	An Affordable Housing Site
Property Address	9220-9244 Elk Grove Boulevard Elk Grove, Sacramento County, California 95624
Latitude & Longitude	38.408735, -121.356599
Census Tract	6931.02
Tax Parcel Numbers	134-0072-013, -014, -015, and -016
Property Owners	City of Elk Grove

## Site

Zoning	High-density residential (RD-25)
FEMA Flood Map No.	06067C0336H
Flood Zone	X
Gross Land Area	81,457 square feet
Usable Land Area	81,457 square feet
Number of Units	89

## Valuation Opinions

Highest & Best Use - As Vacant	Multi-family development as demand dictates
Reasonable Exposure Time	3 to 9 months
Reasonable Marketing Time	3 to 9 months

---

## Value Indications

### Approach to Value

	As Is
Sales Comparison	\$1,200,000
Cost	Not Developed
Income Capitalization	Not Developed

### Value Conclusion

#### Component

	As Is
Value Type	Fair Market Value
Real Property Interest	Fee Simple
Effective Date of Value	October 20, 2024

#### Value Conclusion

**\$1,200,000**  
**\$14.73 PSF**

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# Aerial and Front Views

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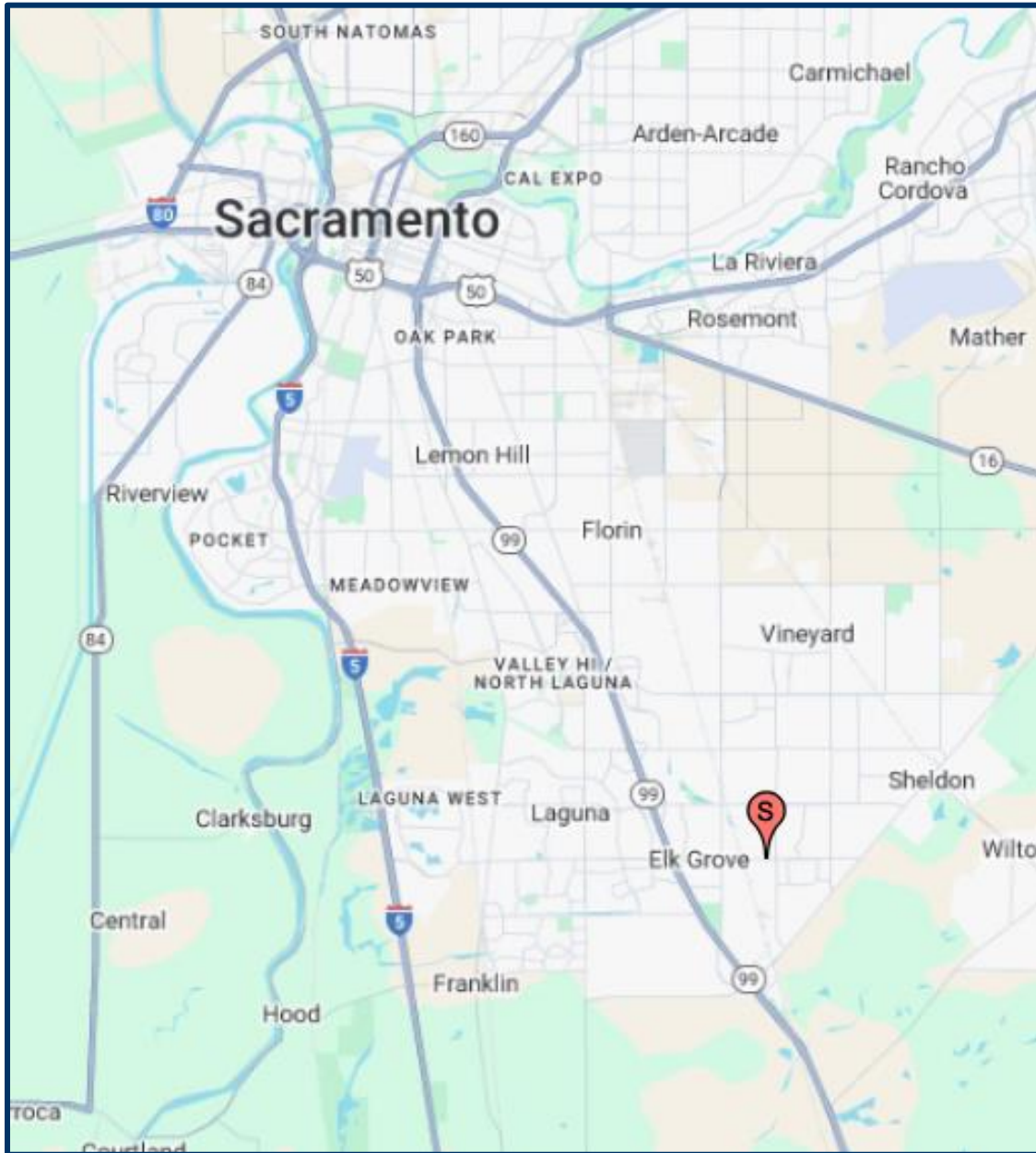
## AERIAL VIEW



## FRONT VIEW



# Location Map



# Introduction

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## Client and Intended Users of the Appraisal

The client in this assignment is Mutual Housing California and the intended users of this report are Mutual Housing California and the City of Elk Grove.

## Intended Use of the Appraisal

The intended use of this report is for use in determining the required parkland dedication for a proposed project on the site..

## Real Estate Identification

The subject property is located at 9220 & 9230 Elk Grove Boulevard, Elk Grove, Sacramento County, California 95624. The property is further identified by the tax parcel numbers 134-0072-013, -014, -015, and -016.

## Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject was vacant land.

## Use of Real Estate as Reflected in this Appraisal

The as is opinion of value for the subject property reflects use as an entitled multi-family development site.

## Ownership of the Property

According to public records, title to the subject property is vested in the City of Elk Grove.

## History of the Property

Ownership of the property has changed within the past three years.

### Recent Transaction

Sale Date:	May thru July 2021
Grantor/Seller:	See Comments
Grantee/Buyer:	City of Elk Grove
Arm's Length:	Yes
Remarks:	The City of Elk Grove acquired the four parcels that comprise the subject property between May of 2021 and July of 2021 from four separate sellers. The prices paid for the properties are not disclosed in public records. It is our understanding that the City is now under a Letter of Intent to sell the property to the Client based on the appraised value. The Client has not obtained tentative map approvals for the proposed project, which is intended to contain 89 units in a three-story elevator-served building. However, the City is in favor of the project and the pending LOI is contingent upon gaining entitlements.

## Type and Definition of Value

The appraisal problem is to develop an opinion of the fair market value of the subject property. The Fair Market Value definition provided by the City of Elk Grove is as follows:

“The most probable price, as of a specific date, in cash or in terms equivalent to cash, or in other precisely revealed terms, for which the specific property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under duress.”

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

## Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Opinions of value for the subject were developed under the following valuation scenarios:

Valuation Scenario	Effective Date of Value
As Is Fair Market Value of the Fee Simple Interest	October 20, 2024

## Date of Report

The date of this report is November 25, 2024.

## Assumptions and Conditions of the Appraisal

This appraisal assignment and the opinions reported herein are subject to the General Assumptions and Limiting Conditions contained in the report and the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results.

### Extraordinary Assumptions

- The subject property is under a Letter of Intent for sale to the Client. The sale is contingent upon the buyer obtaining entitlements for the proposed project. It is an extraordinary assumption of this appraisal that the property is entitled for development as described herein.

### Hypothetical Conditions

- None noted

# Scope of Work

---

The elements addressed in the Scope of Work are (1) the extent to which the subject is identified, (2) the extent to which the property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed below.

## Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via its street address and Assessor Parcel Number.
- Economic Characteristics - The subject's economic characteristics were identified via property ownership, Bureau of Labor Statistics, STDB, RERC, CoStar.
- Physical Characteristics - The subject's physical characteristics were identified via various services including Costar, Google Earth and published sources.

## Extent to Which the Property Was Inspected

An inspection of the property was completed on October 20, 2024.

## Type and Extent of Data Researched

The following data was researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. Professionals familiar with the subject market/property type were also interviewed.

## Type and Extent of Analysis Applied (Valuation Methodology)

Surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations were observed in the process of concluding a highest and best use for the subject. The property was then valued based on the highest and best use conclusion.

There are four primary methods available to develop a land value estimate: (1) sales comparison, (2) land residual method, (3) ground rent capitalization, and (4) subdivision development method (discounted cash flow). While other methods, such as extraction and allocation, are applicable under limited conditions, one or more of these approaches are used in most circumstances to derive an indication of land value.

- Sales Comparison Approach - In the sales comparison approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.
- Direct Capitalization: Land Residual Method - The land residual methodology involves estimating the residual net income to the land by deducting from total potential income the portion attributable to the improvements, assuming development of the site at its highest and best use. The residual income is capitalized at an appropriate rate, resulting in an indication of land value.

- Direct Capitalization: Ground Rent Capitalization – A market derived capitalization rate is applied to the net income resulting from a ground lease. This can represent the leased fee or fee simple interest, depending on whether the income potential is reflective of a lease in place or market rental rates.
- Yield Capitalization: Subdivision Development Method – Also known as discounted cash flow analysis (DCF), the methodology is most appropriate for land having multiple lot development in the near term as the highest and best use. The current site value is represented by discounting the anticipated cash flow to a present value, taking into consideration all necessary costs of development, maintenance, administration, and sales throughout the absorption period.

All of these approaches to value were considered. The availability of data and applicability of each approach to value within the context of the characteristics of the subject property, along with the needs and requirements of the client, were assessed. Based on this assessment, the sales comparison approach was developed. The Income and Cost Approaches are not developed as a reasonable number of comparable land sales are available for purposes of this analysis. The exclusion of these approaches does not weaken the validity of the appraisal conclusions. The specific methods and analysis of each approach are further discussed in the respective valuation sections.

### Appraisal Conformity and Report Type

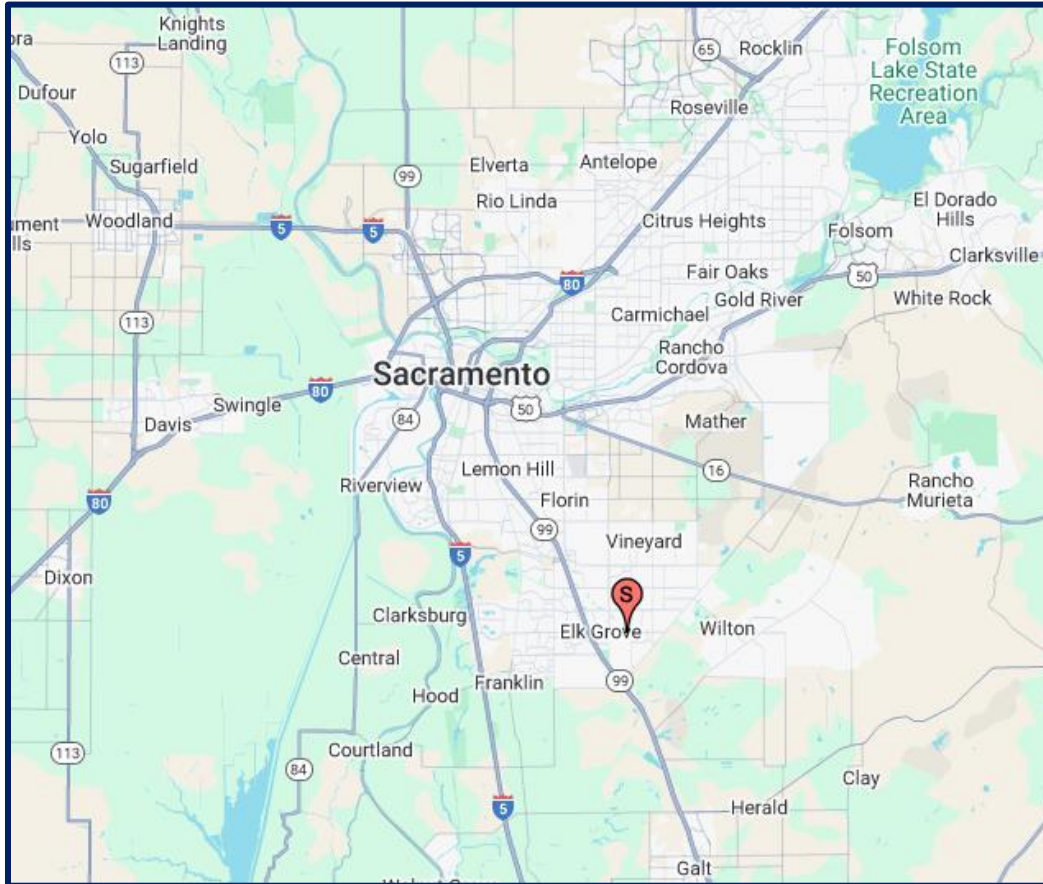
The analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and the requirements of our client. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

### Personal Property/FF&E

All items of non-realty are excluded from this analysis. The opinion of market value developed herein is reflective of real estate only.

# Regional and Market Area Analysis

## REGIONAL MAP



### Overview

The subject is located in Sacramento County in the southern section of the Sacramento Valley. The Sacramento Valley and San Joaquin Valley combine to form the Central Valley, which is one of the most productive agricultural regions in the world. The area is known for its fertile soils and the agricultural abundance is supported by a temperate Mediterranean climate.

### Population

According to the California Department of Finance, the population of Sacramento County as of January 1, 2024, was 1,578,938, an increase of 0.1% over the previous year. Sacramento is the largest city in the county.

According to ESRI projections, presented below, the county's population is expected to increase annually 0.49% between 2024 and 2029, while Elk Grove will increase approximately 0.27% annually over the same period.

### Population

Area	Census Population (2020)	Current Population (2024)	Compound Annual $\Delta$ 2020 - 2024	Projected Population (2029)	Compound Annual $\Delta$ 2024 - 2029
United States	331,449,520	335,707,897	0.32%	343,238,675	0.44%
California	39,538,223	39,530,491	0.00%	39,717,178	0.09%
Sacramento-Roseville-Folsom, CA (MSA)	2,397,382	2,466,648	0.71%	2,532,331	0.53%
Sacramento County	1,585,055	1,622,096	0.58%	1,662,415	0.49%
Elk Grove city	176,124	182,955	0.96%	185,470	0.27%

Source: ESRI (ArcGIS)

### Transportation

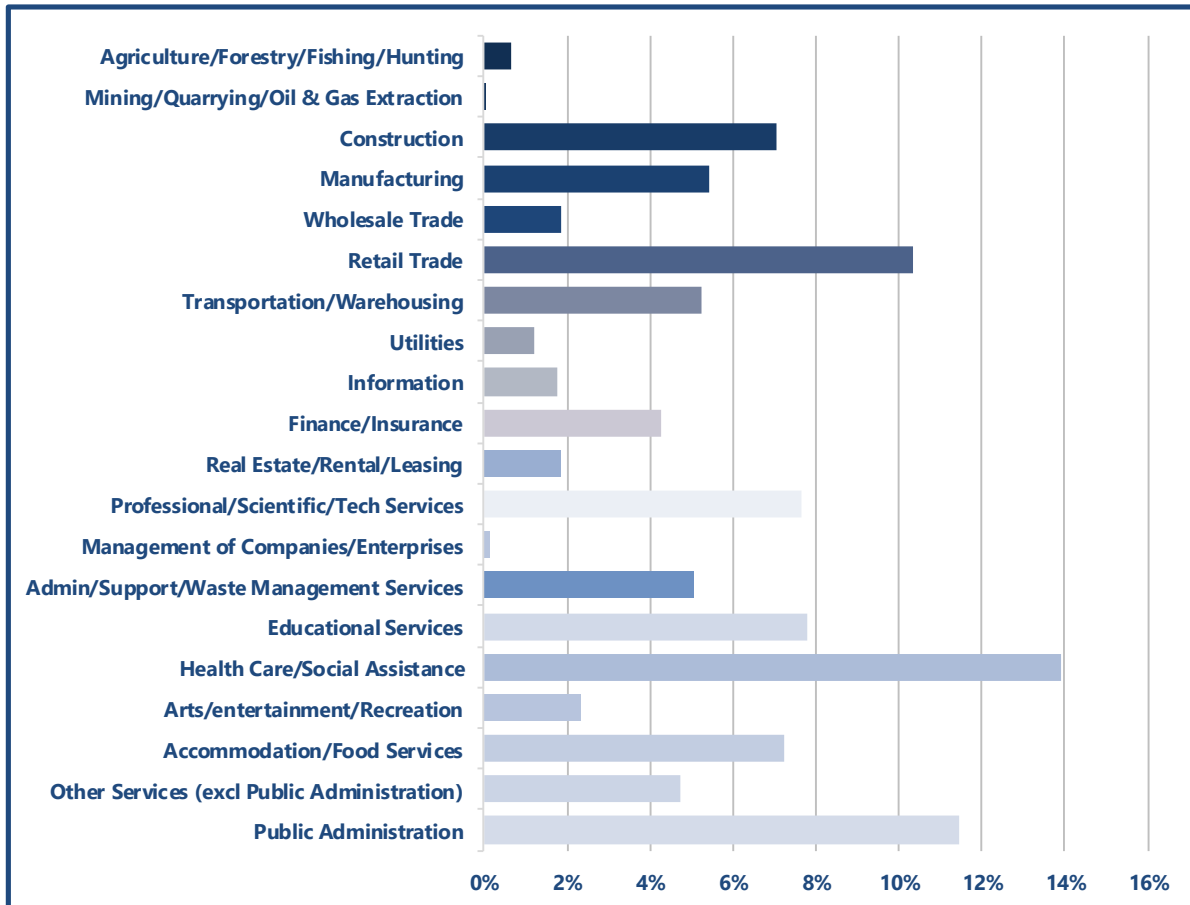
Regional routes within Sacramento proper include Interstates 5 and 80 and Highways 50 and 99, which are interconnected via Business Loop 80 (Capital City Freeway). Interstate 5 runs south to connect to San Diego and north through Oregon. Interstate 80 connects the area to Reno, Nevada, to the east, and the San Francisco Bay Area to the west. Highway 50 runs in an easterly direction and connects Sacramento to South Lake Tahoe. Highway 99 extends generally south from Sacramento and links to Bakersfield. The Sacramento Valley Rail Station is located at the corner of 5th and I streets near the historic Old Town Sacramento. The station is served by Amtrak, the RT light rail system, two local bus lines, and one intercity line to BART.

The port of Sacramento serves northern California, Nevada, and southern Oregon, shipping approximately 1.18 million tons of cargo annually. Sacramento International Airport is a major, full-service airport with passenger flights. It is owned by the County of Sacramento. The County also owns Sacramento Mather Airport in Rancho Cordova and Sacramento Executive Airport, both of which are general aviation airports. There are also privately-owned public use airports located in Elk Grove and Rio Linda.

### Employment

The Sacramento area benefits from several geographical factors. The area has a strong transportation network, is accessible to the Greater San Francisco Bay Area, and remains a more affordable place to live than alternative Bay Area locations.

The healthcare and social assistance industry employs the largest segment of the workforce in Sacramento County. This category is rather broad and encompasses many different job types. The second largest percentage of jobs is provided by professional, scientific, and tech services, followed by retail trade. Unsurprisingly, given that it is the home to the State Capital, another significant employment sector in the county is Public Administration. Major employers include the State of California and Sacramento County.



Employment by Industry for Sacramento County - Source: ESRI (ArcGIS)

## Unemployment

The unemployment rate in Sacramento County is currently less than the rates of the state and nation. The County unemployment rate was 5.3% as of September 2024 (most recent available). The State of California was at 5.3% while the Nation was at 3.9% for the same time period.

### Unemployment Rates

Area	YE 2019	YE 2020	YE 2021	YE 2022	YE 2023	2024 <sup>1</sup>
United States	3.7%	8.1%	5.3%	3.6%	3.6%	3.9%
California	4.1%	10.1%	7.3%	4.3%	4.8%	5.3%
Sacramento-Roseville, CA (CMSA)	3.8%	9.0%	6.5%	4.0%	4.5%	5.3%
Sacramento County, CA	3.7%	9.4%	6.9%	4.0%	4.4%	5.3%
Elk Grove city, CA	3.2%	8.2%	5.8%	3.4%	3.8%	4.9%

Source: [www.bls.gov](http://www.bls.gov)

<sup>1</sup>ata not seasonally adjusted; <sup>1</sup>September - most recent for US, others lag by 1-2 mos.)

## National Economic Overview

The national economy continues a path of moderate expansion in 2024. The recovery post-COVID has been marked by increased demand for labor and wage growth, while the Federal Reserve's monetary policy has aimed to manage inflation and stabilize financial markets.

In 2023, the economy experienced varying Gross Domestic Product (GDP) growth rates, with a notable spike of 4.9% in the third quarter, driven largely by consumer spending and government investments. Overall, GDP increased by 2.5% in 2023. For 2024, the U.S. economy expanded at an annual rate of 2.8% for the second quarter, surpassing both the 1.4% growth in the first quarter and a projected 2.1% growth rate. Employment growth continues to be strong, except in the technology sector.

As of August 2024, the inflation rate increased by 2.5% from the previous year. The rate of inflation has decelerated over the past two years and remains slightly above the Fed's targeted 2% range. Federal Reserve Chairperson, Jerome Powell has stated, "The upside risks of inflation have diminished, and the downside risks to employment have increased. The time has come for policy to adjust."

### Federal Funds Rate

Beginning in March 2022, the Federal Reserve initiated interest rate increases to temper rapid inflation. The initial increase was by 25 basis points. By mid-2022, inflation had surged to an all-time high of 9.1%, prompting the Fed to make eleven interest rate hikes through 2022 and 2023. Since July 2023, the Federal Funds Rate has remained within a range of 5.25% to 5.5%. Challenges in the banking sector, including the collapses of Silicon Valley Bank, Signature Bank, and First Republic Bank, have tightened credit conditions.

On September 18, 2024, the Federal Reserve reduced its benchmark interest rate by half a percentage point, which had been highly anticipated by real estate market participants. Prior to the announcement, the 10-Year Treasury bond and lending rates were down.

The new benchmark interest rate now stands between 4.75% to 5.0%. The Federal Reserve projects that by year-end, the rate will decrease to 4.5%, with a further decline to 3.5% anticipated by the end of 2025.

### Commercial Real Estate (CRE) Loans and Foreclosures

Elevated interest rates add to an increase in the cost of debt, which in turn has put pressure on new real estate development projects and has partially contributed to a decline in market activity of commercial real estate. Specific segments, such as the office sector, were further affected by high vacancies driven by remote working.

The CRE sector faces increased risks, particularly in the office and retail segments, where high volumes of refinancing are due soon. Approximately \$1.6 trillion of commercial real estate debt is expected to mature in the next two years, with a significant portion held by banks and commercial mortgage-backed securities. This situation is exacerbated by stricter lending standards and a reduction in private equity fundraising, further restricting funding availability for the sector.

### The California Forecast

The California economy is currently outpacing national growth, characterized by job creation in key sectors such as healthcare, social services, education, construction, leisure and hospitality, and durable goods manufacturing. Construction and durable goods manufacturing sectors offer higher average wages.

Total statewide unemployment (yearly average rate) for 2023 was at 4.8% and is forecasted to be at 4.5% in 2024, and at 3.8% in 2025. Real income was forecasted to overall decrease by 0.2% in 2023 but increase by 1.2% and 2.0% respectively in 2024 and 2025.

Risks to the forecast, as in the national forecast, are political and geopolitical.

### Concluding Remarks

Overall, the U.S. economy is navigating a challenging landscape characterized by declining inflation, tighter monetary policies, and moderating growth. While the labor market remains strong, concerns over a potential recession linger as the Federal Reserve aims to achieve a soft landing.

While the labor market remains resilient, the growth in job creation may slow as the economy seeks a new equilibrium. The transition towards a more balanced economic growth trajectory reflects a cautious optimism among economists and market observers, considering the undercurrents of global geopolitical tensions and domestic policy adjustments. This delicate balance underscores the importance of vigilance and adaptability in economic policy and market strategies as we navigate through the uncertainties of 2024.

In conclusion, the CRE market for the remainder of 2024 is poised at a critical juncture, with interest rates playing a pivotal role in shaping its direction. Investors and developers are navigating a challenging environment, with higher debt costs, property valuation pressures, and regulatory readiness concerns. It is expected that the initial interest rate cut in September 2024, and further cuts, either at the end of the year, or by early 2025, will help investors. Opportunities for recovery and growth remain, particularly in sectors with strong fundamentals and as the economy potentially shifts towards more favorable conditions later in 2025.

### Median Household Income

Total median household income for the region is presented in the following table.

<b>Income</b>			
<b>Area</b>	<b>2024 Median HH Income</b>	<b>2024 Average HH Income</b>	<b>2024 Per Capita Income</b>
United States	\$72,233	\$104,831	\$41,000
California	\$97,646	\$139,308	\$48,206
Sacramento-Roseville-Folsom, CA (MSA)	\$94,611	\$131,015	\$47,480
Sacramento County	\$88,795	\$120,811	\$42,910
Elk Grove city	\$116,810	\$148,160	\$45,737

Source: ESRI (ArcGIS)

### Conclusions

Sacramento County is considered a desirable place to live and work. The area benefits from having good transportation systems and has continued to grow over the past several years, but there is still land available for development. In light of the social and economic attributes of the greater Sacramento area, we foresee stability and moderate growth with increasing real estate values over the long term. The intrinsic desirability of the region, a diverse economic base, and historically strong long-term job and population growth bolster real estate values and potential for long-term appreciation.

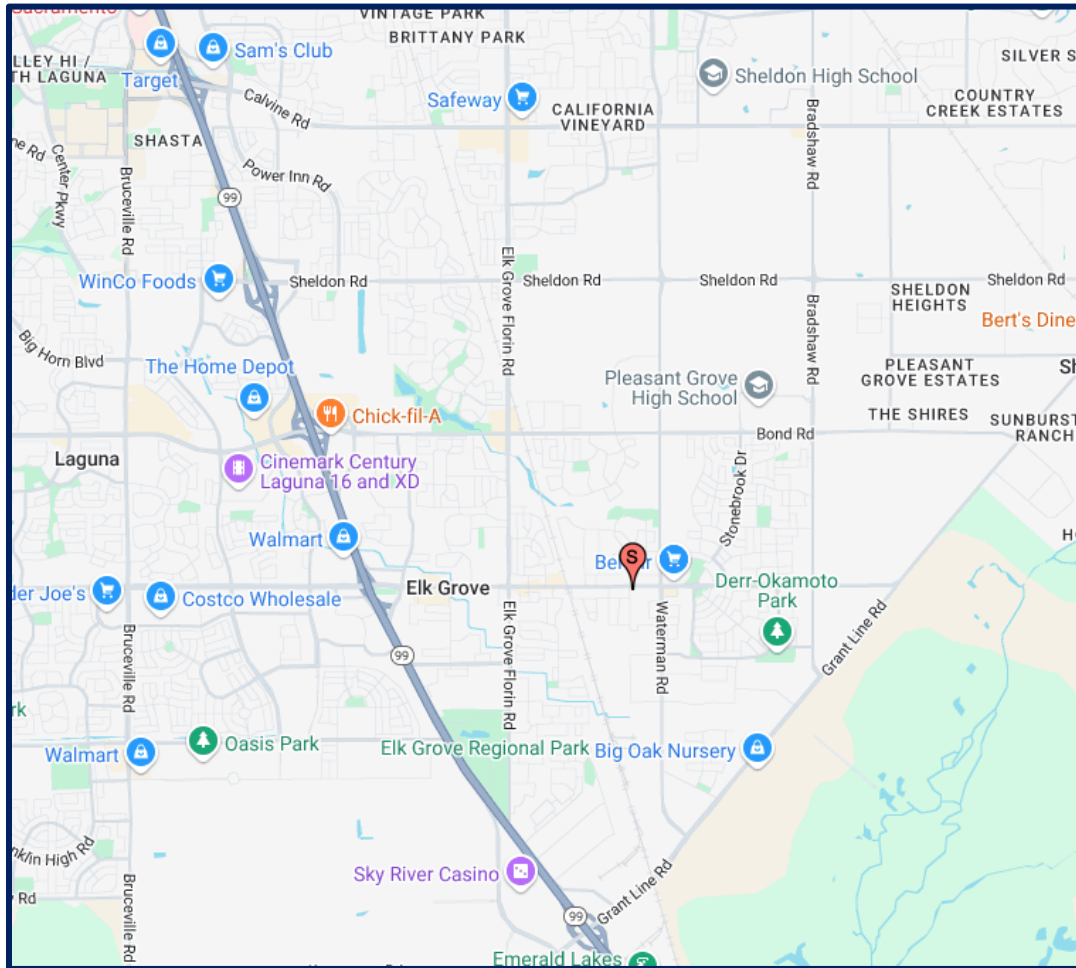
In 2020, a surge of Bay Area residents moved to Sacramento, enticed by more affordable and spacious housing. Although the population across the county declined from 2023 to 2024, the city of Folsom experienced 2.7% growth, ranking third as the fastest growing city in the state.

Household incomes are increasing at the fastest pace since the 1980s; however, inflation is outpacing those gains, leaving households with increasing debt to keep pace. On the more positive side, inflation subsided in early 2023. However, in July 2023, the interest rate was increased  $\frac{1}{4}$  percentage point. While business travel and conventions have yet to recover fully from the pandemic, personal travel has normalized, and the travel industry is regaining strength. Supply chain disruptions continue to impact various sectors of the economy, but many businesses are recovering.

With respect to commercial and residential real estate, increasing interest rates began to stifle transaction volumes in late 2022 to 2023 in the Sacramento region, a trend that has continued without much change into 2024. Banks and institutional lenders have not been active for some time, leaving financing to private money lenders and cash buyers. Loan interest rates, where loans are available, have essentially doubled, leaving buyers to demand higher rates of return. While some distress is emerging, particularly in the office segment, sellers are mostly unwilling to transact at lower prices, keeping market participants in a wait and see posture. Reports indicate that once inflation has stabilized and interest rates can be projected with more certainty, transaction volumes will likely increase. In any case, the historic reasons for growth in the region remain the same, and, thus, the expectation is that normal growth will resume over time.

# City and Neighborhood Analysis

## NEIGHBORHOOD MAP



### Overview

The subject is located in the city of Elk Grove, in Sacramento County. Elk Grove is located about 15 miles southeast of the state capital of Sacramento. Incorporated in 2000, it is the fastest growing community in the region.

Although Elk Grove offers numerous employment opportunities, the majority of its residents commute to Sacramento, or to employment centers to the west, primarily in Alameda and Contra Costa counties. Its housing market has been heavily influenced by the San Francisco Bay Area, largely as a result of the higher housing costs in that region.

Elk Grove is a family-oriented suburban area offering a better quality of life compared to higher-priced, congested Northern California cities. Excellent school districts and open space have drawn a number of companies to relocate to this area. Many subdivisions were approved, such as East Franklin and East Elk Grove.

Significant new development is predominantly located in the city's southwestern portion, while the northwestern portion remains agricultural. Significant nodes of new development have occurred at the intersection of Elk Grove Boulevard and Waterman Road, the southeast corner of Highway 99 and Calvine Road, the west end of Laguna Boulevard at Franklin Boulevard, and at the southwest corner of the City limit.

The largest employers in Elk Grove include the Elk Grove Unified School District, the City and Dignity Health. Kaiser Permanente has approximately 1,500 employees within the city, as well.

Home values in Elk Grove, like much of the region, were hit hard with the burst of the housing bubble and subsequent economic recession. However, the residential market improved since. According to most recent housing statistics, as of October 2024 the median home price in Elk Grove was \$610,000, up 7.0% from the previous year.

### Neighborhood Location and Boundaries

The subject neighborhood is located in the Old Town section of Elk Grove. The area is suburban in nature. The neighborhood is bounded by Calvine Rd. to the north, Highway 99 to the west, and Grant Line Rd. to the south and the east.

Old Town Elk Grove features historic buildings, local shops, and eateries. The area hosts community events and markets, reflecting its agricultural roots. Streets are lined with trees, and there are parks nearby for leisure. Visitors can enjoy a blend of history and modernity in this charming neighborhood.

### Transportation Access

Within the immediate area of the subject, transportation access helps define the character of its development. Major travel and commuter routes within the area of the property include Highway 99 and Elk Grove Blvd. Access to the area is considered good.

### Land Use Trends

The neighborhood is not experiencing a significant change in land use. Nearby uses follow:

### Demographics

The following table depicts the area demographics in Elk Grove within a one-, three-, and five-mile radius from the subject.

### Neighborhood Demographics

Radius (Miles)	1 Mile	3 Mile	5 Mile
Trade Area (Sq. Mi.)	3.14	28.27	78.54
Trade Density (Pop/Sq. Mi.)	5,566	2,668	2,727
<b>Population</b>			
Census Population (2010)	16,553	58,603	178,718
Census Population (2020)	17,396	71,677	206,749
Current Population (2024)	17,471	75,416	214,146
Projected Population (2029)	17,553	77,126	218,421
<u>Compound Annual Growth</u>			
2010 - 2020	0.5%	2.0%	1.5%
2020 - 2024	0.1%	1.3%	0.9%
2024 - 2029	0.1%	0.4%	0.4%
<b>Households</b>			
Census Households (2010)	5,112	18,493	54,267
Census Households (2020)	5,394	22,107	62,667
Current Households (2024)	5,344	22,903	64,292
Projected Households (2029)	5,316	23,195	64,928
<u>Compound Annual Growth</u>			
2010 - 2020	0.5%	1.8%	1.4%
2020 - 2024	-0.2%	0.9%	0.6%
2024 - 2029	-0.1%	0.3%	0.2%
Average Household Size (2024)	3.23	3.27	3.31

Source: ESRI (ArcGIS)

(Lat: 38.408735, Lon: -121.356599)

### Neighborhood Demographics (cont.)

Radius (Miles)	1 Mile	3 Mile	5 Mile
Trade Area (Sq. Mi.)	3.14	28.27	78.54
Trade Density (Pop/Sq. Mi.)	5,566	2,668	2,727
<b>2024 Housing Units</b>			
Median Home Value	\$608,455	\$614,311	\$603,157
Median Year Built	1994	1997	1998
Total Housing Units	5,451	23,565	65,914
Owner-Occupied Housing %	72.9%	76.3%	72.0%
Renter-Occupied Housing %	25.1%	20.9%	25.6%
Vacant Housing %	2.0%	2.8%	2.5%
<b>2024 Employment</b>			
Total Establishments	666	2,448	4,509
Total Employees	4,365	24,290	44,763
Average Commute Time	n/a	n/a	n/a
% College Graduates	39.6%	38.8%	36.6%
<b>2024 Income Summary</b>			
Median Household Income	\$115,512	\$119,029	\$109,238
Average Household Income	\$146,926	\$151,793	\$138,689
Avg Spending/Household	\$39,713	\$41,361	\$38,093
Per Capita Income	\$45,901	\$46,294	\$41,669

Source: ESRI (ArcGIS)

(Lat: 38.408735, Lon: -121.356599)

The population is 75,416 within a three-mile radius of the subject property with a projected annual growth rate of 0.4%. There were 23,565 housing units within the three-mile radius. Most housing is owner-occupied. Property values in the area were stable to increasing. The median household income was \$119,029 within a three-mile radius of the subject property.

### Nuisances & External Obsolescence

Neighborhood properties have adequate levels of maintenance. No adverse or unfavorable factors were observed.

### Neighborhood Life Cycle

Most neighborhoods are classified as being in four stages: **growth**, **stability**, **decline**, and **revitalization**. Overall, the subject neighborhood is in the revitalization stage of its life cycle.

### Immediate Area Uses

The below aerial photo exhibits the uses located in the subject's immediate vicinity.

### Conclusions

The Old Town neighborhood is characterized by revitalization, which is taking place slowly as economic conditions have not been conducive to new development in recent years. As interest rates and tenant demand stabilized, we expect that the neighborhood will experience more redevelopment over the long-term.

## Site Description

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The subject site is located at the southeast corner of Elk Grove Blvd at Webb St., just west of Waterman Rd. The characteristics of the site are summarized as follows:

### Site Characteristics

Gross Land Area:	1.87 Acres or 81,457 SF
Usable Land Area:	1.87 Acres or 81,457 SF
Usable Land %:	100.0%
Shape:	Rectangular
Topography:	Level
Utilities:	All available
Interior or Corner:	Corner
Signalized Intersection:	No:

### Street Frontage / Access

Frontage Road	Primary	Secondary
Street Name:	Elk Grove Blvd.	Webb St.
Street Type:	Thoroughfare	Residential street
Frontage (Linear Ft.):	488	139

### Flood Zone Data

Flood Map Panel/Number:	06067C0336H
Flood Map Date:	08-16-2012
Portion in Flood Hazard Area:	0.00%
Flood Zone:	X

Zone X (500 year) is an area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile; or an area protected by levees from 100-year flooding

### Other Site Conditions

Environmental Issues:	A Phase I Environmental Site Assessment was not provided for our review. As real estate appraisers, we are not qualified to determine if the soil or ground water is contaminated or if there are onsite or offsite sources of contamination. For the purpose of this appraisal, it is assumed the site is not impacted by any known environmental conditions.
Easements/Encroachments:	We are not aware of any detrimental easements, restrictions, or conditions affecting the subject site. Typical public utility easements are assumed.

Earthquake Zone: The subject is not located in an identified earthquake hazard area based on the Alquist-Priolo special studies.

### Site Ratings

Access: Average  
Visibility: Average

### Zoning Designation

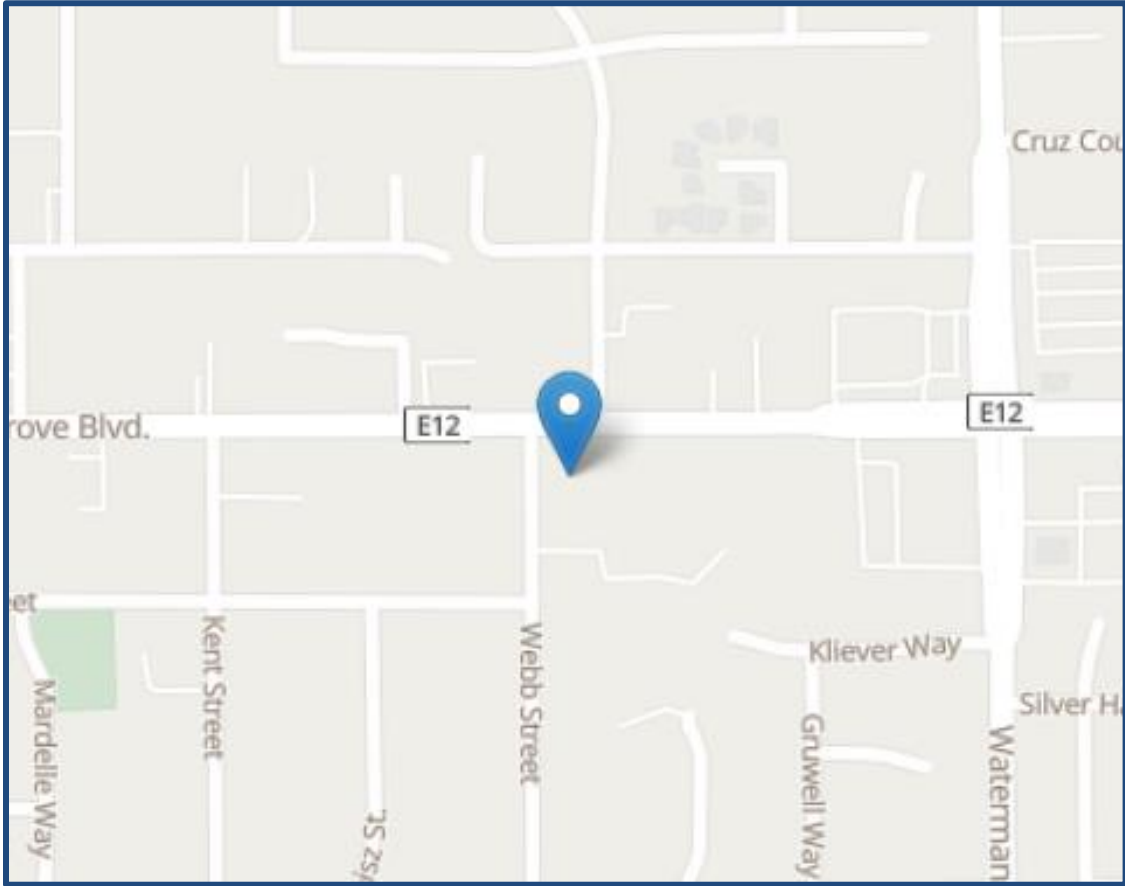
Zoning Jurisdiction: City of Elk Grove  
Zoning Classification: RD-25, High-density multi-family  
Permitted Uses: High-density Multi-Family  
Zoning Comments: For purposes of this appraisal, it is assumed that the subject site is entitled for development of an 89-unit affordable housing building consisting of three stories with parking at-grade. This indicates a developable density of 47 units per acre ("upa").

### Comments on Site

The subject site consists of 1.87 acres of land area that is located at the southeast corner of Elk Grove Blvd at Webb St., just west of Waterman Rd. The site has average access and visibility. The property is level at street grade and has all utilities available for development. The Special Planning Area limits development of the subject property to multi-family units. It is assumed that the property is entitled for development of an 89-unit multi-family project.



**FLOOD MAP**



**ZONING MAP**



## Subject Photographs

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# Assessment and Tax Data

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## Assessment Methodology

The appraised value for the subject is determined by the Sacramento County assessor. The basis for the property assessment, or taxable value, in the jurisdiction is 100.0% of appraised or market value. The subject property is currently under the ownership of the City of Elk Grove and is tax exempt.

## Current and Future Taxes

Proposition 13 was passed by voters in June 1978 and substantially changed the taxation of real estate in California. This constitutional amendment rolled back the base year for assessment purposes to the tax year 1975-1976. Annual increases in assessed value are limited to 2 percent per year, regardless of the rate of inflation. Real estate is subject to re-appraisal to current market value upon a change in ownership or new construction. Property assessments in years subsequent to a change of ownership or new construction are referred to as factored base values.

Proposition 8, which passed in November 1978, states that the Assessor shall lower tax roll values to fair market value whenever the assessed value exceeds fair market value. It mandates that the lower of fair market value or factored base value be placed on the assessment roll. When fair market values are enrolled, the Assessor reassesses the property annually until such time as fair market value again equals or exceeds the factored base year value. For properties that have been owned for several years, the assessed value may not reflect the current fair market value. Furthermore, due to adjustments following a Prop 8 reduction, increases in assessed value can increase substantially more than 2% per year until the assessment again matches the factored base year value.

## Conclusions

The subject property is tax-exempt as it is owned by the City. Assuming a sale of the property to a private owner, the property would be re-assessed, most likely at its sale price.

# Market Analysis

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## Elk Grove Multi-Family Market Overview

Based on data provided by Costar, the Elk Grove multifamily submarket has a current vacancy rate of 3.6%. In comparison, as of the end of the fourth quarter of 2023, the submarket had a vacancy rate of 4.1%. The year over year change in the Elk Grove vacancy rate was a result no net deliveries and 31 units of net absorption over the past year.

Elk Grove's vacancy rate of 3.6% compares to the submarket's five-year average of 3.6% and the 10-year average of 4.0%.

Currently there are three multifamily projects under construction. All three are affordable housing developments that will yield 917 units in Elk Grove. The largest is MOSA (formerly known as Poppy Grove), totaling 387 units. Another significant project is the Lyla, a 13-building, three-story project totaling 294 units. Another project currently under construction is the Pardes Apartments (236 units).

In the past year, one sale of a 264-unit project has closed. Average annual inventory turnover in Elk Grove is 200 units over the past five years and 270 units over the past 10 years. Average annual sales volume over the past five years is \$61.3 million and \$73.7 million over the past ten years.

Estimated multifamily market pricing in Elk Grove is \$280,000/unit compared to the market average of \$230,000/unit. Class A properties in Elk Grove achieve prices of about \$310,000/unit. Generally, prices and rental rates are somewhat higher as compared to the Sacramento region, as a whole.

The region as a whole currently mirrors multi-family market conditions in most markets in California with respect to new construction. Rising construction costs and interest rates have made it very difficult to make a profit building market-rate apartments. Rental rates have stagnated in most markets in the past 18 months, and returns do not presently yield enough to justify new construction. Given this, most new construction is for affordable housing that is subsidized by tax credits and state and local funds.

## Land Overview

Given that new construction of market-rate units is not financially feasible at-present, demand for multi-family land has declined. Affordable housing developers represent the majority of existing demand, which is limited by the availability of state approvals and capital. While most of the multi-family land buyers are affordable housing developers, the number of transactions in this segment is similar to past economic conditions. The fact that the State has limited resources to review, approve and fund affordable housing projects tends to put an upper limit on the number of affordable units that can be built. As a result, most market participants agree that multi-family land prices have been in decline for the past two years.

Unfortunately, there are no meaningful statistics for land prices in the region. However, with rents as well as the prices of properties trending up prior to the pandemic, land prices also experienced a notable upward trend through 2021. The Sacramento region experienced growth in large part due to the in-migration from the Bay Area during the pandemic.

Land values increased in concert with growing demand, rising rental rates and a general lack of new construction through the end of 2021. However, rental rates and land values have been declining as of late, as higher interest rates limit new development and refinancings.

Most types of development are presently challenging due to a lack of financing, increasing interest and capitalization rates and the difficulties associated with gaining entitlements. Construction costs increased dramatically during the past 10 years, making it difficult for projects to be financially feasible.

Over the long-term, the Elk Grove market will remain a desirable place to do business and continue to attract a variety of users and developers.

### Market Analysis Conclusions

Overall, multi-family land transaction volumes and pricing have declined during the past two years. Affordable housing developers will likely continue to dominate the market until construction costs and interest rates decline. Therefore, the near-term outlook is for continued declines in pricing while the long-term outlook for housing demand and multi-family development in Elk Grove remain strong.

# Highest and Best Use Analysis

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The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The primary determinants of the highest and best use are (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

## Legally Permissible

The subject site is zoned SPA-Multi-Family, Old Town Special Planning Area (Old Town East), which controls the general nature of permissible uses and is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general neighborhood. The location of the property is appropriate for the uses allowed, and a change in zoning is unlikely. There are no known easements, encroachments, covenants, or other use restrictions that would unduly limit or impede development.

As previously mentioned, we are appraising the property based on the extraordinary assumption that approvals are in-place to allow the construction of an 89-unit affordable housing project.

## Physically Possible

The physical characteristics of the subject site are presented in the Site Description and allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences were considered. No physical attributes materially limit legally permissible and appropriate development. The most probable use of the site is for multifamily development, which conforms to the pattern of land use in the immediate area. Physically, the site, as proposed, can physically be developed with a multifamily project.

## Financially Feasible

Although, there are three affordable housing projects currently under construction in Elk Grove, there are no market-rate units being built at this time. While there is demand for housing in the area, including Elk Grove, rental rates do not presently justify market-rate construction. Rental rates have stabilized while construction costs have continued to increase. Added to that is the fact that capitalization rates have increased, making it very difficult to make projects financially feasible. As such, it appears that demand is not high enough to justify construction costs and developers' profit for multifamily development.

## Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use is to multifamily development as demand dictates.

## Highest and Best Use Conclusion

The conclusion of the highest and best use is for multi-family development as demand dictates

## Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is a developer.

# Land Sales Comparison Approach

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## Methodology

Site Value is most often estimated using the sales comparison approach. This approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on the principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

## Unit of Comparison

The unit of comparison selected depends on the appraisal problem and nature of the property and is intended to explain or mirror market behavior. The primary unit of comparison in the market and applied in this analysis is the price per lot.

## Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location and (7) physical characteristics.

## Comparable Sales Data

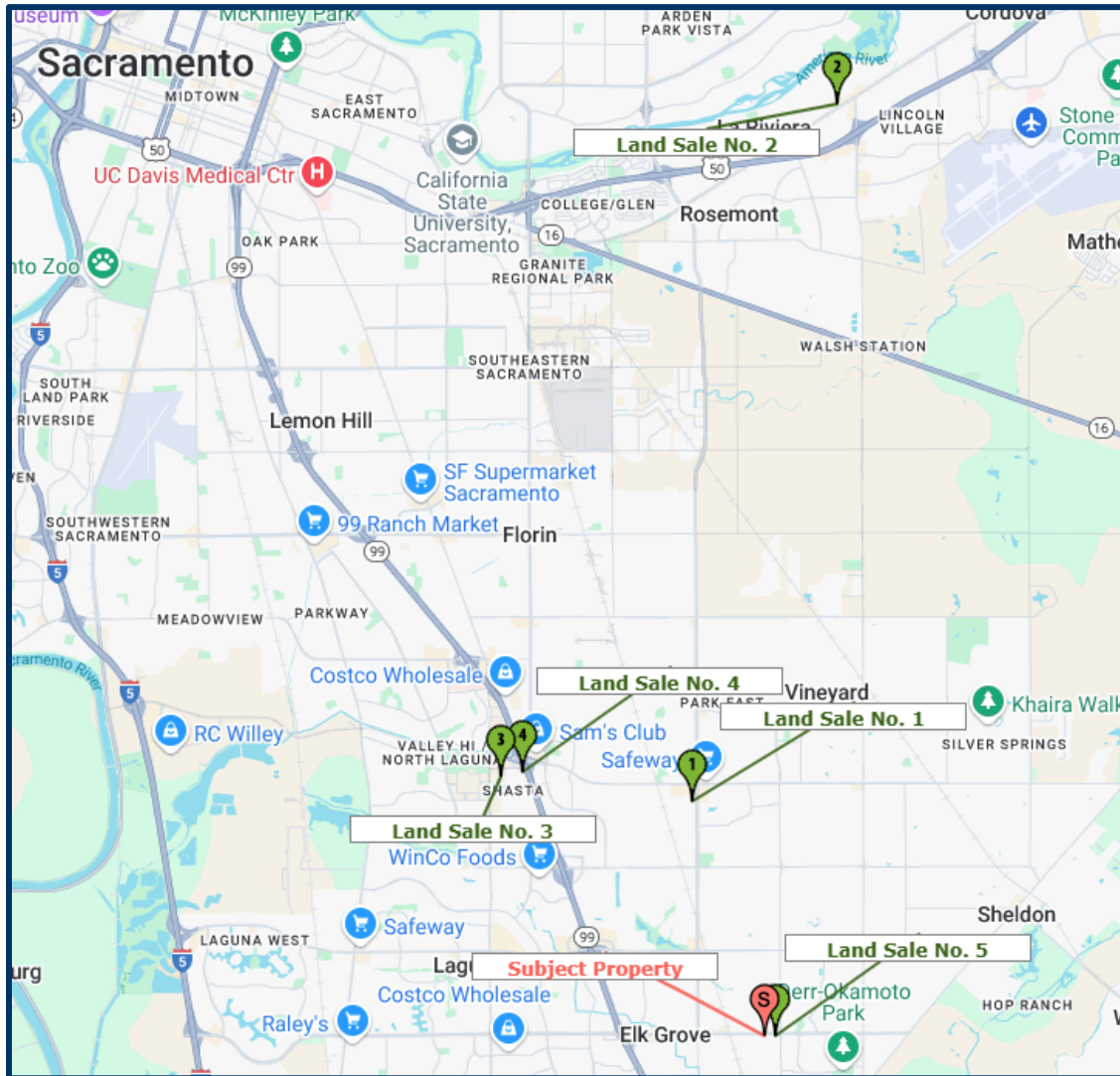
The market was studied to identify sales and listings of comparable properties with a focus on those that appeal to the most probable buyer of the subject site. These properties typically have similar locations and physical characteristics. Of these transactions, sufficient sales data was available for the following sale comparables, which were analyzed to estimate a unit value for the subject property.

To value the subject property, we searched for sales of similar properties. In short, there are few sales of properties that are similar to the subject property. As such, to value the property, we searched for and included the best/most relevant market data available which adequately brackets the subject and considered to be the best indicators of value for the property.

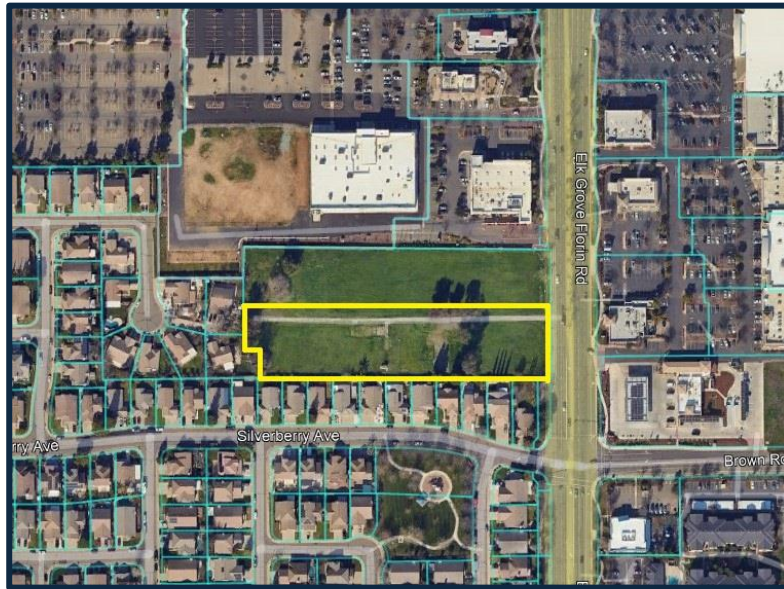
The following is a table summarizing each sale comparable and a map illustrating the location of each in relation to the subject. Details of each comparable follow the location map.

**Land Sales Summary**

Comp. No.	Date of Sale	Usable Acres	Location	Zoning	Proposed Use	Sales Price Actual	Per Sq. Ft.	Per Unit
1	July-24	2.170	8484 Elk Grove Florin Rd. Elk Grove, California	RD-25	Multi-Family	\$1,000,000	\$10.58	\$12,346
2	In-Contract	2.200	9545 Folsom Blvd. Sacramento, California	SPA-Folsom Blvd. 501-160	Mid-Rise Apartments	\$1,350,000	\$14.09	\$24,107
3	August-22	8.670	8373 Bruceville Rd. Sacramento, California	R-4-PUD	Multi-Family	\$6,251,000	\$16.55	\$17,809
4	November-21	2.690	7800 W. Stockton Blvd. Sacramento, California	C-2 PUD	Multi-Family	\$2,150,000	\$18.35	\$22,632
5	October-21	1.230	9252 Elk Grove Blvd. Elk Grove, California	SPA - OT	Multi-Family	\$850,000	\$15.86	\$12,687

**COMPARABLE SALES MAP**


## LAND COMPARABLE 1



### Property Identification

<b>Property Name</b>	A Multi-Family Site
<b>Address</b>	8484 Elk Grove Florin Rd.
<b>City County State Zip</b>	Elk Grove, Sacramento County, California 95624
<b>MSA</b>	Sacramento
<b>Tax ID</b>	115-0180-013
<b>VPA Property/Sale ID</b>	11480837/1780429

### Transaction Data

<b>Sale Status</b>	Recorded
<b>Sale Date</b>	July 24, 2024
<b>Grantor/Seller</b>	City of Elk Grove
<b>Grantee/Buyer</b>	Excelerate Housing Group
<b>Recording Number</b>	202407240191
<b>Property Rights</b>	Fee Simple
<b>Financing</b>	Cash to Seller
<b>Conditions of Sale</b>	Off Market
<b>Sales Price</b>	\$1,000,000

### Adjusted Sales Price Indicators

<b>Price per Usable Acre</b>	\$460,829
<b>Price per Usable SF</b>	\$10.58
<b>Price per Unit</b>	\$12,346

### Verification

<b>Confirmed By</b>	Gene Williams
<b>Confirmation Source</b>	Public records, published reports

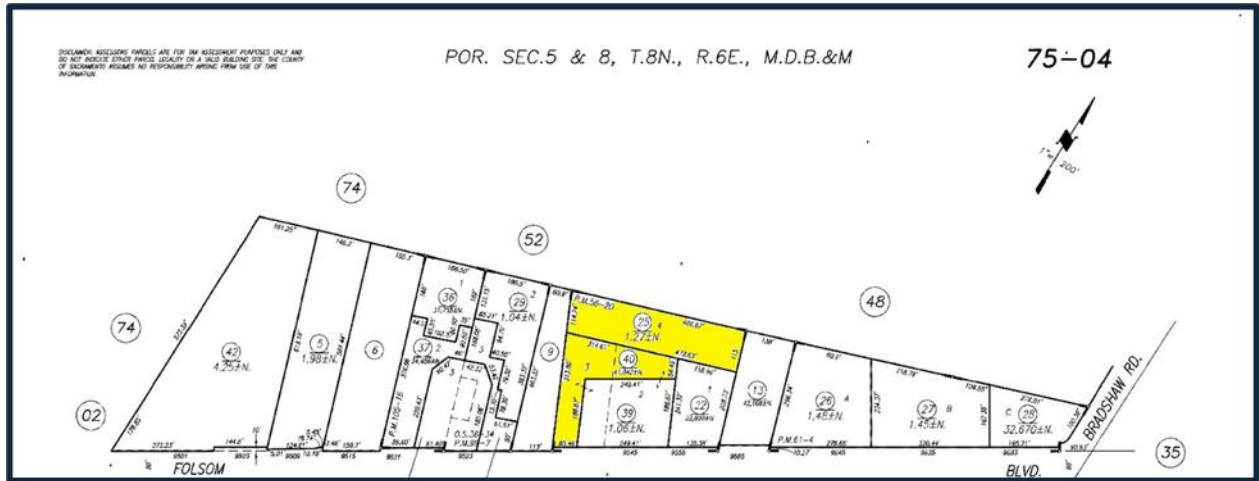
### Property Description

<b>Proposed Use</b>	Multi-Family
<b>Gross Land Area</b>	2.17 Acres/94,525 SF
<b>Usable Land Area</b>	2.17 Acres/94,525 SF
<b>Proposed Units</b>	81
<b>Density (Units/Acre)</b>	37.33
<b>Visibility</b>	Average
<b>Corner/Interior</b>	Mid-Block
<b>Utilities</b>	All available
<b>Zoning Code</b>	RD-25 Multi-family

**Remarks**

This sale reflects the settlement of a lawsuit between the city and the buyer. Excelerate Housing Group had acquired a smaller site on Elk Grove Blvd. in October of 2021, and after the City denied its application for an affordable housing project, the developer sued the City. In February of 2024, the City settled the suit and agreed to reimburse the developer for its costs associated with the former site and litigation. The City agreed to approve a larger affordable housing project on the sale property consisting of 81 units, indicating a density of 37 units per acre. The sale closed escrow in July of 2024 based on an appraised value. Based on published reports, the property was entitled at the time of sale. The price amounts to \$10.58/SF of land area or \$12,346 per proposed unit.

## LAND COMPARABLE 2



### Property Identification

<b>Property Name</b>	A Multi-Family Site
<b>Address</b>	9545 Folsom Blvd.
<b>City County State Zip</b>	Sacramento, Sacramento County, California 95827
<b>MSA</b>	Sacramento
<b>Submarket</b>	Sacramento
<b>Tax ID</b>	075-0040-025, 075-0040-040
<b>VPA Property/Sale ID</b>	11396253/1713737

### Transaction Data

<b>Sale Status</b>	In-Contract
<b>Sale Date</b>	November 15, 2023
<b>Grantor/Seller</b>	KS Investment Corp
<b>Grantee/Buyer</b>	Confidential
<b>Property Rights</b>	Fee Simple
<b>Financing</b>	Conventional, and cash
<b>Conditions of Sale</b>	None
<b>Days on Market</b>	265
<b>Sales Price</b>	\$1,350,000

### Adjusted Sales Price Indicators

<b>Price per Usable Acre</b>	\$613,636
<b>Price per Usable SF</b>	\$14.09
<b>Price per Unit</b>	\$24,107

### Verification

<b>Confirmed By</b>	Michael Porter
<b>Confirmation Source</b>	Broker - Michael Mathios - CW
<b>Confirmation Contact</b>	916-288-4522

### Property Description

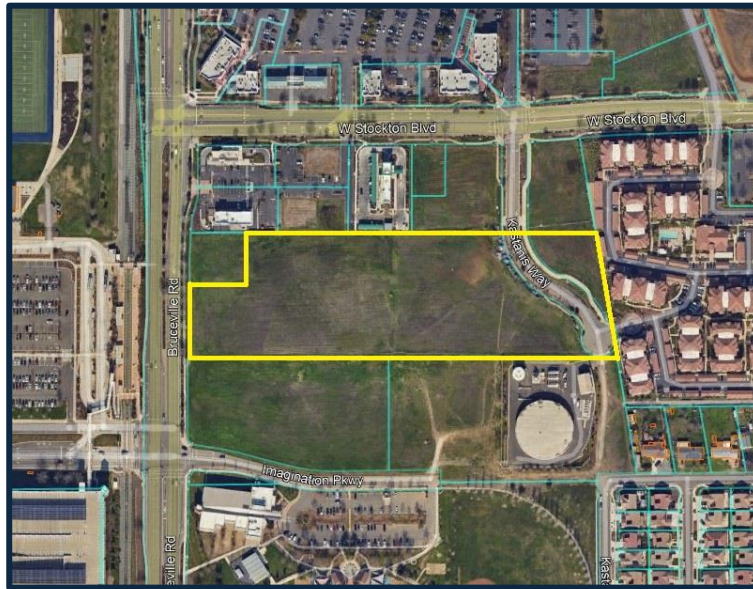
<b>Proposed Use</b>	Mid-Rise Apartments
<b>Gross Land Area</b>	2.20 Acres/95,832 SF
<b>Usable Land Area</b>	2.20 Acres/95,832 SF
<b>Frontage Feet</b>	65
<b>Depth</b>	428
<b>No. of Lots</b>	2
<b>Proposed Units</b>	56
<b>Density (Units/Acre)</b>	25.45
<b>Visibility</b>	Poor
<b>Corner/Interior</b>	Flag Lot
<b>Shape</b>	Flag-shaped
<b>Topography</b>	Level
<b>Utilities</b>	all utilities nearby
<b>Drainage</b>	Adequate for the intended use
<b>Flood Hazard Zone</b>	X
<b>Zoning Code</b>	SPA-Folsom Blvd. 501-160 Special Planning Area
<b>General Plan</b>	Residential

### Remarks

Investor to Developer purchase. Previously entitled land for 59 units on July 22, 2020. The entitlements expired. Now under review for 56 units in three 2 & 3 story buildings known as The Mathios Apartments. pre-application meeting held on 10/17/2023 with site plans submitted. Density of 25.5 DU/AC with net rent-able area 43,600 sf , 24 (1x1) units, 16 (2x1) units and 16 (3x2) units with a 1.30 parking ratio. DOT Plan Review published on 12/26/2023.

Lender Owned

## LAND COMPARABLE 3



### Property Identification

<b>Property Name</b>	A Multi-Family Site
<b>Address</b>	8373 Bruceville Rd.
<b>City County State Zip</b>	Sacramento, Sacramento County, California 95823
<b>MSA</b>	Sacramento
<b>Tax ID</b>	117-0182-021
<b>VPA Property/Sale ID</b>	11480823/1780417

### Transaction Data

<b>Sale Status</b>	Recorded
<b>Sale Date</b>	August 26, 2022
<b>Grantor/Seller</b>	Chad Mitchell Associates, Inc.
<b>Grantee/Buyer</b>	Encore Capital Management
<b>Recording Number</b>	202208290827
<b>Property Rights</b>	Fee Simple
<b>Financing</b>	Cash to Seller
<b>Conditions of Sale</b>	Typical
<b>Sales Price</b>	\$6,251,000

### Adjusted Sales Price Indicators

<b>Price per Usable Acre</b>	\$720,992
<b>Price per Usable SF</b>	\$16.55
<b>Price per Unit</b>	\$17,809

### Verification

<b>Confirmed By</b>	Gene Williams
<b>Confirmation Source</b>	Public records, Costar, published reports

### Property Description

<b>Proposed Use</b>	Multi-Family
<b>Gross Land Area</b>	8.67 Acres/377,665 SF
<b>Usable Land Area</b>	8.67 Acres/377,665 SF
<b>Proposed Units</b>	351
<b>Density (Units/Acre)</b>	40.48
<b>Visibility</b>	Average
<b>Corner/Interior</b>	Mid-Block
<b>Shape</b>	Generally Rectangular
<b>Topography</b>	Level
<b>Utilities</b>	All available
<b>Zoning Code</b>	R-4-PUD High-density multi-family

**Remarks**

Sale of an 8.67-acre multi-family site that was fully entitled for 351 units at the time of sale. The proposed project reflects a density of 40 units per acre. The seller was self-represented, and the buyer's broker was C&W. The sale indicates a price of \$16.55/SF of land area or \$17,809 per unit. The property is located just south of Calvine Rd, west of Hwy. 99.

## LAND COMPARABLE 4



### Property Identification

<b>Property Name</b>	College Square
<b>Address</b>	7800 W. Stockton Blvd.
<b>City County State Zip</b>	Sacramento, Sacramento County, California 95823
<b>MSA</b>	Sacramento
<b>Tax ID</b>	117-1460-028
<b>VPA Property/Sale ID</b>	11480825/1780419

### Transaction Data

<b>Sale Status</b>	Recorded
<b>Sale Date</b>	November 19, 2021
<b>Grantor/Seller</b>	Steven L. Ortiz Jr.
<b>Grantee/Buyer</b>	Eden Housing, Inc.
<b>Recording Number</b>	202111191243
<b>Property Rights</b>	Fee Simple
<b>Financing</b>	Cash to Seller
<b>Conditions of Sale</b>	Typical
<b>Sales Price</b>	\$2,150,000

### Adjusted Sales Price Indicators

<b>Price per Usable Acre</b>	\$799,259
<b>Price per Usable SF</b>	\$18.35
<b>Price per Unit</b>	\$22,632

### Verification

<b>Confirmed By</b>	Gene Williams
<b>Confirmation Source</b>	Public records, Costar, published reports

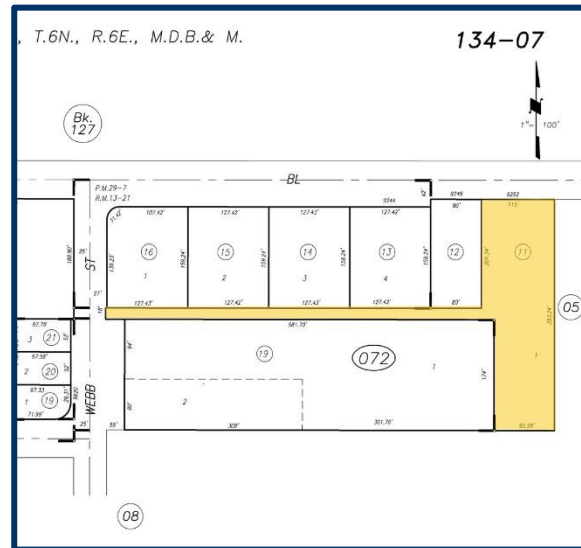
### Property Description

<b>Proposed Use</b>	Multi-Family
<b>Gross Land Area</b>	2.69 Acres/117,176 SF
<b>Usable Land Area</b>	2.69 Acres/117,176 SF
<b>Proposed Units</b>	95
<b>Density (Units/Acre)</b>	35.32
<b>Visibility</b>	Good
<b>Corner/Interior</b>	Mid-Block
<b>Shape</b>	Irregular
<b>Topography</b>	Level
<b>Utilities</b>	All available
<b>Zoning Code</b>	C-2 PUD Planned Development

**Remarks**

Sale of 2.69 acres of vacant land that was entitled for multi-family development. However, the buyer is an affordable housing developer and, in partnership with Consumnes River College, intended to re-entitle the property for affordable student housing to include a reported total of 90 to 100 units. At 95 units, the project would reflect a density of 35 units per acre. In September of 2021, the buyer had been awarded \$44 million for the project by the State of California. there were no brokers involved in the transaction. The sale indicates a price of \$18.35/SF of land area of \$22,632 per proposed unit.

## LAND COMPARABLE 5



### Property Identification

<b>Property Name</b>	A Redevelopment Site
<b>Address</b>	9252 Elk Grove Blvd.
<b>City County State Zip</b>	Elk Grove, Sacramento County, California 95624
<b>MSA</b>	Sacramento
<b>Tax ID</b>	134-0072-011
<b>VPA Property/Sale ID</b>	11480833/1780428

### Transaction Data

<b>Sale Status</b>	Recorded
<b>Sale Date</b>	October 27, 2021
<b>Grantor/Seller</b>	Haggard Family Trust of 2004
<b>Grantee/Buyer</b>	Excelerate Housing Group
<b>Recording Number</b>	202110291471
<b>Property Rights</b>	Fee Simple
<b>Financing</b>	Cash to Seller
<b>Conditions of Sale</b>	Typical
<b>Days on Market</b>	639
<b>Sales Price</b>	\$850,000

### Adjusted Sales Price Indicators

<b>Price per Usable Acre</b>	\$691,057
<b>Price per Usable SF</b>	\$15.86
<b>Price per Unit</b>	\$12,687

### Verification

<b>Confirmed By</b>	Gene Williams
<b>Confirmation Source</b>	Public records, published reports

### Property Description

<b>Proposed Use</b>	Multi-Family
<b>Gross Land Area</b>	1.23 Acres/53,579 SF
<b>Usable Land Area</b>	1.23 Acres/53,579 SF
<b>Proposed Units</b>	67
<b>Density (Units/Acre)</b>	54.47
<b>Visibility</b>	Average
<b>Corner/Interior</b>	Mid-Block
<b>Topography</b>	Level
<b>Utilities</b>	All available
<b>Zoning Code</b>	SPA - OT Old Town Special Planning Area

**Remarks**

Sale of a 1.23-acre redevelopment site that sold for its asking price of \$850,000 in October of 2021. The seller was represented by Ellington Properties and the buyer's broker was Eminent Resources, Inc. The buyer had proposed an affordable housing project on the site known as Oak Rose Apartments, which was not entitled at the time of sale. The proposal was for 67 units in a three-story building, indicating a density of 54 units per acre. The sale indicates a price of \$15.86/SF or \$12,687 per unit. In July of 2022, the City rejected the developer's project application, and the developer commenced litigation against the City. The suit was settled in February of 2024, when the City agreed to reimburse the developer for its costs and to relocate the project to a different property at 8484 Elk Grove Florin Road, which the City will purchase and sell to the developer at its appraised value.

## Land Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, a negative adjustment was applied. Conversely, a positive adjustment was applied if inferior. A summary of the elements of comparison follows.

### Transaction Adjustments

Transaction adjustments include: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

#### Real Property Rights Conveyed

Real property rights conveyed influence sales prices and must be considered when analyzing a sale comparable. The property rights appraised reflect the fee simple interest. All of the sale comparables conveyed the same interest; therefore, no adjustments were required.

#### Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. All of the sale comparables involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

#### Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property's for-sale listing price, which usually reflects the upper limit of value. No adjustments for atypical conditions or for-sale listings were warranted.

#### Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, and/or costs to remediate environmental contamination.

The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller. Unless the sales involved expenditures anticipated upon the purchase date, no adjustments to the comparable sales are required for this element of comparison. None of the sales required adjustment for this factor.

## Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

Based on our review of market conditions, discussions with market participants and our research into recent transactions, multi-family land prices have been in decline during the past two to three years. The comparables analyzed sold from late-2021 to mid-2024. Based on this, we applied a 5.0% annual decline in values to each of the sale comparables.

## Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after transaction and market conditions adjustments. The reasoning for the property adjustments made to each sale comparable follows. The discussion analyzes each adjustment category deemed applicable to the subject property.

### Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, proximity to major thoroughfares, proximity to employment centers and amenities, neighboring properties, and accessibility.

The subject is located in the Old Town area of Elk Grove. While most of the sales are located in Elk Grove, downward adjustments are indicated for Sales 2, 3 and 4, which reflect superior visibility and/or access characteristics. Sale 2 is located along a heavily-trafficked arterial and downward adjustment is supported. Sales 1 and 5 are mostly similar.

### Size

The size adjustment addresses variance in the physical size of the comparables and that of the subject as a larger project may have "economies of scale" and generally lower construction costs, on a per unit or per lot unit of comparison, in comparison to smaller projects.

The subject site consists of 1.87 acres of land area, and the comparables contain 1.23 acres to 8.67 acres. Most of the sales fall within a similar competitive size category and do not require adjustment. However, Sale 3 is much larger, and as prices for larger sites are typically lower, a positive adjustment is supported.

### Zoning/Density

The highest and best use of sale comparables should be very similar to that of the subject property. When comparables with the same zoning as the subject are lacking or scarce, parcels with slightly different zoning, but a highest and use similar to that of the subject may be used as comparables. These comparables may require an adjustment for differences in utility if the market supports such adjustment.

The subject is assumed to be entitled at a developable density of 47 units per acre. The comparable sales indicate densities from 25 to 55 units per acre. Positive adjustments are applied to Sales 1, 2 and 5 as lower-density sites tend to sell at lower prices.

#### Entitlements

The subject is assumed to have tentative map approvals for purposes of our analysis. Sales 1 and 3 were entitled at the time of sale and are similar. Sale 2 is a pending sale that is contingent upon gaining entitlements and no adjustment is indicated. Sale 4 was entitled when it went under contract; however, the buyer applied for a modification to allow for higher-density development, which had yet to be approved. No adjustment is indicated. Sale 5 was not entitled at the time of sale and a positive adjustment is supported for this factor.

#### Summary of Adjustments

A summary of the adjustments made to the sale comparables is presented in the following table:

**LAND SALES ADJUSTMENT GRID**

Subject		Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Sale ID		1780429	1713737	1780417	1780419	1780428
Date of Value & Sale	October-24	July-24	November-23	August-22	November-21	October-21
Unadjusted Sales Price		\$1,000,000	\$1,350,000	\$6,251,000	\$2,150,000	\$850,000
Usable Square Feet	81,457	94,525	95,832	377,665	117,176	53,579
<b>Unadjusted Sales Price per Usable Sq. Ft.</b>		<b>\$10.58</b>	<b>\$14.09</b>	<b>\$16.55</b>	<b>\$18.35</b>	<b>\$15.86</b>
<b>Transactional Adjustments</b>						
<b>Property Rights Conveyed</b>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
Adjusted Sales Price		\$10.58	\$14.09	\$16.55	\$18.35	\$15.86
<b>Financing Terms</b>						
	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Conventional, and cash</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>
Adjusted Sales Price		\$10.58	\$14.09	\$16.55	\$18.35	\$15.86
<b>Conditions of Sale</b>						
	<i>Typical</i>	<i>Off Market</i>	<i>None</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>
Adjusted Sales Price		\$10.58	\$14.09	\$16.55	\$18.35	\$15.86
<b>Expenditures after Sale</b>						
Adjusted Sales Price		<b>\$10.58</b>	<b>\$14.09</b>	<b>\$16.55</b>	<b>\$18.35</b>	<b>\$15.86</b>
<b>Market Conditions Adjustments</b>						
<b>Elapsed Time from Date of Value</b>		<i>0.24 years</i>	<i>0.93 years</i>	<i>2.15 years</i>	<i>2.92 years</i>	<i>2.98 years</i>
Market Trend Through	October-24	-	-5.0%	-10.0%	-10.0%	-10.0%
<b>Analyzed Sales Price</b>		<b>\$10.58</b>	<b>\$13.38</b>	<b>\$14.90</b>	<b>\$16.51</b>	<b>\$14.28</b>
<b>Physical Adjustments</b>						
<b>Location</b>	<i>9220-9244 Elk Grove Boulevard, Elk Grove, California</i>	<i>8484 Elk Grove Florin Rd., Elk Grove, California</i>	<i>9545 Folsom Blvd., Sacramento, California</i>	<i>8373 Bruceville Rd., Sacramento, California</i>	<i>7800 W. Stockton Blvd., Sacramento, California</i>	<i>9252 Elk Grove Blvd., Elk Grove, California</i>
Adjustment		-	-5.0%	-5.0%	-5.0%	-
<b>Size (Acres)</b>	<i>1.87</i>	<i>2.17</i>	<i>2.20</i>	<i>8.67</i>	<i>2.69</i>	<i>1.23</i>
Adjustment		-	-	5.0%	-	-
<b>Zoning/Density</b>	<i>47 upa</i>	<i>37 upa</i>	<i>25 upa</i>	<i>40 upa</i>	<i>35 upa</i>	<i>55 upa</i>
Adjustment		5.0%	10.0%	-	5.0%	-
<b>Entitlements</b>	<i>Entitled</i>	<i>Entitled</i>	<i>Pending</i>	<i>Entitled</i>	<i>See Comments</i>	<i>None</i>
Adjustment		-	-	-	-	15.0%
Net Physical Adjustment		5.0%	5.0%	-	-	15.0%
<b>Adjusted Sales Price per Usable Square Foot</b>		<b>\$11.11</b>	<b>\$14.05</b>	<b>\$14.90</b>	<b>\$16.51</b>	<b>\$16.42</b>

## Conclusion

From the market data available, we used the relevant land sales in competitive market areas which were adjusted based on pertinent elements of comparison. The analysis of the sales in our set resulted in a range of unit pricing from which our value conclusion is drawn. The following table summarizes the unit prices resulting from our analysis:

### Land Sale Statistics

Metric	Unadjusted	Analyzed	Adjusted
Min. Sales Price per Usable Square Foot	\$10.58	\$10.58	\$11.11
Max. Sales Price per Usable Square Foot	\$18.35	\$16.51	\$16.51
Median Sales Price per Usable Square Foot	\$15.86	\$14.28	\$14.90
Mean Sales Price per Usable Square Foot	\$15.09	\$13.93	\$14.60

After considering all factors, Sale 1 is given least weight. It appears to be an outlier that was impacted by the prior litigation between the buyer and seller and is not considered to be a reliable indicator. Each of the remaining sale comparables is considered to be a reliable indicator for the subject. Based on the adjusted prices and the analysis of the sales presented, we have concluded a unit value for the subject property is near the upper end of the adjusted range. Based on this analysis, the land value conclusion is summarized as follows:

### Land Value Conclusion

<b>Fair Market Value Opinion</b>		(Rounded)
81,457 square feet	x	<b>\$14.75 psf = \$1,200,000</b>

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

### Extraordinary Assumptions:

- The subject property is under a Letter of Intent for sale to the Client. The sale is contingent upon the buyer obtaining entitlements for the proposed project. It is an extraordinary assumption of this appraisal that the property is entitled for development as described herein.

### Hypothetical Conditions:

- None noted

### Exposure Time and Marketing Period

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of 3 to 9 months and 3 to 9 months, respectively, are considered reasonable and appropriate for the subject.

# General Assumptions and Limiting Conditions

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This appraisal is subject to the following general assumptions and limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Northern California will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Northern California is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
10. The sketches, maps, plats, and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Northern California and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability, or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Northern California.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, upon request of the client, the appraiser will submit a revised report for an additional fee.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.

28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment, or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state, or local laws, regulations, or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and Valbridge Property Advisors | Northern California both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Northern California and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | Northern California or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Northern California for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | Northern California shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Northern California. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Northern California and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Northern California harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Northern California in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Sacramento. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

## Certification – Gene Williams, MAI, CCIM

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I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Gene Williams has personally inspected the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.



Gene Williams, MAI, CCIM  
Managing Director  
California Certified License #AG015954

# Addenda

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Glossary

Qualifications

- Gene Williams, MAI, CCIM - Managing Director

Information on Valbridge Property Advisors

Office Locations

## Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 7<sup>th</sup> Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

### Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

### Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

### As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the "as is" phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an "as is" value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards. (Dictionary)

### Base Rent

The minimum rent stipulated in a lease. (Dictionary)

### Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

### Building Common Area

In office buildings, the areas of the building that provide services to building tenants but that are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

### Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

### Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction. (Dictionary)

### Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

### Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security, [amenities,] and upkeep. (ICSC – International Council of Shopping Centers, 4<sup>th</sup> Ed.)

### Condominium

An attached, detached, or stacked unit within or attached to a structure with common areas that are held as tenants in common (an undivided interest) with other owners in the project. The units can be residential, commercial, industrial, or parking spaces or boat docks. These units are commonly defined by state laws in their locations. Because units can be stacked on top of other units, these units can be defined both vertically and horizontally. (Dictionary)

### Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some

combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

### Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

### Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ( $DCR = NOI \div I_m$ ), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

### Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

### Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date.

In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

### Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation;
3. Both the buyer and seller are acting prudently and knowledgeably;
4. The seller is under compulsion to sell;
5. The buyer is typically motivated;
6. Both parties are acting in what they consider to be their best interests;

7. An adequate marketing effort will be made during the exposure time;
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. (Dictionary)

### Double Net (Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net lease is defined as a lease in which the tenant is responsible to pay both property taxes and premiums for insuring the building(s). (Valbridge)

(The market definition of a double net lease varies depending on the market)

### Easement

The right to use another's land for a stated purpose. (Dictionary)

### EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

### Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as date of value. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect. (Dictionary)

### Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

### Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

### EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings.

### Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

### Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

### Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

### Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

### Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

### Exposure Time

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)

### Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

**Comment:** Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP)

### Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

### Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. In essence, floor common area represents all of the area on the floor that is common to that respective floor with the exception of those areas that penetrate through the floor, such as the elevator shaft and stairwell. The significant point to be made is that floor common area is not part of the tenant's usable area. (BOMA)

### Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

### Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

### Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

### Gross Building Area (GBA)

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

### Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is

generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

### Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as “grossed up.” (Dictionary)

### Gross Sellout Value (Sum of the Retail Values)

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values, aggregate retail selling price or sum of the retail values.* (Dictionary)

### Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

### Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

### HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

### Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset’s existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)

3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

### Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

**Comment:** Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP)

### Insurable Value (Replacement Cost for Insurance Purposes)

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted). (Dictionary)

### Investment Value

1. The value of a property to a particular investor or class of investors based on the investor’s specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

### Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

### Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary)

### Leasehold Interest (Leasehold Estate)

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

See also Positive Leasehold and Negative Leasehold.

### Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

### Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

### Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

### Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

### Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

### Market Rent

The most probable rent that a property should bring in a competitive and open market under all the conditions requisite to a fair lease transaction, the lessee and the lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

1. Lessee and lessor are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
4. The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs). (Appraisal Institute)

### Market Value

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary; 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

### Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs

from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation)

### Master Lease

1. A lease in which a part or the entire property is leased to a single entity (the master lessee) in return for a stipulated rent. The master lessee then subleases the property to multiple tenants.
2. The first lease in a sandwich lease. (Dictionary)

### Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

### Negative Leasehold

A lease situation in which the market rent is less than the contract rent. (Dictionary)

### Operating Expense Ratio

The ratio of total operating expenses to effective gross income (*TOE/EGI*); the complement of the net income ratio, i.e.,  $OER = 1 - NIR$  (Dictionary)

### Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

### Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common or easement. (Dictionary)

### Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

### Percentage Lease

A lease in which the rent or some portion of the rent represents a specified percentage of the volume of business, productivity, or use achieved by the tenant. (Dictionary)

### Positive Leasehold

A lease situation in which the market rent is greater than the contract rent. (Dictionary)

### Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

### Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy. (Dictionary)

### Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

### Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, super adequacies, and obsolescence of the subject building. (Dictionary)

### Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

### Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

### Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

### Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make that claim junior, or subordinate, to the claims of another party. (Dictionary)

### Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

### TPO

Thermoplastic polyolefin, a resilient synthetic roof covering.

### Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *net net net lease*, or *fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

### Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

### Value-in-Use

1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary)
2. Formerly used in valuation practice as a synonym for *contributory value* or *use value*. (Dictionary)

### VTAB (Value of the Total Assets of a Business)

The total amount that the real property, tangible personal property, and intangible property assets of a business would sell for in an asset-based transaction. (Dictionary)



## INDEPENDENT VALUATIONS FOR A VARIABLE WORLD



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### MEMBERSHIPS & AFFILIATIONS

Appraisal Institute, Member

- MAI Designation, 1994
- NorCal AI Chapter President, 2017
- NorCal AI Board of Directors, 2014-2016
- South Bay Branch Chair, 2013
- NorCal AI Workshops Chair, 2007-2010

CCIM Institute

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GRID Alternatives, North Valley

- Director, 2021-Present

GRID is a non-profit providing solar installations and education for low-income households

### APPRAISAL INSTITUTE & RELATED COURSES

Continuing Education course taken through the Appraisal Institute and other real estate organizations.

### EXPERIENCE

#### Valbridge Property Advisors | Northern California

- Managing Director, 2021-Present
- Senior Appraiser, 2020-2021

#### Cushman & Wakefield

- Senior Director & Data Center Valuation Group Leader, 2017-2020

#### CBRE

- Director & Partial Interest Valuation Group Leader, 2007-2017

Mr. Williams has provided valuation services in a wide spectrum of complex civil and federal litigation cases, including contract disputes, divorces, and bankruptcy/creditors' matters, among other issues. He specializes in arbitrations for lease renewals and partnership disputes.

Mr. Williams also leads the Tax Appeal Group for Valbridge in the Northern California region. His experience includes working on behalf of Alameda County in the case of the Tesla manufacturing facility in Fremont.

#### Appraisal/valuation and consulting assignments include:

Retail (regional malls, community, specialty, neighborhood and strip centers); Office (professional and medical/dental); Industrial (warehouses, manufacturing, light industrial, R&D, food processing, and cold storage facilities); Residential (apartments, high-density mixed-use projects, and condominiums); government properties, most types of vacant land, special purpose properties (data centers), and portfolios, including one totaling nearly \$2.5 billion.



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## FAST FACTS

### COMPANY INFORMATION

- Valbridge is North America's largest independent commercial appraisal firm.
- Valbridge provides custom appraisal reports in the U.S., Canada, and Puerto Rico.
- Valbridge specializes in appraising all types of real property.
- Valbridge provides independent valuation services. We are NOT owned by a brokerage firm or investment company.
- Every Valbridge office is overseen by a Senior Managing Director who holds the MAI designation of the Appraisal Institute.
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- Valbridge welcomes single-property assignments as well as portfolio, multi-market, and other bulk-property engagements.

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3780 Burns Rd., Ste. 4  
Palm Beach Gardens, FL 33410  
(561) 833-5331

3033 Riviera Dr., Ste. 106  
Naples, FL 34103  
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**NEVADA**

3034 S. Durango Dr., Ste. 100  
Las Vegas, NV 89117  
(702) 242-9369

1575 Delucchi Ln., Ste. 209  
Reno, NV 89502  
(775) 204-4100

**NEW MEXICO**

7301 Indian School Rd. NE, Ste. A  
Albuquerque, NM 87110  
(505) 884-4721

**NORTH CAROLINA**

5950 Fairview Rd., Ste. 405  
Charlotte, NC 28210  
(704) 376-5400

**NORTH DAKOTA**

118 Broadway N., Ste. 509  
Fargo, ND 58091  
(701) 289-1676

**OHIO**

8298 Clough Pike, Ste. 1  
Cincinnati, OH 45244  
(513) 785-0820

**OKLAHOMA**

6666 S. Sheridan Rd., Ste. 104  
Tulsa, OK 74133  
(918) 712-9992

3121 Quail Springs Pkwy., Ste. 150  
Oklahoma City, OK 73134  
(405) 603-1553

**PENNSYLVANIA**

900 West Valley Rd., Ste. 503  
Wayne, PA 19087  
(215) 545-1900

4701 Baptist Rd., Ste. 304  
Pittsburgh, PA 15227  
(412) 881-6080

**SOUTH CAROLINA**

1250 Fairmont Ave.  
Mt. Pleasant, SC 29464  
(843) 884-1266

11 Cleveland Ct.  
Greenville, SC 29607  
(864) 233-6277

920 Bay St., Ste. 26  
Beaufort, SC 29902  
(843) 884-1266

**TENNESSEE**

3500 Ringgold Rd., Ste. 3  
Chattanooga, TN 37412  
(423) 206-2677

213 Fox Rd.  
Knoxville, TN 37922  
(865) 522-2424

756 Ridge Lake Blvd., Ste. 225  
Memphis, TN 38120  
(901) 753-6977

5205 Maryland Way, Ste. 202  
Brentwood, TN 37027  
(615) 369-0670

**TEXAS**

901 Mopac Expy. S., Bldg. 1, Ste. 300  
Austin, TX 78746  
(737) 242-8585

10210 North Central Expy., Ste. 115  
Dallas, TX 75231  
(214) 446-1611

974 Campbell Rd., Ste. 204  
Houston, TX 77024  
(713) 467-5858

2731 81st St.  
Lubbock, TX 79423  
(806) 744-1188

9901 IH-10 West, Ste. 1035  
San Antonio, TX 78230  
(210) 227-6229

**UTAH**

527 E. Pioneer Rd., Ste. 240  
Draper, UT 84020  
(801) 262-3388

20 North Main St.  
St. George, UT 84770  
(435) 773-6300

321 N. County Blvd., Ste. D  
American Fork, UT 84003  
(801) 492-0000

**VIRGINIA**

656 Independence Pkwy., Ste. 220  
Chesapeake, VA 23320  
(757) 410-1222

1231 Alverser Dr.  
Midlothian, VA 23113  
(757) 345-0010

5107 Center St., Ste. 2B  
Williamsburg, VA 23188  
(757) 345-0010

**WASHINGTON**

8378 W. Grandridge Blvd., Ste. 110-D  
Kennewick, WA 99336  
(509) 221-1540

324 N. Mullan Rd.  
Spokane Valley, WA 99206  
(509) 747-0999

**WISCONSIN**

12660 W. North Ave.  
Brookfield, WI 53005  
(262) 782-7990

**NORTH AMERICA'S LARGEST INDEPENDENT COMMERCIAL VALUATION FIRM**



**Valbridge**  
PROPERTY ADVISORS



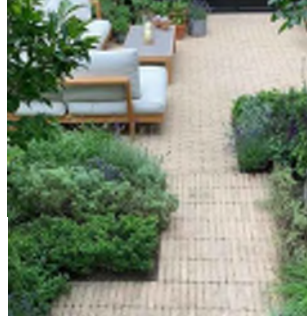
[valbridge.com](http://valbridge.com)

**ELK GROVE - MARKET STUDY**

<b>Project name:</b>	<b>Elk Grove Courtyards</b>	<b>Unit Type</b>	<b>Unit Size Sq/Ft</b>	<b>Base Rent</b>	<b>Rent/SF</b>	<b>Year Built</b>	<b>Stories</b>
Property Management Co.:		1 BR/1 BA	555	\$ 1,945.00	\$ 3.50	2024	2
Address:	9700 Railroad St	1 BR/1 BA	555	\$ 1,945.00	\$ 3.50		
Zipcode:	95624	1 BR/1 BA	555	\$ 1,945.00	\$ 3.50		
Buildig Type:	Townhomes	2 BR/ 2 BA					
Elevator? (Y/N)	N	2 BR/ 2 BA					
Distance from subject site:	.7 miles	2 BR/ 2 BA					
Amenities:	Washer/Dryer/Gated/ office			Avg. \$/SF	\$ 3.50		
<b>Project name:</b>	<b>Laguna Creek</b>	<b>Unit Type</b>	<b>Unit Size Sq/Ft</b>	<b>Base Rent</b>	<b>Rent/SF</b>	<b>Year Built</b>	<b>Stories</b>
Property Management Co.:	American Capitol Group	1 BR/1 BA	852	\$ 2,284.00	\$ 2.68	2004	3
Address:	8760 Center Pky, Elk Grove	1 BR/1 BA					
Zipcode:	95758	1 BR/1 BA					
Buildig Type:	Apartments	2 BR/ 2 BA	1,107	\$ 2,125.00	\$ 1.92		
Elevator? (Y/N)	N	2 BR/ 2 BA	1,107	\$ 2,344.00	\$ 2.12		
Distance from subject site:	5.1 Miles	2 BR/ 2 BA	1,150	\$ 2,479.00	\$ 2.16		
Amenities:	Pool/Fitness Center/ Spa/			Avg. \$/SF	\$ 2.22		
<b>Project name:</b>	<b>Lake Point</b>	<b>Unit Type</b>	<b>Unit Size Sq/Ft</b>	<b>Base Rent</b>	<b>Rent/SF</b>	<b>Year Built</b>	<b>Stories</b>
Property Management Co.:	Vertus Properties Inc.	1 BR/1 BA	784	\$ 2,095.00	\$ 2.67	2004	2
Address:	9589 Four Winds Dr	1 BR/1 BA					
Zipcode:	95758	1 BR/1 BA					
Buildig Type:	Apartments	2 BR/ 2 BA	1146	\$ 2,475.00	\$ 2.16		
Elevator? (Y/N)	N	2 BR/ 2 BA	1119	\$ 2,600.00	\$ 2.32		
Distance from subject site:	5.8 Miles	2 BR/ 2 BA	1058	\$ 2,300.00	\$ 2.17		
Amenities:	Fitness Center/ Pool/ Playground/Laundry			Avg. \$/SF	\$ 2.33		
<b>Project name:</b>	<b>Meadows Assisted Living</b>	<b>Unit Type</b>	<b>Unit Size Sq/Ft</b>	<b>Base Rent</b>	<b>Rent/SF</b>	<b>Year Built</b>	<b>Stories</b>
Property Management Co.:	Milestone Retirement	Studio (Independet Living)	304	\$ 4,250.00	\$ 13.98	2002	1-2
Address:	9325 E Stockton Boulevard	Studio (Independetn Living)	360	\$ 4,595.00	\$ 12.76		
Zipcode:	95624	Studio (memory Care)	304	\$ 6,425.00	\$ 21.13		
Buildig Type:	Apartment (assisted Living)	1 BR/1 BA (Independet Living)	370	\$ 4,725.00	\$ 12.77		
Elevator? (Y/N)	N	1 BR/1 BA (Indepdnet Living)	602	\$ 5,100.00	\$ 8.47		
Distance from subject site:	2.5 Miles						
Amenities:	Private bath, Wifi, housekeeping			Avg. \$/SF	\$ 13.82		

**Synopsis**

The market rents in Elk Grove are around 20% higher than TCAC rents. There is a clear requirement for affordable housing in Elk Grove.



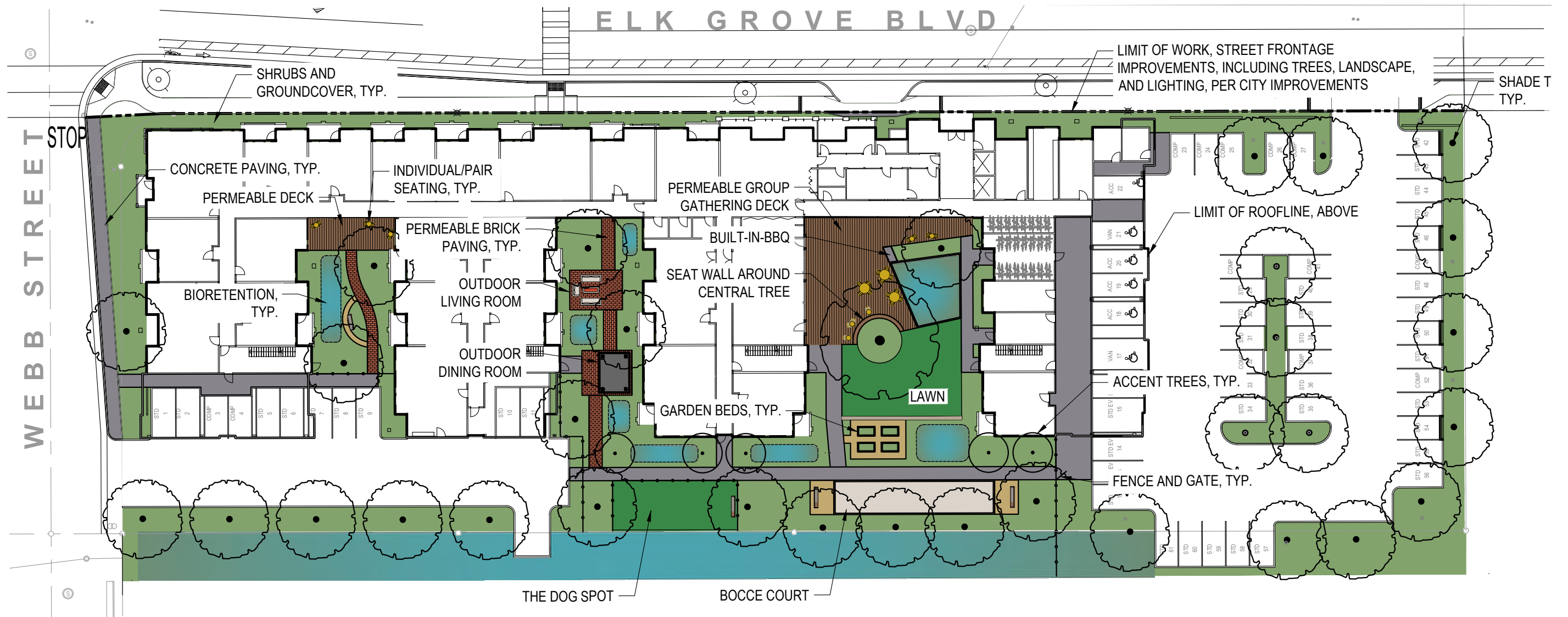
WEST COURTYARD - PEACEFUL

CENTRAL COURTYARD - FAMILY STYLE

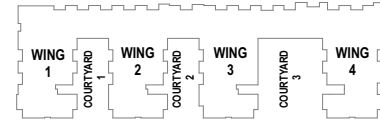
EAST COURTYARD - GATHER

SOUTH - PLAY

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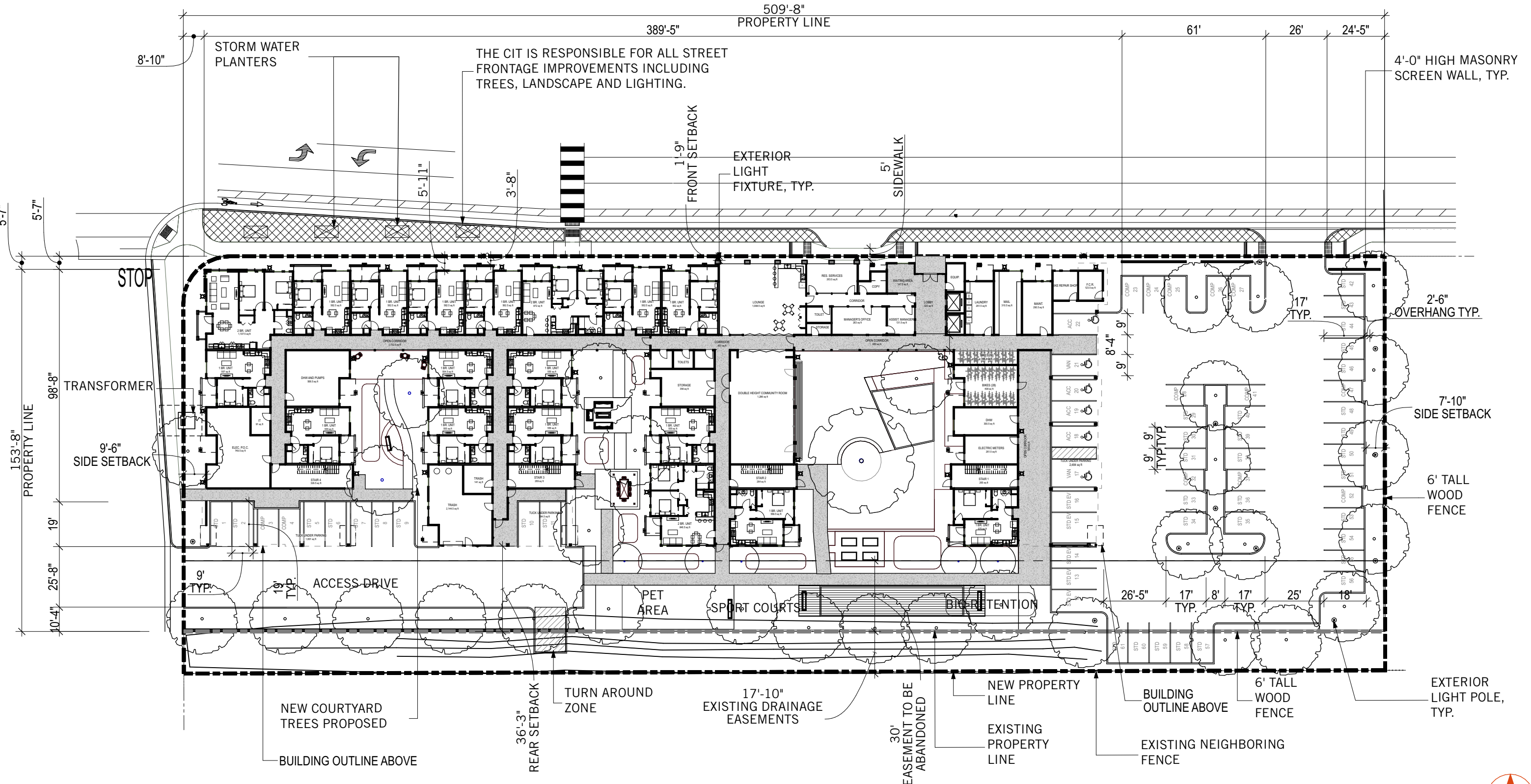


KEYPLAN



PARKING SUMMARY		
ACC	ACCESSIBILITY	4
COMP	COMPACT	13
STD	STANDARD	37
STD EV	STANDARD ELECTRIC	5
VAN	ACCESSIBILITY	2
		61

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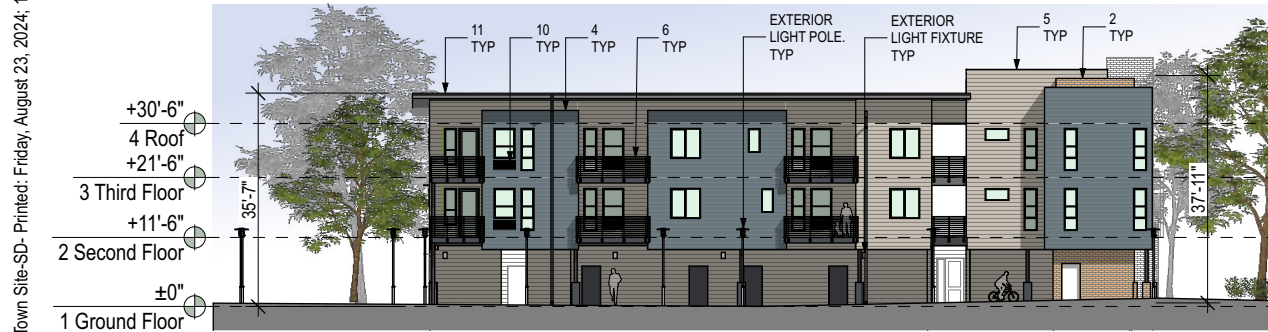


**NORTH ELEVATION**

**LEGEND**

- 1 OLD TOWN RED  
MODULAR THIN BRICK 3/4"  
H.C. MUDDOX
- 2 SUMMER WHEAT  
MODULAR THIN BRICK 3/4"  
H.C. MUDDOX
- 3 EBONY  
MODULAR THIN BRICK 3/4"  
H.C. MUDDOX
- 4 FC SIDING - 12X4  
PAINTED STORMY SEA - DE5817  
DUNN-EDWARDS
- 5 FC SIDING - 12X4  
PAINTED BE COOL - DEHW09  
DUNN-EDWARDS
- 6 METAL RAILING  
PAINTED CHARCOAL SMUDGE, DE6370  
DUNN-EDWARDS
- 7 TRELLIS
- 8 GLASS STOREFRONT WITH  
BRAKE METAL SYSTEM
- 9 METAL SUNSHADE  
PAINTED CHARCOAL SMUDGE, DE6370  
DUNN-EDWARDS
- 10 METAL LOUVERS.
- 11 WHITE TPO ROOFING MEMBRANE

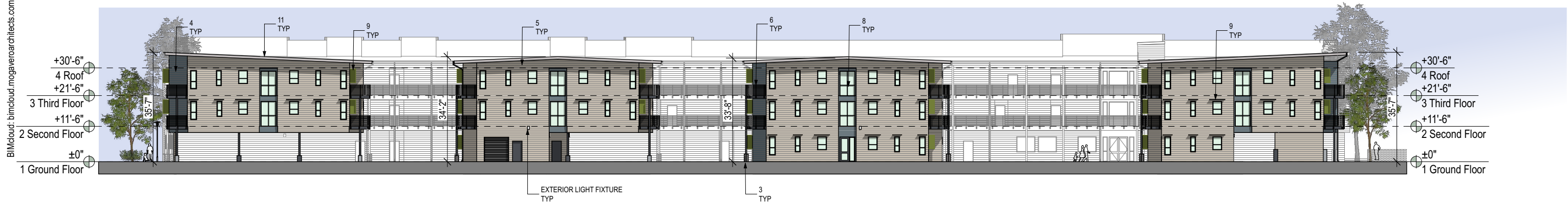
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**EAST ELEVATION**



**WEST ELEVATION**



**SOUTH ELEVATION**



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<b>ELK GROVE OLD TOWN – PROJECT SCHEDULE</b>	
Entitlement Submission	Sept 2024
Development agreement, Site Control and City Soft Loan	March 2025
CTCAC 4% Application – Round 2	May 2025
Entitlement Approval	June 2025
CTCAC 4% Award – Round 2 (if awarded)	July 2025
Construction Commencement (if awarded)	Jan 2026
Construction Completion (if awarded)	Aug 2027
Lease Up and Completion (if awarded)	Dec 2027



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/10/2025

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).

<b>PRODUCER</b> Arthur J. Gallagher Risk Management Services, LLC 595 Market Street Suite 2100 San Francisco CA 94105  License#: 0D69293 MUTUHOU-01	<b>CONTACT NAME:</b> Annabel Korsgaard-Radutiu <b>PHONE (A/C No. Ext):</b> (925) 310-1015 <b>E-MAIL ADDRESS:</b> certrequests@ajg.com		<b>FAX (A/C, No):</b> 415 536-8499													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td><b>INSURER A:</b> Philadelphia Indemnity Insurance Company</td> <td>18058</td> </tr> <tr> <td><b>INSURER B:</b> Endurance American Specialty Ins Co</td> <td>41718</td> </tr> <tr> <td><b>INSURER C:</b> Everest Specialty Underwriters Services LLC</td> <td></td> </tr> <tr> <td><b>INSURER D:</b></td> <td></td> </tr> <tr> <td><b>INSURER E:</b></td> <td></td> </tr> <tr> <td><b>INSURER F:</b></td> <td></td> </tr> </tbody> </table>			INSURER(S) AFFORDING COVERAGE	NAIC #	<b>INSURER A:</b> Philadelphia Indemnity Insurance Company	18058	<b>INSURER B:</b> Endurance American Specialty Ins Co	41718	<b>INSURER C:</b> Everest Specialty Underwriters Services LLC		<b>INSURER D:</b>		<b>INSURER E:</b>		<b>INSURER F:</b>
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<b>INSURER E:</b>																
<b>INSURER F:</b>																

**COVERAGES** **CERTIFICATE NUMBER:** 176778359 **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  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:	Y	Y	PHPK2560390010	6/1/2024	6/1/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	<b>AUTOMOBILE LIABILITY</b> <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			PHPK2560390010	6/1/2024	6/1/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000	Y	Y	PHUB866154010 ELD30020043702	6/1/2024 6/1/2024	6/1/2025 6/1/2025	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	N/A	CC1WC00110241	12/31/2024	12/31/2025	<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
A	Employee Dishonesty			PHPK2560390010	6/1/2024	6/1/2025	Limit \$500,000

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

Additional Insured:  
 City of Elk Grove  
 its officials, employees, volunteers and agents  
 8401 Laguna Palms Way  
 Elk Grove, CA 95758

**CERTIFICATE HOLDER** **CANCELLATION**

City of Elk Grove 8401 Laguna Palms Way Elk Grove CA 95758	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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# WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

## SCHEDULE

**Name Of Person Or Organization:**

City of Elk Grove its officials, employees, volunteers and agents

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – Conditions:

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.

Supporting information regarding the details provided in the Disclosure form.

Mutual Housing California: Lawsuits	
2022	Claimant alleging habitability issues at 2384-2398 Glen Ellen Circle, CA. <b>The claim status is closed</b> and an amount of \$197,706 was paid.
2021	Claimant alleging breach of habitability at 6010 34 <sup>th</sup> Street, North Highlands, CA. <b>The claim status is closed</b> and an amount of \$38,843 was paid.



**Mutual Housing California  
Board of Directors**

**as of January 2025**

Name & Seat Type, Occupation	Address	Email Address	Years of Service
<b>Chair: Jennifer Higley-Chapman (R)</b> Paraeducator III, Davis Joint Unified School District	2444 Moore Blvd., #154 Davis, CA 95618	jhigleychapman@yahoo.com	2016 to 2018 and 2020 to Present
<b>Secretary: Tricia Stevens (CI)</b> Retired Urban Planner	1732 41st Street Sacramento, CA 95819	<a href="mailto:tricias056@gmail.com">tricias056@gmail.com</a>	2017 to Present
<b>Greg Chew (County Appointee)</b> Senior Planner, Sacramento Area Council of Governments (SACOG)	1415 L St., Ste. 300 Sacramento, CA 95814	gchew@sacog.org	2006 to Present
<b>Allison Joe (CI)</b> Senior Advisor, Office of Mayor Darrell Steinberg, City of Sacramento	2572 20th St Sacramento, CA 95818	allisonjoe@gmail.com	2018 to Present
<b>Karen Naungayan (CI)</b> Deputy Director of External Affairs CA Infrastructure & Economic Development Bank	12411 Paradise Creek Lane Fair Oaks, CA 95628	kcnaungayan@yahoo.com Emergencies: karen.naungayan@ibank.ca.gov	2022 to Present
<b>Andrea Noble (R)</b> Home Care Worker	6311 Sampson Blvd, #37 Sacramento, CA 95824	anndrya71@gmail.com	2019 to Present
<b>Elizabeth Reynaga (R)</b> Parent Volunteer	8476 W Stockton Blvd. #16 Elk Grove, CA 95758	ereynaga106@gmail.com	2018 to Present
<b>Latoiche Adams (FR)</b> Research Associate I - Kaiser Permanente	2264 El Camino Ave Sacramento, CA 95821	latoiche.l.adams@kp.org	2020 to Present
<b>Treasurer: Amber Lamason (CI)</b> Director, Affordable Housing Program Compliance FHLBank San Francisco	420 Monterey Blvd #3 San Francisco, CA 94127	alamason@gmail.com	2023 to Present
<b>Nathan Cataline (CI)</b> Director of Community Planning & Resilience, Civix	Sacramento, CA	<a href="mailto:brian.brewer@cohnreznick.com">brian.brewer@cohnreznick.com</a>	Q4 2024 to Present
<b>Brian Brewer (CI)</b> Audit Partner, CohnReznick LLP	7107 Sierra View Place Loomis, CA	<a href="mailto:brian.brewer@cohnreznick.com">brian.brewer@cohnreznick.com</a>	Q4 2024 to Present
<b>Chimmy Power (CI)</b>	7081 Canelo Hills Dr Citrus Heights, CA 95610	chimmtzpo@gmail.com // CC: Chimmy.Power@nm.com	2023 to Present
<b>Dalania Alarcon (R)</b> In-Home Support & Business Owner	New Harmony, Davis, CA	<a href="mailto:danab_1974@yahoo.com">danab_1974@yahoo.com</a>	Q4 2024 to Present
<b>Cathy Creswell (CI)</b> Affordable Housing Consultant and Advocate	1807 7th Avenue. Sacramento, CA 95818	cat.creswell@comcast.net	2015 to Present

**Note : None of the board members qualify as "interested directors"**

R - resident

FR - former resident

CI - community interest